Registered No. 05639474

"K" Line (Europe) Limited

Report and Financial Statements

31 March 2018

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Company Information

Directors
A Misaki
D Arai
B Y Ramlalsing

Secretary
B Y Ramlalsing

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Registered No. 05639474

Strategic report

The Directors present their Strategic report of "K" Line (Europe) Limited (the "Company") for the year ended 31 March 2018.

Results

The profit for the financial year amounted to £525,277 (year ended 31 March 2017 – £458,773).

Principal activities and review of the business

The principal activity of the Company during the year was that of general shipping agents for containerships and car carriers throughout Europe. The Company's key financial performance indicators during the year were as follows:

	Year ended 31 March 2018 £000	*Year ended 31 March 2017 £000*	*Change %*
Turnover	14,691	13,082	12%
Profit for the financial year	525	459	14%
Total Shareholders' funds	2,407	2,282	5%
Cash at bank and in hand	6,751	3,033	123%

Turnover is attributed to agency activities which is a cost plus margin arrangement. The turnover for the current year remained stable as well as profit for the financial year. Cash at bank and in hand has increased by 123% from the prior year and is mainly attributable to timings in the remittance of funds to related parties.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are broadly grouped as:

Competitive risks

In the UK, the Company is not subject to any major competitor risk as the main income is supported by a service fee agreement with its ultimate parent undertaking located in Japan.

Legislative risks

In the UK and Europe, the main legislative risks are EU competition law, employment law, UK Bribery Act and tax laws. These standards are subject to continuous revision; however, they are not expected to have a material impact on the ability of the Company to generate a profit.

The implication of Brexit is unclear at the moment and will be continually monitored.

Strategic report (continued)

Principal risks and uncertainties (continued)

Treasury operations and financial instruments

The Company operates a treasury function which is responsible for managing the liquidity, credit and market/price risks associated with the Company's activities.

The Company has established a risk and financial management framework whose primary objectives are to mitigate the exposure of the Company to risks that hinder the achievement of the Company's performance objectives with support from its ultimate parent company Kawasaki Kisen Kaisha Limited and its group companies. The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages its cash flow in order to maximise interest income and minimise interest expense, whilst ensuring the Company has sufficient liquid resources to meet the operating needs of the business.

Foreign currency risk

The Company has no significant exposure to foreign currency risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts where necessary. The Company does not suffer from significant bad debt expense.

By order of the Board

B Y Ramlalsing

Company Secretary

Date: 19 June 2018

Registered No. 05639474

Directors' report

The Directors present their Directors' Report and audited financial statements of "K" Line (Europe) Limited (the "Company") for the financial year ended 31 March 2018.

Directors

The Directors who served the Company during the year and as at the date of this report are as follows:
A Misaki (Appointed on 2nd October 2017)
D Arai
T Suzuki (Resigned on 30th September 2017)
B Y Ramlalsing
D Wakeling (Appointed 12th June 2017; Resigned 13th November 2017)

Dividends and financial risk management

On 31st July 2017, an amount of £400,000 was paid to "K" Line Holding (Europe) Ltd in respect of a final dividend (year ended 31 March 2017 – £3,000,000). Financial risk management disclosure is included in Strategic Report in page 3 and 4.

Future developments

The Directors aim to maintain the management policies which have resulted in the Company's growth in recent years. They consider that 2019 will show a similar pattern.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above.

The Company has adequate financial resources together with existing contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Disclosure of information to the auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Having made enquiries of fellow Directors and the Company's auditors, each Director has taken all the steps that they are obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The financial risk management disclosure has been provided in the Strategic report.

On behalf of the Board:

A Misaki

Director and Chief Executive Officer

Date: 19 June 2018

Statement of Directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Report and financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of "K" Line (Europe) Limited

Report on the audit of the financial statements

Opinion

In our opinion, "K" Line (Europe) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 March 2018 and Statement of income and retained earnings for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit; or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Independent auditors' report to the members of "K" Line (Europe) Limited

Strategic Report and Directors' Report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements
As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report
This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Timothy McAllister (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
19 June 2018

Statement of income and retained earnings

for the year ended 31 March 2018

	Note	*Year ended 31 March 2018* £	*Year ended 31 March 2017* £
Turnover	2	14,691,021	13,081,907
Administrative expenses		(13,991,450)	(12,453,244)
Operating profit	3	699,571	628,663
Interest receivable and similar income	7	5,231	8,937
Interest payable and similar expense	8	(649)	-
Profit before taxation		704,153	637,600
Tax on profit	9	(178,876)	(178,827)
Profit for the financial year		525,277	458,773
Retained earnings brought forward		2,272,202	4,813,429
Dividends paid	10	(400,000)	(3,000,000)
Retained earnings at the end of year		2,397,479	2,272,202

All amounts relate to continuing activities.

The notes on pages 11 to 21 form an integral part of these financial statements.

Balance sheet

as at 31 March 2018

	Note	*31 March 2018* £	*31 March 2017* £
Fixed assets			
Tangible assets	11	84,911	314,497
Current assets			
Debtors	12	8,895,458	10,064,644
Cash at bank and in hand		6,751,048	3,033,025
		15,646,506	13,097,669
Creditors: amounts falling due within one year	13	(13,002,275)	(10,863,715)
Net current assets		2,644,231	2,233,954
Total assets less current liabilities		2,729,142	2,548,451
Provisions for liabilities			
Other provisions	17	(321,662)	(266,248)
Net assets		2,407,480	2,282,203
Capital and reserves			
Called up share capital	14	10,001	10,001
Retained earnings		2,397,479	2,272,202
Total shareholders' funds		2,407,480	2,282,203

The notes on pages 11 to 21 form an integral part of these financial statements

The financial statements on pages 9 to 21 were approved by the Board of Directors and signed on their behalf by:

A Misaki

Director and Chief Executive Officer

Date: 19 June 2018

Notes to the financial statements

for the year ended 31 March 2018

1. Accounting policies

General Information

The Company is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The address of its registered office is 6th Floor, 200 Aldersgate Street, London, EC1A 4HD.

The principal activity of the Company continues to be general shipping agents for containerships and car carriers throughout Europe.

Statement of compliance

The financial statements of "K" Line (Europe) Limited have been prepared in compliance with the United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102") and the Companies Act 2006.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost convention.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows prepared by the ultimate parent company, includes the Company's cash flows;
ii) from providing the financial instruments disclosures set out in sections 11 and 12 of FRS 102;
iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv);
iv) from disclosing the Company key management personnel compensation in total, as required by FRS 102 paragraph 33.7.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes to the financial statements (continued)

for the year ended 31 March 2018

1. Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation commences from the point when the assets are available for use.

The cost of tangible fixed assets includes expenditure that is incurred during construction, delivery, modification and capitalised finance costs. The commencement date for capitalisation of costs occurs when the company first incurs expenditure for the qualifying assets and undertakes the required activities to prepare the assets for their intended use.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Leasehold property	–	2 – 5 years
Furniture and equipment	–	3 – 5 years

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Taxation

i) Current tax

Current tax is provided using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date on the excess of taxable income and allowable expenses.

ii) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

i) Functional and presentation currency:

The Company's functional and presentation currency is GBP.

ii) Transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

Gains and losses on exchange are dealt with in the statement of income and retained earnings.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks and bank overdrafts. Bank overdrafts, when applicable, are shown within creditors in current liabilities.

Notes to the financial statements (continued)

for the year ended 31 March 2018

1. Accounting policies (continued)

Turnover recognition

Turnover is based on the recharge of costs for services provided to group companies with a 5% mark up. Turnover is recognised on an accruals basis following the provision of the related goods or services.

Operating leases

Rental payments under operating leases are charged to the statement of income and retained earnings on a straight-line basis over the lease term.

Debtors

Debtors are stated at nominal value as reduced by the appropriate allowances for estimated irrecoverable amounts. Allowance for doubtful debts is made based on possible losses which may arise from non-collection of certain amounts.

Dividends

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Pension contributions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

Provision for liabilities

A provision is recognised when the group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. The effect of the time value of money is not material and therefore the provisions are not discounted.

Critical accounting judgements and estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The Company has critical accounting judgements in the following areas:

Leases: The Company is party to several arrangements involving the use of assets, some of which contain a lease. Accounting for lease arrangements first involves making a determination, at the inception of a lease arrangement, whether a lease is classified as an operating lease or a finance lease. A key judgement required when making the distinction in lease classification is to determine whether substantially all of the risks and rewards of ownership of the asset have passed to the Company. Where it is assessed that substantially all of the risks and rewards have transferred to the Company, a finance lease exists.

Notes to the financial statements (continued)

for the year ended 31 March 2018

2. Turnover

Turnover, which arises on continuing activities, represents the amounts receivable for services provided during the year, exclusive of VAT.

An analysis of turnover by geographical market is given below:

	Year ended 31 March 2018	*Year ended 31 March 2017*
	£	*£*
United Kingdom	900,619	888,280
Rest of the World	13,790,402	12,193,627
	14,691,021	13,081,907

3. Operating profit

This is stated after charging/(crediting):

		Year ended 31 March 2018	*Year ended 31 March 2017*
		£	*£*
Depreciation of owned fixed assets (note 11)		257,521	340,771
Operating lease rentals	– land and buildings	867,356	867,836
	– plant and machinery	92,544	50,998
Foreign exchange loss		19,753	21,382
Gain on disposal of fixed assets		(1,667)	–

4. Auditors' remuneration

	Year ended 31 March 2018	*Year ended 31 March 2017*
	£	*£*
Audit of the financial statements for the current year	15,000	15,000
	15,000	15,000

Notes to the financial statements (continued)

for the year ended 31 March 2018

5. Directors' remuneration

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Remuneration	678	525

The amounts in respect of the highest paid Director are as follows:

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Remuneration	311	401

6. Staff costs

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Wages and salaries	8,456,803	7,567,617
Social security costs	737,196	522,739
Other pension costs (note 15)	648,122	607,459
	9,842,121	8,697,815

The average monthly number of employees during the year was made up as follows:

	No.	No.
Administrative staff	162	168

Notes to the financial statements (continued)

for the year ended 31 March 2018

7. Interest receivable and similar income

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Bank interest receivable	5,231	8,937
	5,231	8,937

8. Interest payable and similar expenses

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Interest payable	649	–
	649	–

9. Tax on profit

(a) Tax on profit

The tax charge is made up as follows:

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Current tax:		
UK corporation tax on profit for the year	125,417	168,794
Group relief payable	52,159	–
Adjustments in respect of previous years	100	1,678
Total current tax	177,676	170,472
Deferred tax:		
Origination and reversal of timing differences	1,340	5,421
Effect of changes in tax rate on opening liability	(140)	4,260
Adjustments in respect of previous years	-	(1,326)
Total deferred tax (note 9(c))	1,200	8,355
Tax on ordinary activities (note 9(b))	178,876	178,827

Notes to the financial statements (continued)

for the year ended 31 March 2018

9. Tax on profit (continued)

(b) Factors affecting tax charge for the year

The tax assessed for the year is higher (2018 is higher) from the standard rate of corporation tax in the UK of 19% (year ended 31 March 2017 – 20%). The differences are explained below:

	Year ended 31 March 2018	*Year ended 31 March 2017*
	£	*£*
Profit before taxation	704,154	637,600
Profit multiplied by standard rate of corporation tax in the UK of 19% (year ended 31 March 2017 – 20%)	133,789	127,520
Effects of:		
Disallowed expenses and non taxable income	45,127	46,695
Tax rate changes	(140)	4,260
Adjustments in respect of previous years	100	352
Total tax for the year (note 9(a))	178,876	178,827

(c) Deferred tax assets:

The deferred tax asset included in the balance sheet is as follows:

	31 March 2018	*31 March 2017*
	£	*£*
Included in debtors (note 12)	80,429	81,629

	2018	*2017*
	£	*£*
Provision as at 1 April	81,629	89,984
Deferred tax charge to statement of income and retained earnings for the year (note 9(a))	(1,200)	(8,355)
Provision as at 31 March	80,429	81,629

Factors affecting current and future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 on 6 September 2016. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Notes to the financial statements (continued)

for the year ended 31 March 2018

10. Dividends

Equity dividend	*31 March 2018*	*31 March 2017*
	£	*£*
Declared and paid during the year:		
Equity dividend on ordinary shares	400,000	3,000,000

Dividends per share during current financial year was £40 (2017: £300).

11. Tangible assets

	Furniture and equipment	*Leasehold property*	*Total*
	£	*£*	*£*
Cost:			
At 1 April 2017	5,175,650	1,001,137	6,176,787
Additions	27,935	–	27,935
Disposals	(8,425)	(1,001,137)	(1,009,562)
At 31 March 2018	5,195,160	–	5,195,150
Accumulated depreciation:			
At 1 April 2017	5,016,657	845,633	5,862,290
Provided during the year	102,017	155,504	257,521
Disposals	(8,425)	(1,001,137)	(1,009,562)
At 31 March 2018	5,110,249	–	5,110,249
Net book value:			
At 31 March 2018	84,911	–	84,911
At 31 March 2017	158,993	155,504	314,497

12. Debtors

	31 March 2018	*31 March 2017*
	£	*£*
Trade debtors	7,739,630	8,840,933
Amounts owed by group undertakings	305,926	107,221
Amounts owing to related party undertakings	25,661	–
Other debtors	514,518	567,277
Deferred taxation (note 9(c))	80,429	81,629
Prepayments and accrued income	229,293	467,584
	8,895,458	10,064,644

Amounts owing from group and related party undertakings are unsecured, with no interest and no fixed repayment date.

Notes to the financial statements (continued)

for the year ended 31 March 2018

13. Creditors: amounts falling due within one year

	31 March 2018 £	*31 March 2017* £
Bank loans and overdrafts	2,162,314	–
Trade creditors	3,689,490	4,297,646
Amounts owed to group undertakings	5,886,181	5,533,423
Amounts owing to related party undertakings	–	6,917
Other taxation and social security	830,607	327,929
Other creditors	228,733	228,733
Corporation tax payable	64,287	94,956
Accruals and deferred income	139,937	374,111
	13,002,275	10,863,715

Amounts owed to group undertakings; related party undertaking and bank overdrafts are unsecured, with no interest and no fixed repayment date.

14. Share capital and other reserves

Allotted, called up and fully paid	*No.*	*31 March 2018* £	*No.*	*31 March 2017* £
Ordinary shares of £1 each	10,001	10,001	10,001	10,001

Dividends	*31 March 2018* £	*31 March 2017* £
Equity - ordinary		
Final paid £4 (2017: £30) per £1 share	400,000	3,000,000
Total	400,000	3,000,000

Notes to the financial statements (continued)

for the year ended 31 March 2018

15. Pensions

The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £648,122 (2017 – £607,459). The amount of outstanding contributions at the year-end was £nil (2017 – £nil).

16. Other financial commitments

At 31 March the Company had future minimum lease payments under non-cancellable operating leases as set out below:

		31 March 2018		*31 March 2017*
	Land and buildings	*Other*	*Land and buildings*	*Other*
	£	*£*	*£*	*£*
Operating leases which expire:				
Within one year	1,097,630	69,103	833,210	82,624
In two to five years	4,128,798	7,483	564,000	24,666
Over five years	310,895	–	310,895	–
	5,537,323	76,585	1,708,105	107,290

17. Other provisions

	£
Dilapidations provision	
1 April 2017	266,248
Movement in the year	55,414
At 31 March 2018	321,662

The dilapidations provision covers a period of 5 years from the start of the office lease; the annual charge of dilapidation is £55,414.

Notes to the financial statements (continued)

for the year ended 31 March 2018

18. Related party transactions

The Company has taken advantage of the exemption available in Section 33.1A of FRS 102 from disclosing transactions with related parties, which are 100% owned and controlled within the Kawasaki Kisen Kaisha Limited group.

During the year ended 31 March 2017 the Company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 March are as follows:

	Income from related party	*Purchases from related party*	*Amounts owed from related party*	*Amounts owed to related party*
	£	*£*	*£*	*£*
Polar LNG Shipping (UK) Limited				
2018	–	–	25,661	–
2017	–	–	–	6,917

"K" Line Holding (Europe) Limited owns 42.5% of the ordinary shares in Polar LNG Shipping (UK) Limited.

19. Ultimate parent undertaking and controlling party

The immediate parent undertaking and controlling party is "K" Line Holding (Europe) Limited, which is incorporated in the United Kingdom. The ultimate parent undertaking and controlling party is Kawasaki Kisen Kaisha Limited, which is incorporated in Japan.

The financial statements of Kawasaki Kisen Kaisha Limited, which represent the smallest and largest group in which the Company is consolidated, are available from Kawasaki Kisen Kaisha Limited, Iino Building, 1-1, Uchisaiwaicho 2-Chome, Chiyoda-ku, Tokyo 100-8540, Japan.