

Hitachi Zosen Europe Limited
Annual report and financial statements
for the year ended 31 December 2016

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Hitachi Zosen Europe Limited

Annual report and financial statements for the year ended 31 December 2016

Content	Page
Directors and advisers for the year ended 31 December 2016	1
Directors' report for the year ended 31 December 2016	2
Independent auditors' report to the members of Hitachi Zosen Europe Limited	4
Profit and loss account for the year ended 31 December 2016	6
Balance sheet as at 31 December 2016	7
Statement of changes in equity for the year ended 31 December 2016	8
Notes to the financial statements for the year ended 31 December 2016	9

Hitachi Zosen Europe Limited

Directors and advisers for the year ended 31 December 2016

Directors

T Shiraki

H Ikeda (Managing Director)

K Kubota

Company secretary

K Kubota

Registered office

Fifth Floor

107 Cannon Street

London

EC4N 5AF

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

1 Embankment Place

London

WC2N 6RH

Hitachi Zosen Europe Limited

Directors' report for the year ended 31 December 2016

The directors present their report and audited financial statements for the year ended 31 December 2016. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Future developments

The Company is expecting to have no significant changes in their activities in comparison with 2016.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

T Shiraki	
H Ikeda	(Managing Director, appointed 1 Mar 2016))
M Hayasaki	(Managing Director, resigned 1 Mar 2016)
K Kubota	

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the 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.

Hitachi Zosen Europe Limited

Directors' report for the year ended 31 December 2016 (continued)

Disclosure of information to auditors

In accordance with Section 418 of the Companies Act 2006, the directors confirm, in the case of each director in office at the date the directors' report is approved, that:

- (a) so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) he has taken all the necessary steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board



H Ikeda
Director

Date: 27 March 2017

Hitachi Zosen Europe Limited

Independent auditors' report to the members of Hitachi Zosen Europe Limited

Report on the financial statements

Our opinion

In our opinion, Hitachi Zosen Europe Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Annual report (the "Annual Report"), comprise:

- the Balance sheet as at 31 December 2016;
- the Profit and loss account for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the Notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Hitachi Zosen Europe Limited

Independent auditors' report to the members of Hitachi Zosen Europe Limited (continued)

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' report, we consider whether those reports include the disclosures required by applicable legal requirements.



Peter Acloque (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
27 March 2017

Hitachi Zosen Europe Limited

Profit and loss account for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	4	1,347,887	1,279,166
Gross profit		1,347,887	1,279,166
Administrative expenses		(1,290,152)	(1,220,042)
Operating profit	5	57,735	59,124
Interest receivable and similar income	7	3,730	3,688
Interest payable and similar charges	7	(520)	(503)
Net interest income	7	3,210	3,185
Profit on ordinary activities before taxation		60,945	62,309
Tax on profit on ordinary activities	8	(15,999)	(17,761)
Profit for the financial year		44,946	44,548
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		44,946	44,548

All turnover and operating profits were derived from continuing operating activities.

There is no difference between the profit for the financial year stated and the total comprehensive income for the year stated above.

The notes on pages 9 to 22 are an integral part of these financial statements.

Hitachi Zosen Europe Limited

Balance sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	9	33,193	39,508
Current assets			
Debtors	10	352,700	415,319
Cash at bank and in hand		1,009,096	943,141
		1,361,796	1,358,460
Creditors: amounts falling due within one year	11	(182,190)	(230,627)
Net current assets		1,179,606	1,127,833
Total assets less current liabilities		1,212,799	1,167,341
Provisions for liabilities	13	(29,413)	(28,901)
Net assets		1,183,386	1,138,440
Capital and reserves			
Called up share capital	15	500,000	500,000
Retained earnings		683,386	638,440
Total shareholders' funds		1,183,386	1,138,440

The notes on pages 9 to 22 are an integral part of these financial statements.

The financial statements on pages 6 to 22 were authorised for issue by the board of directors on the date shown below and were signed of its behalf by:



H Ikeda
Director
Hitachi Zosen Europe Limited
Registered number: 2573327
Date: 27 March 2017

Hitachi Zosen Europe Limited

Statement of changes in equity for the year ended 31 December 2016

	Called up share capital	Retained earnings	Total shareholders' fund
	£	£	£
Balance as at 1 January 2015	500,000	593,892	1,093,892
Profit for the financial year	-	44,548	44,548
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	44,548	44,548
Balance as at 31 December 2015	500,000	638,440	1,138,440
Profit for the financial year	-	44,946	44,946
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	44,946	44,946
Balance as at 31 December 2016	500,000	683,386	1,183,386

The notes on pages 9 to 22 are an integral part of these financial statements.

Hitachi Zosen Europe Limited

Notes to the financial statements for the year ended 31 December 2016

1 General Information

Hitachi Zosen Europe Limited (the "Company") acts as a liaison function for Hitachi Zosen Corporation and its group companies in the sales and procurement for the business of environmental systems, industrial plants, water treatment system, industrial machinery, process equipment, infrastructure-related equipment, disaster prevention systems and precision machinery throughout Europe, the Middle East and African countries.

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Fifth Floor, 107 Cannon Street, London EC4N 5AF.

2 Statement of compliance

The individual financial statements of Hitachi Zosen Europe Limited have been prepared in compliance with 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.

3 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. The Company has adopted FRS 102 in these financial statements.

(a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

(b) Exemptions for qualifying entities under FRS 102

On the basis that the Company is a qualifying entity, the Company has taken advantage of the following exemptions.

- A reconciliation of the number of shares outstanding at the beginning and at the end of the period as specified under FRS 102 paragraph 1.12(a)
- A statement of cash flows, as its ultimate parent company, Hitachi Zosen Corporation, includes the Company's cash flows in its own consolidated financial statements as specified under FRS 102 paragraph 1.12(b)
- A disclosure of key management personnel compensation in total as specified under FRS 102 paragraph 1.12(e)

(c) Foreign currency

(i) Functional and presentation currency

The Company's functional and presentation currency is the pound sterling.

Hitachi Zosen Europe Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

3 Summary of significant accounting policies (continued)

(c) Foreign currency (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of value added tax.

Turnover represents liaison service fees. Liaison service fees comprise the agency fees from Hitachi Zosen Corporation for assisting in the sales and procurement for the business of environmental systems, industrial plants, water treatment system, industrial machinery, process equipment, infrastructure-related equipment, disaster prevention systems and precision machinery throughout Europe, the Middle East and African countries.

(e) Employee Benefits

The Company provides benefits to employees, including paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The Company has a money purchase pension scheme, which was established on 1 January 1999 to cover all eligible UK employees. The assets of the scheme are held separately from those of the Company, in an independently administered fund. Under a defined contribution scheme, benefits depend on the contribution levels and the emerging investment performance.

(f) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Hitachi Zosen Europe Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

3 Summary of significant accounting policies (continued)

(f) Taxation (continued)

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

(g) Tangible assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs. Repairs, maintenance and minor inspection costs are expensed as incurred.

Depreciation on tangible assets is calculated, using the straight-line method, to allocate the cost to their residual values over their estimated useful lives, as follows:

Leasehold improvements	10 Years
Fixtures and fittings	8 Years
Equipment	3 - 5 Years

Tangible assets are derecognised on disposal or when no future economic benefits are expected.

(h) Leased assets

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangements is, or contains, a lease based on the substance of the arrangement.

(i) Operating leased assets

Leases that do not transfer all risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Hitachi Zosen Europe Limited

Notes to the financial statements

for the year ended 31 December 2016 (continued)

3 Summary of significant accounting policies (continued)

(h) Leased assets (continued)

(ii) Lease incentives

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

(j) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

(k) Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are recognised at transaction price.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, are recognised at transaction price.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

(l) Share capital

Ordinary share are classified as equity.

(m) Distributions to equity holders

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the statement of changes in equity.

Hitachi Zosen Europe Limited

Notes to the financial statements

for the year ended 31 December 2016 (continued)

3 Summary of significant accounting policies (continued)

(n) Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

(o) Critical accounting judgements and key source of estimation of uncertainty

There are no critical accounting estimates or judgements made in the process of applying the company's accounting policies that would have a material effect in the statutory financial statements.

4 Turnover

Analysis of turnover by geography:

	2016	2015
	£	£
Japan	1,347,887	1,279,166
Total	1,347,887	1,279,166

Analysis of turnover by category:

	2016	2015
	£	£
Liaison fee	1,347,887	1,279,166
Total	1,347,887	1,279,166

Hitachi Zosen Europe Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

5 Operating profit

Operating profit is stated after charging:

	2016 £	2015 £
Wages and salaries	823,092	693,756
Social security costs	15,124	15,192
Other pension costs (note 12)	9,776	9,483
Staff costs	847,992	718,431
Foreign exchange losses	5,379	1,788
Depreciation of tangible fixed assets:		
- Owned	7,204	6,598
Auditors' remuneration in respect of:		
- Audit fees payable to the Company's auditors	13,627	17,226
- Fees payable to the company's auditors and its associates for other services:		
Taxation services	9,000	12,150
Immigration services	3,500	6,244
Operating lease charges		
- Land and buildings	92,452	92,199

Hitachi Zosen Europe Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

6 Employees and directors

Employees

The average monthly number of persons (including executive directors) employed by the Company during the year was:

	2016 Number	2015 Number
Management and administration	8	8

Directors

The directors' emoluments, including amounts paid by the parent company, Hitachi Zosen Corporation, were as follows:

	2016 £	2015 £
Aggregate emoluments in respect of qualifying services as directors	484,702	313,616

Directors' emoluments disclosed above include £172,232 (2015: £68,263) which was paid by the parent company, Hitachi Zosen Corporation.

Highest paid director

The highest paid director's emoluments were as follows:

	2016 £	2015 £
Aggregate emoluments in respect of qualifying services as directors	254,905	161,768

Directors accrued retirement benefits under a defined contribution scheme managed by the parent company, Hitachi Zosen Corporation in Japan. Hitachi Zosen Europe Limited was not recharged for the contributions made by the parent company.

The above does not include the emoluments of certain director's resident outside the UK, all of whose emoluments are remunerated directly from other group companies. These directors are directors of a number of group companies and it is not possible to estimate the value of their services as directors of the Company.

Hitachi Zosen Europe Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

7 Net interest income

(a) Interest receivable and similar income

	2016	2015
	£	£
Interest on short term deposits	3,666	3,688
Interest on short term employee loan	51	-
Interest on overpayment of corporate tax	13	-
Total interest receivable and similar income	3,730	3,688

(b) Interest payable and similar charges

	2016	2015
	£	£
Finance charge on provisions	(512)	(503)
Interest on underpayment of corporate tax	(8)	-
Total interest payable and similar charges	(520)	(503)

(c) Net interest income

	2016	2015
	£	£
Interest receivable and similar income	3,730	3,688
Interest payable and similar charges	(520)	(503)
Net interest income	3,210	3,185

Hitachi Zosen Europe Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

8 Tax on profit on ordinary activities

(a) Tax expense included in profit or loss

	2016	2015
	£	£
Current tax:		
- UK corporation tax on profit of the year 20% (2015: 20.25%)	15,760	13,280
- Adjustments in respect of prior years	148	1,638
Total current tax	15,908	14,918
Deferred tax:		
- Depreciation in excess of capital allowance	44	2,897
- Adjustments in respect of prior years	42	(47)
- Impact of tax rate change	5	(7)
Total deferred tax	91	2,843
Tax on profit on ordinary activities	15,999	17,761

(b) Reconciliation of tax charge

Tax assessed for the year is higher (2015: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2016 of 20% (2015: 20.25%). The differences are explained below:

	2016	2015
	£	£
Profit on ordinary activities before taxation	60,945	62,309
Profit multiplied by standard rate of tax in the UK of 20% (2015: 20.25%)	12,189	12,618
Effects of:		
- Expenses not deductible for tax purposes	3,615	3,559
- Adjustments in respect of prior years	190	1,591
- Impact of tax rate change	5	(7)
Tax charge for the year	15,999	17,761

Hitachi Zosen Europe Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

8 Tax on profit on ordinary activities (continued)

(c) Tax rate changes

During the year, as a result of the changes in the UK corporation tax rate to 19% from 1 April 2017 and to 17% from 1 April 2020, which were substantially enacted on 15 September 2016, the relevant deferred tax balances have been re-measured.

(d) Deferred tax

Deferred tax relates to:

	2016	2015
	£	£
Accelerated capital allowances	159	250
Deferred tax assets	159	250

The movement in deferred tax balances during the year is as follows:

	£
Deferred tax assets at 1 January 2016	250
Adjustments in respect of prior years	(42)
Deferred tax charge in profit and loss account for the year	(49)
Deferred tax assets at 31 December 2016 (note 10)	159

The deferred tax assets provided are calculated on the liability method at a rate of 17% (2015: 18%) as follows:

	2016	2015
	Provided	Provided
	£	£
Capital allowances over depreciation	159	250
Deferred tax assets	159	250

Hitachi Zosen Europe Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

9 Tangible assets

	Leasehold improvements	Equipment	Fixtures and fittings	Total
	£	£	£	£
As at 31 December 2015				
Cost	110,328	34,769	14,930	160,027
Accumulated depreciation	(85,043)	(20,546)	(14,930)	(120,519)
Net book amount	25,285	14,223	-	39,508
Year ended 31 December 2016				
Opening net book amount	25,285	14,223	-	39,508
Additions	-	1,959	-	1,959
Disposals	-	(1,070)	-	(1,070)
Depreciation	(2,836)	(4,368)	-	(7,204)
Closing net book amount	22,449	10,744	-	33,193
As at 31 December 2016				
Cost	110,328	35,560	14,930	160,818
Accumulated depreciation	(87,879)	(24,816)	(14,930)	(127,625)
Net book amount	22,449	10,744	-	33,193

Hitachi Zosen Europe Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

10 Debtors

	2016	2015
	£	£
Amounts owed by group undertakings	272,087	364,371
Other receivables	12,040	12,588
Other taxation and social security	51,868	6,965
Deferred taxation (note 8)	159	250
Prepayments and accrued income	16,546	31,145
Total	352,700	415,319

Amounts owed by group undertakings are unsecured, interest free, and have no fixed date of repayment and are repayable on demand.

11 Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	19,845	4,563
Amounts owed to group undertakings	79,021	136,429
Corporation tax	6,560	3,680
Other taxation and social security	37,940	25,246
Accruals and deferred income	38,824	60,709
Total	182,190	230,627

12 Post-employment benefits

The Company provides a defined contribution scheme for all its eligible UK employees.

The amount recognised as an expense for the defined contribution scheme was:

	2016	2015
	£	£
Current year contributions	9,776	9,483

Hitachi Zosen Europe Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

13 Provisions for liabilities

The Company had the following provisions during the year:

Dilapidation provision	£
As at 1 January 2016	28,901
Charged to the profit and loss account	512
As at 31 December 2016	29,413

The Company entered into an office lease agreement on 3 December 2014 for a lease term of 10 years which obliges the Company to restore the office to its original condition at the end of the lease period. It is expected that the majority of this provision will be incurred at end of the lease period, unless the office lease agreement is renewed for another lease period.

14 Financial instruments

The Company has the following financial instruments:

		2016	2015
	Note	£	£
Financial assets that are debt instruments measured at amortised cost			
- Amounts owed by group undertakings	10	272,087	364,371
- Other receivables	10	12,040	12,588
		284,127	376,959
Financial liabilities measured at amortised cost			
- Trade creditors	11	19,845	4,563
- Amounts owed to group undertakings	11	79,021	136,429
		98,866	140,992

Hitachi Zosen Europe Limited

Notes to the financial statements for the year ended 31 December 2016 (continued)

15 Called up share capital

Ordinary shares of £1 each	2016	2015
	Number	Number
Authorised share capital	1,000,000	1,000,000
Issued and fully paid	500,000	500,000

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

16 Capital and other commitments

At 31 December, the Company had the following future minimum lease payments under non-cancellable operating leases for land and buildings expiring as follows:

	2016	2015
	£	£
Payments due		
Within one year	102,500	102,500
Within two to five years	175,443	277,943
Total	277,943	380,443

The Company had no other off-balance sheet arrangements.

17 Controlling parties

The immediate and ultimate parent undertaking and controlling party is Hitachi Zosen Corporation, incorporated in Japan, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Hitachi Zosen Corporation consolidated financial statements can be obtained from:

Hitachi Zosen Corporation
7-89 Nanko-kita 1 chome
Suminoe-ku
Osaka 559-8559,
Japan