

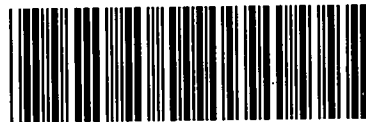
TNKC UK Limited

**Director's report and financial
statements**

Registered number 07381391

31 March 2014

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Director's report

The director presents his director's report and financial statements for the 15 month period ended 31st March 2014.

Principal activities

The principal activity of TNKC (UK) Limited is technical ship management of ocean going vessels, including the supply of stores and repair equipment, crewing, vessel maintenance and inspection.

Business review

TNKC (UK) Limited was established in September 2010 to provide technical ship management services to Kline Bulk Shipping UK Limited. At the end of the 15 month period ended 31st March 2014 the company had 9 vessels under its management. At 31st March 2014 there were 5 persons employed, 1 in administration and 4 in technical ship management.

In June 2013 the company's registered address moved to 200 Aldersgate Street, London EC1A 4HD.

In order to simplify budget and reporting with the Japanese parent company, TNKC UK changed its accounting reference period to end on 31 March each year, with effect from 31 March 2014. For this reason a 15 month financial report to 31st March 2014 has been prepared.

From 1st July 2014 Mr Takuho Ikeda retired as Managing Director. Mr Kiyoshi Tokuda was appointed Managing Director from this date.

Proposed dividend

The directors do not recommend the payment of a dividend.

Directors

The directors who held office during the period and subsequent to year end were as follows:

Mr Takuho Ikeda (appointed 1 April 2012, retired 30 June 2014)

Mr Hiyoshi Tokuda (appointed 1 July 2014)

Political and charitable contributions

The Company made no political or charitable donations or incurred any political expenditure during the period.

Disclosure of information to auditor

The directors who held office at the date of approval of this director's report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

Francis Fitzpatrick
Secretary

200 Aldersgate Street , London, EC1A 4HD

20/08/14

Statement of director's responsibilities in respect of the director's report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations. The directors of the company have taken advantage of the small companies exemption from the requirement to prepare a strategic report.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of TNKC UK Limited

We have audited the financial statements of TNKC UK Limited for the year ended 31 March 2014 set out on pages 4 to 17. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU. The directors of a company have taken advantage of the small companies exemption from the requirement to prepare a strategic report and in our opinion they were entitled to do so.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.
- the directors were not entitled to not prepare a strategic report, in accordance with the small companies regime.

Ian Griffiths (Senior Statutory Auditor)
for and on behalf of
KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square; London, E14 5GL

Statement of Comprehensive Income

	Note	15 months to 31 Mar 2014 \$	Year to 31 Dec 2012 \$
Revenue		1,174,274	695,877
		<hr/>	<hr/>
Administrative expenses		(1,294,884)	(738,375)
		<hr/>	<hr/>
Operating loss		(120,610)	(42,498)
Financial income		-	-
Financial expenses		-	-
		<hr/>	<hr/>
Net financing expense		-	-
		<hr/>	<hr/>
Loss before tax	2	(120,610)	(42,498)
Taxation		-	-
		<hr/>	<hr/>
Loss for the period/year		(120,610)	(42,498)
		<hr/>	<hr/>
Other comprehensive income for the period/year		-	-
		<hr/>	<hr/>
Other comprehensive income for the period/year, net of income tax		-	-
		<hr/>	<hr/>
Total comprehensive income for the period/year		(120,610)	(42,498)
		<hr/>	<hr/>

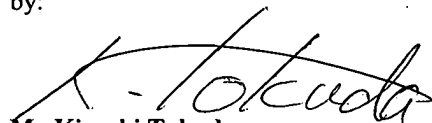
Notes on pages 8 to 17 form part of the financial statements

Balance Sheet

as at

	Note	31 Mar 2014 \$	31 Dec 2012 \$
Non-current assets			
Property, plant and equipment	6	15,617	17,512
		<u>15,617</u>	<u>17,512</u>
Current assets			
Trade and other receivables	8	27,221	4,462
Cash and cash equivalents		208,420	1,615,244
		<u>235,641</u>	<u>1,619,706</u>
Total assets		<u>251,258</u>	<u>1,637,219</u>
Current liabilities			
Trade and other payables	9	(328,729)	(1,594,080)
		<u>(328,729)</u>	<u>(1,594,080)</u>
Non-current liabilities		-	-
		<u>-</u>	<u>-</u>
Total liabilities		<u>(328,729)</u>	<u>(1,594,080)</u>
Net (liabilities)/assets		<u>(77,471)</u>	<u>43,139</u>
Equity			
Share capital		319,100	319,100
Retained earnings	10	(396,571)	(275,961)
Total equity		<u>(77,471)</u>	<u>43,139</u>

These financial statements were approved by the board of directors on 20 August 2014 and were signed on its behalf by:



Mr Kiyoshi Tokuda

Director

Company registered number: 07381391

Notes on pages 8 to 17 form part of the financial statements

Statement of Changes in Equity

	Share capital \$	Retained earnings \$	Total equity \$
Balance at 31 December 2012	319,100	(275,961)	43,139
Total comprehensive income for the period			
Profit or loss	-	(120,610)	(120,610)
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	(120,610)	(120,610)
	<hr/>	<hr/>	<hr/>
Transactions with owners, recorded directly in equity			
Issue of shares	-	-	-
	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2014	319,100	(396,571)	(77,471)
	<hr/>	<hr/>	<hr/>

	Share capital \$	Retained earnings \$	Total equity \$
Balance at 31 December 2011	319,100	(233,462)	85,638
Total comprehensive income for the period			
Profit or loss	-	(42,498)	(42,498)
Other comprehensive income	-	-	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	(42,498)	(42,498)
	<hr/>	<hr/>	<hr/>
Transactions with owners, recorded directly in equity			
Issue of shares	-	-	-
	<hr/>	<hr/>	<hr/>
Total contributions by and distributions to owners	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2012	319,100	(275,961)	43,139
	<hr/>	<hr/>	<hr/>

Notes on pages 8 to 17 form part of the financial statements

Cash Flow Statement

	Note	15 months to 31 Mar 2014 \$	Year ended 31 Dec 2012 \$
Cash flows from operating activities			
Loss for the period/year		(120,610)	(42,498)
Adjustments for:			
Depreciation, amortisation and impairment	2	(12,787)	10,303
Foreign exchange loss		20,258	(9,479)
		<u>(128,081)</u>	<u>(41,675)</u>
(Increase)/decrease in trade and other receivables	8	(22,759)	4,499
(Decrease)/increase in trade and other payables	9	(1,265,351)	(1,499,456)
		<u>(1,288,110)</u>	<u>(1,494,958)</u>
Net cash from operating activities		<u>(1,416,191)</u>	<u>(1,536,633)</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment	6	(10,891)	(4,624)
Net cash from investing activities		<u>(10,891)</u>	<u>(4,624)</u>
Cash flows from financing activities			
Proceeds from the issue of share capital	10	-	-
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		(1,427,083)	(1,541,257)
Cash and cash equivalents at beginning of the year/period		1,615,244	3,147,022
Effect of exchange rate fluctuations on cash held		20,258	9,479
Cash and cash equivalents at end of period/year		<u>208,420</u>	<u>1,615,244</u>

Notes on pages 8 to 17 form part of the financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of preparation

TNKC UK Limited (the "Company") is a company incorporated and domiciled in the UK.

The company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The financial statements are prepared on the historical cost basis.

Going concern

In the reporting period TNKC (UK) Limited continued with the implementation of its management goals, establishing good office administration, training of its ship management personnel and development of ship management reporting to meet its customer requirements. At the end of the reporting period 9 vessels are under management. Until the company has a sufficient number of vessels under management to cover its office and administration costs and make a profit, Taiyo Nippon Kisen Co. Ltd its Parent undertakes to support the subsidiary as necessary.

Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies using group average monthly exchange rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the group average monthly exchange rate at the date of the transaction.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Notes (continued)

1 Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- Computer equipment 3 years
- Fixtures & Fittings 5 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Revenue

TNKC (UK) Limited source of revenue is a ship management agency fee per vessel, received from the date each vessel is under its ship management and continues until the agreement is terminated. This revenue is recognized in the period and for the period each vessel is under its management.

Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Notes (continued)

1 Accounting policies (continued)

Taxation (continued)

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences arising on the initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Adopted IFRS not yet applied

There are no adopted standards not yet applied that are expected to have a material effect on the financial statements. IFRS 13, implemented during the year, will not have a material effect on the financial statements.

2 Loss before taxation

Loss before taxation is stated after charging:

	15 months to 31 Mar 2014 \$	Year ended 31 Dec 2012 \$
Depreciation	12,787	10,303
Auditors' remuneration		
- statutory audit of these financial statements	12,500	12,500
- services in relation to taxation	8,500	8,500
- Foreign currency loss	20,258	9,479
	<hr/>	<hr/>

3 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the period, analysed by category, was as follows:

	Number of employees 15 months to 31 Mar 2014	Year ended 31 Dec 2012
General Manager	1	1
Technical Superintendents	3	2
Administration	1	1
	<hr/>	<hr/>
	5	4
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	15 months to 31 Mar 2014 \$	Year ended 31 Dec 2012 \$
Wages and salaries	644,983	420,463
Social security costs	49,472	34,619
	<hr/>	<hr/>
	694,455	455,082

Notes (continued)

4 Directors' remuneration

Directors received remuneration from other Kline Companies. No directors' remuneration was paid in respect of activities on behalf of the company.

5 Taxation

Reconciliation of effective tax rate

	15 months to 31 Mar 2014 \$	Year ended 31 Dec 2012 \$
Current tax expense	-	-
Deferred tax expense	-	-
	<hr/>	<hr/>
Total tax expense	-	-
	<hr/>	<hr/>

Reconciliation of effective tax rate

	15 months to 31 Mar 2014 \$	Year ended 31 Dec 2012 \$
Loss for the year/period	(120,610)	(42,498)
Total tax expense	-	-
	<hr/>	<hr/>
Loss excluding taxation	(120,610)	(42,498)
Tax using the UK corporation tax rate of 23.25 % (2012: 24.5%)	(28,042)	(10,412)
Current year/period loss for which no deferred tax asset was recognised	28,042	10,412
	<hr/>	<hr/>
Total tax expense	-	-
	<hr/>	<hr/>

Reduction in the UK corporation tax rate from 24% to 23% (effective 1 April 2013) was substantively enacted on 3 July 2012. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

Notes (continued)

6 Property, Plant and Equipment

	Computer Equipment \$	Fixtures & fittings \$	Total \$
Cost			
Balance at 31 December 2011	17,783	14,170	31,953
Additions	4,624	-	4,624
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2012	22,407	14,170	36,577
Additions	9,897	995	10,891
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2014	32,304	15,165	47,468
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation and impairment			
Balance at 31 December 2011	5,928	2,834	8,762
Depreciation charge for the period/year	7,469	2,834	10,303
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2012	13,397	5,668	19,065
Depreciation charge for the period/year	8,830	3,957	12,787
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2014	22,227	9,625	31,852
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value			
At 31 March 2014	10,077	5,540	15,617
	<hr/>	<hr/>	<hr/>
At 31 December 2012	9,010	8,502	17,512
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

7 Deferred tax assets and liabilities

No deferred tax asset in respect of unused tax losses of \$396,571 (\$275,961) has been recognised, as the generation of taxable profits is not considered reasonably foreseeable at this time.

8 Trade and other receivables

	15 months to 31 Mar 2014 \$	Year ended 31 Dec 2012 \$
Other receivables (Prepayments)	27,221	4,462
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

9 Trade and other payables

	15 months to 31 Mar 2014 \$	Year ended 31 Dec 2012 \$
Current		
Advances from Customers	271,815	1,522,531
Amounts due to group companies	15,951	14,215
Other taxes and social security	8,494	26,642
Other payables	32,469	30,691
	<u>328,729</u>	<u>1,594,080</u>
Non-current		
Other payables	-	-
	<u>328,729</u>	<u>1,594,080</u>

10 Capital and reserves

Share capital

	15 months to 31 Mar 2014 \$	Year ended 31 Dec 2012 \$
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	319,100	319,100
	<u>319,100</u>	<u>319,100</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Notes (continued)

11 Financial instruments

Fair values of financial instruments

Trade and other receivables

The fair value of trade and other receivables, is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Trade and other payables

The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the balance sheet date if the effect is material.

Cash and cash equivalents

The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest at the balance sheet date.

The fair values of all financial assets and financial liabilities are not materially different from their carrying values, which are shown in the balance sheet are as follows:

	Carrying amount at 31 Mar 2014 \$	Carrying amount at 31 Dec 2012 \$
IAS 39 Categories of Financial Instrument		
Loans and receivables		
Cash and cash equivalents	208,420	1,615,244
Other loans and receivables	27,221	4,462
	<hr/>	<hr/>
Total financial assets	235,641	1,619,706
	<hr/>	<hr/>
Financial liabilities measured at amortised cost		
Total financial liabilities (Trade and other payables)	328,729	1,594,080
	<hr/>	<hr/>
Net financial instruments	(93,088)	25,627
	<hr/>	<hr/>

Notes (continued)

12 Financial instruments (continued)

Credit risk

Financial risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum exposure to credit risk at the balance sheet date was \$27,221 being the total of the carrying amount of financial assets, excluding equity investments, shown in the table above.

Credit quality of financial assets

The aging of trade receivables at the balance sheet date was:

	Carrying amount at 31 Mar 2014 \$	Carrying amount at 31 Dec 2012 \$
Not past due	27,221	4,462
	<u>27,221</u>	<u>4,462</u>

Liquidity risk

Financial risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

	Carrying amount at 31 Mar 2014 \$	Carrying amount at 31 Dec 2012 \$
Carrying amount	328,729	1,594,080
Contractual Cash flows 1 year or less	<u>328,729</u>	<u>1,594,080</u>
	<u>328,729</u>	<u>1,594,080</u>

Notes (continued)

12 Financial instruments (continued)

Market risk

Financial risk management

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

Market risk – Foreign currency risk

The Company's exposure to foreign currency risk is as follows. This is based on the carrying amount for monetary financial instruments.

31 March 2014

	Euro \$	Sterling \$	Japan Yen \$	Total \$
Cash and cash equivalents	-	57,937	9,167	67,104
Trade receivables	-	-	-	-
Trade payables	(15,951)	-	-	(15,951)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance sheet exposure	(15,951)	57,937	9,167	51,153

31 December 2012

	Euro \$	Sterling \$	Japan Yen \$	Total \$
Cash and cash equivalents	324	52,328	59,819	112,471
Trade receivables	-	4,394	-	4,394
Trade payables	(9,539)	(9,870)	-	(19,409)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance sheet exposure	(9,214)	46,852	59,819	97,457

Market risk – Interest rate risk

The Company does not hold any interest bearing financial instruments and so is not exposed to interest rate risk.

Capital management

The Company regularly reviews its capital structure and is not subject to external controls on its capital structure.

12 Operating leases

TNKC (UK) Limited rents its office space from Kline (Europe) Limited, a fellow group company for a period of 30 months as of 1 January 2013 and may be terminated by either party to the agreement upon giving 60 days prior written notice

During the year/period \$153,488 (2012:\$29,304) was recognised as an expense in the income statement in respect of operating leases.

Notes (Continued)

13 Related parties

Identity of related parties with which the Company has transacted;

Stargate Shipmanagement GmbH

Stargate Maritime Bulgaria

Kline Bulk Shipping (UK) Ltd

Kline Europe Limited

Taiyo Nippon Kisen Co Ltd

TNKC (UK) Limited has ship management agreements with Kline Bulk Shipping UK Limited (Fellow Group Company). TNKC (UK) Limited has office service agreements with Kline Europe Limited (Fellow Group Company) and Stargate Shipmanagement GmbH (Fellow Group Company).

Related party transactions

	Sales to	Administrative expenses incurred from	Sales to	Administrative expenses incurred from
	2014	2014	2012	2012
	\$	\$	\$	\$
Parent	-	-	87,095	-
Other related parties	1,174,274	568,442	608,782	199,175
	<u>1,174,274</u>	<u>568,442</u>	<u>608,782</u>	<u>199,175</u>
	<u>1,174,274</u>	<u>199,175</u>	<u>695,877</u>	<u>199,175</u>

Related party balances

	Receivables outstanding	Payables outstanding	Receivables outstanding	Payables outstanding
	2014	2014	2012	2012
	\$	\$	\$	\$
Parent	317	-	-	14,215
Other related parties	-	15,371	-	1,522,531
	<u>317</u>	<u>15,371</u>	<u>-</u>	<u>1,536,746</u>

14 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Taiyo Nippon Kisen Co. Ltd. which is the ultimate parent company, incorporated in Kobe, Japan. The ultimate controlling party is Kawasaki Kisen Kaisha, Ltd. ("K" Line), Tokyo, Japan.

The largest group in which the results of the Company are consolidated is that headed by Kawasaki Kisen Kaisha, Ltd. ("K" Line), Tokyo, incorporated in Japan. The smallest group in which they are consolidated is that headed by Taiyo Nippon Kisen Co. Ltd, incorporated in Japan. No other group financial statements include the results of the Company. The consolidated financial statements of these groups are available to the public and may be obtained from Kawasaki Kisen Kaisha, Ltd. ("K" Line), Tokyo, Japan.