

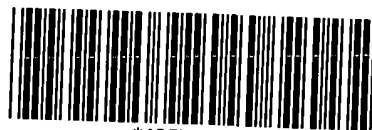
Registered number: 10851481

**Ocean Network Express (United
Kingdom Holdings) Ltd.**

Annual Report and Financial Statements

For the year ended 31 March 2022

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Ocean Network Express (United Kingdom Holdings) Ltd

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Ocean Network Express (United Kingdom Holdings) Ltd

Officers and professional advisers

Directors

Mr D Wakeling
Mr S Smulders
Mr S Mizukami
Mr T Chihara
Mr Y Iwai

Company secretary

Mr M A Harris

Registered office

6th Floor
20 Churchill Place
London
United Kingdom

Auditor

Deloitte LLP
1 New Street Square
London
United Kingdom

Banker

HSBC Bank Plc
8 Canada Square
London
United Kingdom

Ocean Network Express (United Kingdom Holdings) Ltd

Strategic report (continued)

Strategic report

The directors present their Strategic report on the affairs of the company together with the financial statements and auditor's report for the year ended 31 March 2022.

Principal activities

Ocean Network Express (United Kingdom Holdings) Ltd is a holding company for investment in Ocean Network Express (North America) Inc., a subsidiary engaged in container shipping and group administration activities in the United States and Canada.

Review of the business and future developments

The company made a profit after taxation of \$9,220,392 (2021: \$5,285,046). This is attributable to dividend income received from its subsidiary during the period.

Net assets as at year end amounted to \$31,059,816 (2021: \$30,999,424), including cash at bank of \$92,450 (2021: \$42,032).

The future prospects of the company will be dependent on the business performance and expansion of the subsidiary.

Key performance indicators

There is no key performance indicators monitor by the company as it is an investment holding company with no business operations.

Section 172(1) Statement

Overview and approach

Ocean Network Express (United Kingdom Holdings) Ltd operates on behalf of its parent, Ocean Network Express Pte. Ltd., as an investment holding company. The ultimate parent company is Ocean Network Express Holdings, Ltd., jointly formed by three companies - Nippon Yusen Kabushiki Kaisha (NYKK), Mitsui O.S.K. Lines (MOL) and Kawasaki Kisen Kaisha Ltd ("K" Line).

The company follows the group's policies, procedures and governance arrangements in ensuring that the key stakeholders' needs are considered in the decision-making process. Further information about the group's policies, procedures and governance framework, can be obtained from its website: <https://www.one-line.com/en>.

In performing their duties under section 172, the directors of Ocean Network Express (United Kingdom Holdings) Ltd have had regard to the matters set out in section 172(1). The principal activity of the company is to hold an investment in its subsidiary. It has no employees, it doesn't have business operations, suppliers or customers, and there are no likely consequences of any decision in the long term. *The need to act fairly as between members of the company*

As a wholly owned subsidiary of Ocean Network Express Holdings, Ltd, there are no circumstance in which the needs or desires of different members of Ocean Network Express (United Kingdom Holdings) Ltd are in conflict. The secondment to Ocean Network Express (Europe) Ltd of a number of executives from other group companies helps facilitate the communication between group companies, ensuring that the company acts in accordance with the group's policies. In addition, the board of directors oversee the operation and ensures the company acts in accordance with the interest of the shareholders.

Principal risks and uncertainties

The main source of the company's income is distributions from the subsidiary. There are no risks to the company as it doesn't trade and has no ongoing commitments. The subsidiary's business is exposed to business risks such as liquidity and credit risks. These risks may result in a lower performance level of the subsidiary, which would ultimately lead to decrease of the company's earnings.

The directors review the risks and returns of the subsidiary by regularly monitoring the performance and market conditions.

Ocean Network Express (United Kingdom Holdings) Ltd

Strategic report (continued)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company and Ocean Network Express group of companies has access to bank funding as well as shareholder funding from the ultimate parent company, the extent of which is deemed sufficient for the purposes of the company.

Credit risk

The group predominantly provides services to its parent, Ocean Network Express Pte. Ltd.. Therefore, the company's exposure to third party credit risk is limited.

Approved by the Board and signed on its behalf by:



Mr Toru Chihara
Secretary

Date: 14 October 2022

6th Floor, 20 Churchill Place, London, England, E14 5GY

Ocean Network Express (United Kingdom Holdings) Ltd

Directors' report (continued)

The directors present their report on the affairs of the company, together with the audited financial statements and auditor's report, for the year ended 31 March 2022.

Directors

The directors, who served throughout the year and to the date of this report were as follows:

Mr D Wakeling
Mr S Smulders
Mr Y Kurimoto – resigned 31 August 2022
Mr S Mizukami
Mr T Chihara
Mr Y Iwai – appointed 1 September 2022

Dividends

The directors declared interim dividends of \$9,160,000 (2021: \$5,280,000) to the parent company Ocean Network Express Pte. Ltd., of which \$5,460,000 was paid in November 2021 and \$3,700,000 was paid in March 2022. An interim dividend of \$4,780,000 is declared and paid in September 2022.

Financial risk management objectives and policies

Details of the company's financial risk management objectives and policies can be found within the strategic report and form part of this report by cross-reference.

Future development

Future developments are discussed in the strategic report under the heading "Review of the business and future developments".

Events after the balance sheet date

Details of significant events since the balance sheet date are contained in note 9 to the financial statements.

Going concern

The directors have prepared the financial statements on the going concern basis. Further detail regarding the going concern basis is discussed in note 1 to the financial statements.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees. There are no employees during the year.

Engagement with employees, supplier, customers and others

The company doesn't have employees, customers, and supplier as it doesn't have business operations. For details refer to page 3, section 172(1) statement.

Streamlined Energy and Carbon Report (SECR)

The Company is exempt from making energy and carbon disclosures in its directors' report because the Company and its subsidiary undertakings are exempt from reporting on energy and carbon.

Ocean Network Express (United Kingdom Holdings) Ltd

Directors' report (continued)

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP were appointed as auditor of the company and they have expressed their willingness to continue in office as auditor and a resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting

Approval

Approved by the Board and signed on its behalf by:

Handwritten signature in black ink, consisting of three characters: 千 (Chi), 原 (hara), and 徹 (Toku).

Mr Toru Chihara

Secretary

Date: 14 October 2022

6th Floor 20 Churchill Place, London, England, E14 5GY

Ocean Network Express (United Kingdom Holdings) Ltd

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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. They 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 auditor's report to the members of Ocean Network Express (United Kingdom Holdings) Ltd

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Ocean Network Express (United Kingdom Holdings) Ltd. (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 10.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditor's report to the members of Ocean Network Express (United Kingdom Holdings) Ltd (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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 auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

Independent auditor's report to the members of Ocean Network Express (United Kingdom Holdings) Ltd (continued)

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house/external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Independent auditor's report to the members of Ocean Network Express (United Kingdom Holdings) Ltd (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ivan Boonzaaier FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
14 October 2022

Ocean Network Express (United Kingdom Holdings) Ltd

Statement of comprehensive income **For the year ended 31 March 2022**

	Note	2022 \$	2021 \$
Dividend income		9,745,000	5,600,000
Administrative expenses		(37,299)	(33,687)
Other losses		(59)	(1,267)
Operating profit		<u>9,707,642</u>	<u>5,565,046</u>
Profit before taxation	3	9,707,642	5,565,046
Income tax	4	<u>(487,250)</u>	<u>(280,000)</u>
Profit for the financial year and total comprehensive income		<u><u>9,220,392</u></u>	<u><u>5,285,046</u></u>

Operating profit is derived from continuing operations.

The company has no comprehensive income or losses other than those included in the results above, and therefore no separate statement of total comprehensive income and losses has been presented.

Ocean Network Express (United Kingdom Holdings) Ltd

Balance sheet

As at 31 March 2022

	Note	2022 \$	2021 \$
Fixed assets			
Investments	5	31,000,000	31,000,000
Current assets			
Debtors		13,838	5,981
Cash at bank and in hand		92,450	42,032
		106,288	48,013
Creditors: Amounts falling due within one year	6	(46,472)	(48,589)
Net current assets/(liabilities)		59,816	(576)
Total assets less current liabilities		31,059,816	30,999,424
Net assets		31,059,816	30,999,424
Capital and reserves			
Called up share capital	7	31,010,000	31,010,000
Profit and loss account		49,816	(10,576)
		31,059,816	30,999,424

The financial statements of Ocean Network Express (United Kingdom Holdings) Ltd (registered number 10851481) were approved by the board of directors and authorised for issue on 14 October 2022. They were signed on its behalf by:

千原 徹

Director

Mr Toru Chihara

Ocean Network Express (United Kingdom Holdings) Ltd

Statement of changes in equity

For the period ended 31 March 2022

	Note	Called-up share capital \$	Profit and loss account \$	Total \$
Balance at 1 April 2020		31,010,000	(15,622)	30,994,378
Profit for the year and total comprehensive income		-	5,285,046	5,285,046
Dividend paid	8	-	(5,280,000)	(5,280,000)
Balance at 31 March 2021		31,010,000	(10,576)	30,999,424
Profit for the year and total comprehensive income		-	9,220,392	9,220,392
Dividend paid	8	-	(9,160,000)	(9,160,000)
Balance at 31 March 2022		31,010,000	49,816	31,059,816

Ocean Network Express (United Kingdom Holdings) Ltd

Notes to the financial statements

For the period ended 31 March 2022

1. Accounting policies

General information

Ocean Network Express (United Kingdom Holdings) Ltd (the Company) is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is 6th Floor, 20 Churchill Place, London, England, E14 5GY.

The company is a holding company and holds shares in a group entity, Ocean Network Express (North America) Inc., incorporated in the United States of America.

These financial statements are presented in US dollars because that is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group accounts of Ocean Network Express Holdings, Ltd. The group accounts of Ocean Network Express Holdings, Ltd. are available at W bld. 11F-13F, 1-8-15, Konan, Minato-ku, Tokyo, 108-0075, Japan.

Amendments to IFRS Standards and new Interpretations that are mandatorily effective for the current year

Impact of initial application of other amendments to IFRS Standards and Interpretations

In the current year, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2022. These amendments have not had any material impact on the disclosures or on the amounts reported in these financial statements.

Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash flow statement, financial instruments, capital management, remuneration of key management personnel, standards not yet effective and related party transactions.

The financial statements have been prepared under the historical cost convention.

Ocean Network Express (United Kingdom Holdings) Ltd

Notes to the financial statements (continued)

For the period ended 31 March 2022

1. Accounting policies (continued)

Going concern

The company was in a net current assets position as at 31 March 2022. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company retained \$92,000 of cash from an interim dividend received from its subsidiary and dividend declared to its parent as at March 2022, which is forecast to be adequate to meet the company's low level of committed expenditure.

The directors have reviewed current performance and forecasts, including specific consideration of the potential risks associated with the impact of the Covid-19 pandemic and taking into account a written letter of support obtained from its parent company and the parent's ability to provide this support if required.

They have a reasonable expectation that the company has adequate resources to continue its operations for a period of at least 12 months from the date of approval of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

Dividend

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that the economic benefits will flow to the Company and the amount of revenue can be measured reliably). Dividend payment is recognised when it is declared and paid.

Foreign currencies

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable. Debt instruments that are repayable or receivable within one year, typically trade payables and receivables, are measured, initially and subsequently, at the discounted amount of cash or other consideration expected to be paid or received.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

All financial assets are classified as amortised cost. The classification depends on the business model and contractual cash flow characteristics and is determined at the time of initial recognition.

Financial assets at amortised cost

Financial assets that have cash flows which are solely payments of principal and interest are measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit and loss for expected credit losses or when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate.

Ocean Network Express (United Kingdom Holdings) Ltd

Notes to the financial statements (continued)

For the period ended 31 March 2022

1. Accounting policies (continued)

Financial liabilities

Financial liabilities are measured at amortised cost, using the effective interest rate method.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Ocean Network Express (United Kingdom Holdings) Ltd

Notes to the financial statements (continued)

For the period ended 31 March 2022

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no critical accounting judgements that would have a significant effect on the amounts recognised in the company financial statements or key sources of estimation uncertainty at the balance sheet date that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Profit before taxation

The profit before taxation is stated after charging

	2022	2021
	\$	\$
Fees payable to the company's auditor for the audit of the company's financial statements	37,169	33,687

There were no fees payable (2021: nil) to the auditor Deloitte LLP and their associates for non-audit services to the Company.

The company has had no employees other than the directors in either year. The directors did not receive any emoluments from the Company in either year

4. Income tax

Factors affecting current tax charge

	2022	2021
	\$	\$
Profit before taxation	9,707,642	5,565,046
Profit before taxation multiplied by the standard rate of corporation tax in the UK at 19% (2021: 19%)	1,844,452	1,057,359
Effects of:		
Tax effect of income not taxable	(1,844,452)	(1,057,359)
Withholding tax paid	487,250	280,000
Tax expense for the year	487,250	280,000

Ocean Network Express (United Kingdom Holdings) Ltd

Notes to the financial statements (continued)

For the period ended 31 March 2022

4. Income tax (continued)

At the balance sheet date, the company has no unused tax losses (2021: nil) for which no deferred tax asset has been recognised on the basis that it is insufficiently certain that suitable future taxable profits will arise against which this asset may be utilised. In the Finance Bill 2021, the UK government has announced that the main rate of UK corporation tax will increase from 19% to 25% from 1 April 2023. This bill was enacted in May 2021.

However, in the September 2022 Mini Budget it was announced that the increase to 25% would now not occur and the Corporation Tax Rate would instead be held at 19%. This rate had not been substantively enacted at the balance sheet date, and the statutory tax rate of 19% has been applied. The company has not recognised any deferred tax balance and accordingly there is no anticipated impact.

5. Investments

Cost and net book value	2022	2021
	\$	\$
Cost		
At 31 March	31,000,000	31,000,000
	<u>31,000,000</u>	<u>31,000,000</u>
Provisions for impairment		
At 31 March	-	-
	<u>-</u>	<u>-</u>
Carrying value	<u>31,000,000</u>	<u>31,000,000</u>

The Company has investments in the following subsidiary undertakings.

Subsidiary undertakings	Registered office address	Principal activity	Holding	%
Ocean Network Express (North America) Inc.	8730 Stony Point Parkway, Richmond, VA 23235, United States	Regional headquarters	Ordinary share	100

Ocean Network Express (North America) Inc. made a profit of \$6,604,773 for the year ended 31 March 2022 and its aggregate capital and reserves at 31 March 2022 amounted to \$35,283,819.

6. Creditors

	2022	2021
	\$	\$
Amounts falling due within one year:		
Accruals	46,472	48,589
	<u>46,472</u>	<u>48,589</u>
Total	<u>46,472</u>	<u>48,589</u>

Ocean Network Express (United Kingdom Holdings) Ltd

Notes to the financial statements (continued)

For the period ended 31 March 2022

7. Called up share capital

	2022 \$	2021 \$
Authorised:		
31,010,000 ordinary shares of \$1 each	<u>31,010,000</u>	<u>31,010,000</u>
Issued and fully paid:		
31,010,000 ordinary shares of \$1 each	<u>31,010,000</u>	<u>31,010,000</u>

The Company has one class of ordinary shares which carry no right to fixed income.

8. Dividend on equity shares

	2022 \$	2021 \$
Amount recognised as distribution to equity holder in the year:		
Interim dividend for the year ended 31 March 2022 of \$0.2954 per ordinary share (2021: \$0.1703)	<u>9,160,000</u>	<u>5,280,000</u>

9. Events after the balance sheet date

The company received an interim dividend of \$5,074,836 from its subsidiary Ocean Network Express (North America) Inc. in September 2022.

The company declared and paid an interim dividend of \$4,780,000 to the parent company Ocean Network Express Pte. Ltd. in September 2022.

10. Controlling party

The immediate parent company is Ocean Network Express Pte. Ltd., a company incorporated in Singapore. The ultimate parent company and controlling party is Ocean Network Express Holdings, Ltd., a company incorporated in Japan which is the smallest and largest entity that prepares consolidated financial statements in which the company is included. The group financial statements for Ocean Network Express Holdings, Ltd. are available from its registered office, W bld. 11F-13F, 1-8-15, Konan, Minato-ku, Tokyo, 108-0075, Japan.