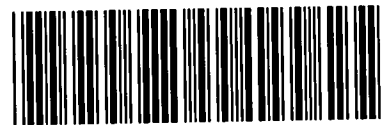


Hitachi Zosen Europe Limited
Annual report and financial statements
for the year ended 31 December 2018

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Hitachi Zosen Europe Limited

Annual report and financial statements for the year ended 31 December 2018

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Hitachi Zosen Europe Limited

Directors and advisers for the year ended 31 December 2018

Directors

T Kawatsu

H Ikeda (Managing Director)

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 2018

The directors present their report and audited financial statements for the year ended 31 December 2018. 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 2017.

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:

M Kuwahara	(resigned 1 Apr 2018)
T Kawatsu	(appointed 1 Apr 2018)
H Ikeda	(Managing Director)
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 2018 (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: 01.04.2019

Hitachi Zosen Europe Limited

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

Report on the audit of the financial statements

Opinion

In our opinion, Hitachi Zosen Europe Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 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 Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2018; the Profit and loss account, the Statement of changes in equity 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

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.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Hitachi Zosen Europe Limited

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

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 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.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 December 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 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 2, 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.

Hitachi Zosen Europe Limited

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

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.

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.



Peter Acloque (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
1 April 2019

Hitachi Zosen Europe Limited

Profit and loss account for the year ended 31 December 2018

	Note	2018 £	2017 £
Turnover	4	1,169,670	1,265,584
Gross profit		1,169,670	1,265,584
Administrative expenses		(1,114,044)	(1,205,800)
Operating profit	5	55,626	59,784
Interest receivable and similar income	7	5,511	2,902
Interest payable and similar expenses	7	(530)	(521)
Net interest income	7	4,981	2,381
Profit before taxation		60,607	62,165
Tax on profit	8	(6,560)	(15,303)
Profit for the financial year		54,047	46,862
Other comprehensive income for the year		-	-
Total comprehensive income for the year		54,047	46,862

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 10 to 25 are an integral part of these financial statements.

Hitachi Zosen Europe Limited

Balance sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	9	19,422	26,308
Current assets			
Debtors	10	156,386	165,669
Cash at bank and in hand		1,306,525	1,212,630
		1,462,911	1,378,299
Creditors: amounts falling due within one year	11	(167,575)	(144,425)
Net current assets		1,295,336	1,233,874
Total assets less current liabilities		1,314,758	1,260,182
Provisions for liabilities	13	(30,463)	(29,934)
Net assets		1,284,295	1,230,248
Capital and reserves			
Called up share capital	15	500,000	500,000
Retained earnings		784,295	730,248
Total shareholders' funds		1,284,295	1,230,248

The notes on pages 10 to 25 are an integral part of these financial statements.

The financial statements on pages 7 to 25 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: 01.04.2019

Hitachi Zosen Europe Limited

Statement of changes in equity for the year ended 31 December 2018

	Called up share capital	Retained earnings	Total shareholders' fund
	£	£	£
Balance as at 1 January 2017	500,000	683,386	1,183,386
Profit for the financial year	-	46,862	46,862
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	46,862	46,862
Balance as at 31 December 2017	500,000	730,248	1,230,248
Profit for the financial year	-	54,047	54,047
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	54,047	54,047
Balance as at 31 December 2018	500,000	784,295	1,284,295

The notes on pages 10 to 25 are an integral part of these financial statements.

Hitachi Zosen Europe Limited

Notes to the financial statements for the year ended 31 December 2018

1 General Information

Hitachi Zosen Europe Limited (the "Company") act 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 the United Kingdom. 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.

(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 2018 (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 2018 (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 2018 (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 2018 (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.

4 Turnover

Analysis of turnover by geography:

	2018	2017
	£	£
Japan	1,169,670	1,265,584
Total	1,169,670	1,265,584

Analysis of turnover by category:

	2018	2017
	£	£
Liaison fee	1,169,670	1,265,584
Total	1,169,670	1,265,584

Hitachi Zosen Europe Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

5 Operating profit

Operating profit is stated after charging:

	2018 £	2017 £
Wages and salaries	743,596	778,678
Social security costs	15,858	15,626
Other pension costs (note 12)	10,163	9,908
Staff costs	769,617	804,212
Foreign exchange losses	73	482
Depreciation of tangible fixed assets:		
- Owned	6,886	6,885
Auditors' remuneration in respect of:		
- Audit fees payable to the Company's auditors	15,420	14,000
- Fees payable to the company's auditors and their associates for other services:		
Taxation services	3,500	8,750
Operating lease charges		
- Land and buildings	92,199	92,199

Hitachi Zosen Europe Limited

Notes to the financial statements

for the year ended 31 December 2018 (continued)

6 Employees and directors

Employees

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

	2018 Number	2017 Number
Management and administration	7	7

Directors

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

	2018 £	2017 £
Aggregate emoluments in respect of qualifying services as directors	452,182	432,365

Directors' emoluments disclosed above include £108,735 (2017: £136,041) which was paid by the parent company, Hitachi Zosen Corporation.

Highest paid director

The highest paid director's emoluments were as follows:

	2018 £	2017 £
Aggregate emoluments in respect of qualifying services as directors	252,252	237,711

Directors were accruing retirement benefits under the money purchase pension scheme. Contributions were paid or treated as paid by the Company to the defined contribution pension scheme in respect of money purchase benefits for directors.

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 2018 (continued)

7 Net interest income

(a) Interest receivable and similar income

	2018	2017
	£	£
Interest on short term deposits	5,437	2,902
Interest on short term employee loan	-	-
Interest on overpayment of corporate tax	74	-
Total interest receivable and similar income	5,511	2,902

(b) Interest payable and similar expenses

	2018	2017
	£	£
Finance charge on provisions	(530)	(521)
Interest on underpayment of corporate tax	-	-
Total interest payable and similar expenses	(530)	(521)

(c) Net interest income

	2018	2017
	£	£
Interest receivable and similar income	5,511	2,902
Interest payable and similar expenses	(530)	(521)
Net interest income	4,981	2,381

Hitachi Zosen Europe Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

8 Tax on profit

(a) Tax expense included in profit or loss

	2018	2017
	£	£
Current tax:		
- UK corporation tax on profit of the year 19% (2017: 19.25%)	15,527	15,636
- Adjustments in respect of prior years	-	(2)
Total current tax	15,527	15,634
Group Relief:		
- Losses surrendered from another group company	(7,507)	-
Total Group Relief	(7,507)	-
Deferred tax:		
- Depreciation in excess of capital allowance	(5)	(375)
- Provision of compensated absence expenses	(1,628)	-
- Impact of tax rate change	173	44
Total deferred tax	(1,460)	(331)
Tax on profit	6,560	15,303

Hitachi Zosen Europe Limited

Notes to the financial statements

for the year ended 31 December 2018 (continued)

8 Tax on profit (continued)

(b) Reconciliation of tax charge

Tax assessed for the year is lower (2017: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2018 of 19% (2017: 19.25 %). The differences are explained below:

	2018	2017
	£	£
Profit before taxation	60,607	62,165
Profit before taxation multiplied by standard rate of tax in the UK of 19% (2017: 19.25%)	11,515	11,965
Effects of:		
- Corporation tax group relief	(7,507)	-
- Expenses not deductible for tax purposes	2,379	3,296
- Adjustments in respect of prior years	-	(2)
- Impact of tax rate change for deferred tax	173	44
Tax charge for the year	6,560	15,303

Hitachi Zosen Europe Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

8 Tax on profit (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 2017, the relevant deferred tax balances have been re-measured.

(d) Deferred tax

Deferred tax relates to:

	2018	2017
	£	£
Accelerated depreciation in excess of capital allowances	495	490
Provision of compensated absence expenses	1,455	-
Deferred tax assets	1,950	490

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

	£
Deferred tax assets at 1 January 2018	490
Adjustments in respect of prior years	-
Deferred tax credit in profit and loss account for the year	1,460
Deferred tax assets at 31 December 2018 (note 10)	1,950

The deferred tax assets provided are calculated on the liability method at a rate of 17% (2017: 17%) as follows:

	2018	2017
	Provided	Provided
	£	£
Capital allowances over depreciation	495	490
Provision of compensated absence expenses	1,455	-
Deferred tax assets	1,950	490

Hitachi Zosen Europe Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

9 Tangible assets

	Leasehold improvements	Equipment	Fixtures and fittings	Total
	£	£	£	£
As at 31 December 2017				
Cost	110,328	35,560	14,930	160,818
Accumulated depreciation	(90,715)	(28,865)	(14,930)	(134,510)
Net book amount	19,613	6,695	-	26,308
Year ended 31 December 2017				
Opening net book amount	19,613	6,695	-	26,308
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation	(2,835)	(4,051)	-	(6,886)
Closing net book amount	16,778	2,644	-	19,422
As at 31 December 2018				
Cost	110,328	35,560	14,930	160,818
Accumulated depreciation	(93,550)	(32,916)	(14,930)	(141,396)
Net book amount	16,778	2,644	-	19,422

Hitachi Zosen Europe Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

10 Debtors

	2018	2017
	£	£
Amounts owed by group undertakings	37,225	34,268
Other receivables	8,318	8,112
Other taxation and social security	53,490	100,114
Deferred taxation (note 8)	1,950	490
Corporation tax	7,289	-
Prepayments and accrued income	48,114	22,685
Total	156,386	165,669

Amounts owed by ultimate parent undertaking is unsecured, interest free, and have no fixed date of repayment and are repayable on demand.

11 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	20,382	13,374
Amounts owed to group undertakings	63,270	54,331
Corporation tax	-	6,334
Other taxation and social security	47,855	37,582
Accruals and deferred income	36,068	32,804
Total	167,575	144,425

Hitachi Zosen Europe Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

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:

	2018	2017
	£	£
Current year contributions	10,163	9,908

13 Provisions for liabilities

The Company had the following provisions during the year:

Dilapidation provision	£
As at 1 January 2018	29,934
Charged to the profit and loss account	529
As at 31 December 2018	30,463

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.

Hitachi Zosen Europe Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

14 Financial instruments

The Company has the following financial instruments:

		2018	2017
	Note	£	£
Financial assets that are debt instruments measured at amortised cost			
- Amounts owed by group undertakings	10	37,225	34,268
- Other receivables	10	8,318	8,112
		45,543	42,380
Financial liabilities measured at amortised cost			
- Trade creditors	11	20,382	13,374
- Amounts owed to group undertakings	11	63,270	54,331
		83,652	67,705

15 Called up share capital

Ordinary shares of £1 each	2018	2017
	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.

Hitachi Zosen Europe Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

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:

	2018	2017
	£	£
Payments due		
Within one year	72,943	102,500
Within two to five years	-	72,943
Total	72,943	175,443

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