

“K” Line Holding (Europe) Limited

Report and Financial Statements

31 March 2024



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Company Information

Directors

J Narita
H Shinkai

Secretary

B Y Ramlalsing

Independent Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers

Mizuho Bank Limited
30 Old Bailey
London EC4M 7AU

Registered Office

6th Floor
5 Aldermanbury Square
London EC2V 7BP

Registered No. 05005018

Strategic Report

The Directors present their Strategic Report for the financial year ended 31 March 2024.

Results and dividends

The profit for the financial year amounted to £386,619 (2023 - £226,946).

The Directors recommended final dividends of £NIL (2023 - £ NIL).

Principal activities and review of the business

The Company is an investment holding and financing company. Investments are principally held in respect of wholly owned shipping and general shipping agency companies in the UK. Details of the investments held by the Company are set out in Note 10 to the financial statements.

Business reviews in respect of the Company's principal UK investments for the year ended 31 March 2024 are included in the individual financial statements of the companies listed in Note 10.

The Company's key financial performance indicators during the year were as follows:

	2024	2023	Change
	£000	£000	%
Profit for the financial year	387	227	70%
Total Shareholders' funds	53,594	98,686	(45.7)%
Cash and cash equivalents	8,265	7,779	6%

The profit for the financial year is principally attributed to dividends received from the Company's subsidiaries and unlisted investments of £126,664 (2023: £109,575), additionally, there was an augmentation in the amount of bank interest received resulting from the upsurge in interest rates throughout the year.

Total Shareholders' funds were reduced by 45.7% due to a capital return to the ultimate parent company, Kawasaki Kisen Kaisha, Ltd, amounting to £45,479,013.

The cash balance increased by 6% which is attributed to the dividend and bank interest received.

There were no non-financial KPIs used to monitor business performance in the year.

Principal risks and uncertainties

Principal risks

The principal risks and uncertainties facing the Company include the cyclical nature of the shipping industry in which its investments operate, in the UK and globally. The carrying value of the investments is reviewed by the Directors annually against the investments' underlying business performance and net assets.

Legislative risks

In the UK and Europe, the main legislative risks are EU competition law, employment law, UK Bribery Act and tax laws. These standards are subject to continuous revision. Non-compliance with ever increasing regulation and legislation is a risk for the company.

Strategic Report (continued)

Brexit, Russia/Ukraine Conflict, and Inflation from energy prices

The Directors have assessed actual impact of Brexit, Russia/Ukraine conflict and Inflation from energy prices and do not consider there is major impact on the business due to its business nature as investment holding and financing company.

Cyber security risk

Over the years, cyber-attacks have continued to proliferate, escalating in frequency, severity, and impact. The COVID-19 pandemic has accelerated technological adoption yet exposed cyber vulnerabilities and unpreparedness. We rank cyber security as one of our top priority tasks.

Looking at the year ahead, we continue to develop more partnerships with industry experts, regulatory policy makers and educate our employees through e-learning and sessions delivered by senior managers and our digital security consultants. The programme is driving real change in awareness, but we remain vigilant as the threat continues to evolve.

Financial risk management

Treasury operations and financial instruments

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

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

Liquidity risk

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

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

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. Company policies are aimed at minimising such losses. The receivables for the company are intercompany related. Hence, the credit risk is low.

The key board decisions approved during the year were made in line with the strategic goals and objectives of both the Company and the ultimate parent company Kawasaki Kisen Kaisha, Ltd

By order of the Board



B Y Ramlalsing
Company Secretary
Date: 29th July 2024

Directors' Report

The Directors present their Directors' Report and audited financial statements of "K" Line Holding (Europe) Limited (the "Company") for the financial year ended 31 March 2024.

Directors

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

J Narita	(Appointed 1 st April 2024)
H Shinkai	(Appointed 1 st April 2024)
Y Sonobe	(Resigned 31 st May 2023)
A Misaki	(Resigned 31 st March 2024)
K Kubo	(Resigned 31 st March 2024)

Dividends and financial risk management

Dividend and financial risk management disclosures are included in the Strategic Report on pages 3 and 4.

Capital reduction

The company returned capital amounting to £45,479,013 to its ultimate parent company, Kawasaki Kisen Kaisha, Ltd. This was in response to an equivalent amount of capital returned from its subsidiary, "K" Line Bulk Shipping (UK) Limited.

Future developments

The Company's overall business is expected to continue in the same direction over the coming year and to the same extent as for the year ended 31 March 2024.

Going concern

The business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposures to price, credit, liquidity and cash flow risk are described in the Strategic Report.

The Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The Directors believe that the Company has adequate resources to continue as a going concern for a period of 12 months from the date of approval of the balance sheet. The Directors continue to adopt the going concern basis in preparing the financial statements.

Directors' indemnities

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

Statement of Directors' responsibilities

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

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

Directors' Report (continued)

Statement of Directors' responsibilities (continued)

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.

Disclosure of information to the auditors

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board



J Narita

Managing Director

Date: 29th July 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF "K" Line Holding (Europe) Limited

Opinion

We have audited the financial statements of "K" Line Holding (Europe) Limited for the year ended 31st March 2024 which comprise; the Income Statement, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31st March 2024 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from the date of approval of the balance sheet.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 5 and 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are United Kingdom Accounting Standards, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; Companies Act 2006, Data Protection Act 1998, Proceeds of Crime Act 2002, Money Laundering Regulations 2003, UK Bribery Act, UK Tax Regulation and Health and safety regulations.
- We understood how "K" Line Holding (Europe) Limited is complying with those frameworks by corroborating our enquiries through our review of board minutes, as well as consideration of the results of our audit procedures and noted that there was no contradictory evidence. We identified management's attitude and tone from the top to embed a culture of honesty and ethical values whereby a strong emphasis is placed on fraud prevention which may reduce opportunities for fraud to take place. We further understood the adoption of accounting standards and determined the compliance with the above laws with management.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by understanding the business processes, obtaining and reading internal policies, holding enquiries of management as to any fraud risk framework within the entity.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved:
 - Enquiry of management as to any fraud risk framework within the entity.
 - Enquiry of management around actual and potential litigation and claims.
 - We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by considering the risk of management override and by assuming revenue to be a fraud risk. We performed journal entry testing to specifically address the risk of management override. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.
 - Challenging judgements made by management. This included corroborating the inputs and considering contradictory evidence in our work performed over the value in use estimates for vessels at the year-end

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- o Reading financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

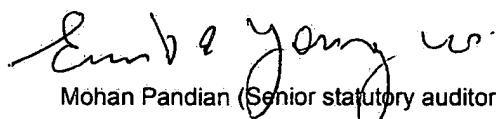
A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>.

This description forms part of our auditor's report.

Use of our report

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



Mohan Pandian (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

Date 30 July 2024

Income Statement

for the year ended 31 March 2024

	Year ended 31 March 2024	Year ended 31 March 2023
Note	£	£
Administrative expenses	(54,135)	(50,815)
Operating loss	2 (54,135)	(50,815)
Income from participating interests	6 126,664	109,575
Interest receivable and similar income	7 402,700	190,093
Interest payable and similar expenses	8 (1,958)	5,625
Profit before taxation	473,271	254,478
Tax (charge) on profit	9 (86,652)	(27,532)
Profit for the financial year	386,619	226,946

All amounts relate to continuing activities.

The notes on pages 14 to 21 form an integral part of these financial statements.

There are no recognised gains and losses other than the profit for the year (2023: none). Accordingly, a separate statement of other comprehensive income is not presented.

Balance Sheet

as at 31 March 2024

	Note	31 March 2024 £	31 March 2023 £
Fixed assets			
Investments	10	<u>45,497,502</u>	<u>90,976,515</u>
Current assets			
Debtors	11	6,885	4,309
Cash at bank and in hand		<u>8,265,424</u>	<u>7,778,603</u>
		8,272,309	7,782,912
Creditors: amounts falling due within one year	12	<u>(175,706)</u>	<u>(72,928)</u>
Net current assets		8,096,603	7,709,984
Total asset less current liabilities		<u>53,594,105</u>	<u>98,686,499</u>
Capital and reserves			
Called up share capital	13	45,000,000	90,479,013
Retained earnings		8,594,105	8,207,486
Total shareholders' funds		<u>53,594,105</u>	<u>98,686,499</u>

The notes on pages 14 to 21 form an integral part of these financial statements

The financial statements on pages 11 to 21 were approved by the Board of Directors and signed on their behalf by:



J Narita
Managing Director

Date: 29th July 2024

Statement of Changes in Equity

for the year ended 31 March 2024

	Called up share capital	Retained earnings	Total shareholders' funds
	£	£	£
Balance as of 1 April 2022	90,479,013	7,980,540	98,459,553
Profit and total comprehensive income for the year	-	226,946	226,946
Balance as of 31 March 2023	90,479,013	8,207,486	98,686,499
Profit and total comprehensive income for the year		386,619	386,619
Capital reduction	(45,479,013)	-	(45,479,013)
Balance as of 31 March 2024	<u>45,000,000</u>	<u>8,594,105</u>	<u>53,594,105</u>

Notes to the financial statements

for the year ended 31 March 2024

1. Accounting policies

General Information

The Company is a private company limited by shares and is incorporated in the United Kingdom and registered in England. The address of its registered office is 6th Floor, 5 Aldermanbury Square, London, EC2V 7BP.

The principal activity of the Company continues to be investing in and financing wholly and partly owned shipping and general shipping agency companies in the UK.

Statement of compliance

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

The company is a wholly owned subsidiary of Kawasaki Kisen Kaisha, Ltd and is included in the consolidated financial statements of Kawasaki Kisen Kaisha, Ltd which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006.

Summary of significant accounting policies

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

Basis of preparation

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

Exemptions for qualifying entities under FRS 102

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

The Company has taken advantage of the following exemptions:

- i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows prepared by ultimate parent company, includes the Company's cash flows;
- ii) from providing the financial instruments disclosures set out in sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv);
- iv) from disclosing the Company key management personnel compensation in total, as required by FRS 102 paragraph 33.7.
- v) from the exemption available in Section 33.1A of FRS 102 from disclosing transactions with related parties.

Notes to the financial statements (continued) for the year ended 31 March 2024

1. Accounting policies (continued)

Going concern

The business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposures to price, credit, liquidity and cash flow risk are described in the Strategic Report. The Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook and Covid-19 impact.

The Directors believe that the Company has adequate resources to continue as a going concern for a period of 12 months from the date of approval of the balance sheet. The Directors continue to adopt the going concern basis in preparing the financial statements.

Investments

Investments in subsidiaries, associates and trade investments are stated at cost less provision for impairment. Impairment reviews are carried out if there is an indication of a reduction in value. Dividends from investments are recognised in the Income Statement as interest from participating interest when received or approved for payment by the investee.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in profit or loss.

Taxation

i) Current tax

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

ii) Deferred taxation

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

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

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

Foreign currencies

i) Functional and presentation currency:

The Company's functional and presentation currency is GBP.

ii) Transactions and balances

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

Gains and losses on exchange are recognised in the Income Statement.

Cash and cash equivalents

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

Notes to the financial statements (continued) for the year ended 31 March 2024

1. Accounting policies (continued)

Financial instruments

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

i) Financial assets

Basic financial assets, including debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

Loans and receivables are non-derivative financial instruments which have a fixed or easily determinable value. They are recognised at cost, less any provisions for impairment in their value.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

ii) Financial liabilities

Basic financial liabilities, including other creditors and short-term loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Interest payable is incurred on loans owed to group undertaking which is recognised in the Income Statement it accrues, using the effective interest method.

iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Interest bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at net proceeds. After initial recognition the debt is increased by the finance cost in respect of the reporting period and reduced by repayments made in the period. Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

Dividends

Dividends from investments are recognised in the Income Statement as interest from participating interest when received or approved for payment by the investee.

Critical accounting judgements and estimation uncertainty

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

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under

Notes to the financial statements (continued) for the year ended 31 March 2024

1. Accounting policies (continued)

Critical accounting judgements and estimation uncertainty (continued)

the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The Company has critical accounting judgements in the following area:

Carrying value of investments

The Company has assessed whether there are any indicators that the carrying value of its investments are impaired. It is the opinion of management that no impairment has occurred in the value of its investments.

2. Operating loss

This is stated after charging:

	<i>Year ended 31 March 2024</i>	<i>Year ended 31 March 2023</i>
	£	£
Net Loss/(gain) on foreign currency translation	1,958	(5,625)
Auditors' remuneration (note 3)	<u>30,247</u>	<u>29,084</u>

3. Auditors' remuneration

	<i>Year ended 31 March 2024</i>	<i>Year ended 31 March 2023</i>
	£	£
Audit of the financial statements	30,247	29,084
Other services	10,548	9,605
	<u>40,795</u>	<u>38,689</u>

4. Directors' remuneration

Neither remuneration nor any pension was paid in respect of the Directors from the company (2023: NIL).

The remuneration of Mr Misaki is paid by the company's subsidiaries, "K" Line (Europe) Limited and "K" Line Bulk Shipping (UK) Limited and is disclosed in the relevant companies' financial statements. It is not possible to make an accurate apportionment of his remuneration in respect of the Company and no recharge is made.

The remuneration of Mr Sonobe, Mr Kubo and Mr Shinkai is paid by the parent company, Kawasaki Kisen Kaisha, Ltd. Their services to this company and to a number of fellow subsidiaries are of a non-executive nature and their remuneration is deemed to be wholly attributable to their services to the parent company. Accordingly, these financial statements include no remuneration in respect of them.

Notes to the financial statements (continued) for the year ended 31 March 2024

5. Staff costs

No staff costs were paid by the Company during the year (2023: NIL) and the average number of staff during the year was NIL (2023: NIL).

6. Income from participating interests

	<i>Year ended 31 March 2024</i>	<i>Year ended 31 March 2023</i>
	£	£
<i>Dividends from:</i>		
Subsidiaries (Note 10)	100,000	100,000
Unlisted investment	26,664	9,575
	<u>126,664</u>	<u>109,575</u>

7. Interest receivable and similar income

	<i>Year ended 31 March 2024</i>	<i>Year ended 31 March 2023</i>
	£	£
Bank interest receivable	402,700	190,093
	<u>402,700</u>	<u>190,093</u>

8. Interest payable and similar expenses

	<i>Year ended 31 March 2024</i>	<i>Year ended 31 March 2023</i>
	£	£
Foreign exchange loss/(gain)	1,958	(5,625)
	<u>1,958</u>	<u>(5,625)</u>

9. Tax on profit

(a) Tax on profit

The tax charge is made up as follows:

	<i>Year ended 31 March 2024</i>	<i>Year ended 31 March 2023</i>
	£	£
Current tax:		
UK corporation tax charge on profit for the year	86,652	27,532
Total tax (note 9(b))	<u>86,652</u>	<u>27,532</u>

Notes to the financial statements (continued) for the year ended 31 March 2024

9. Tax on profit (continued)

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower (year ended 31 March 2023: lower) than the standard rate of corporation tax in the UK of 25% (year ended 31 March 2023 – 19%). The differences are explained below:

	<i>Year ended 31 March 2024</i>	<i>Year ended 31 March 2023</i>
	£	£
Profit before taxation	<u>473,271</u>	<u>254,478</u>
Profit multiplied by standard rate of corporation tax in the UK of 25% (year ended 31 March 2023 – 19%)	118,318	48,351
<i>Effects of:</i>		
Income not subject to tax	<u>(31,666)</u>	<u>(20,819)</u>
Total tax charge for the year (note 9(a))	<u>86,652</u>	<u>27,532</u>

Factors affecting current and future tax charges

In October 2022, the government announced changes to the Corporation Tax rate from 1 April 2023, increasing the main rate of Corporation Tax to 25%. As of 31 March 2024, this has been considered.

10. Investments

	Associate £	Investment in subsidiaries £	Unlisted investments £	Total £
Balance at 1 April 2023	-	90,969,873	6,642	90,976,515
Additions	-	-	-	-
Capital reduction	-	(45,479,013)	-	(45,479,013)
Balance at 31 March 2024	-	45,490,860	6,642	45,497,502

In the opinion of the Directors, the aggregate value of the investment in subsidiary undertakings is no less than the amount at which they are stated on the Balance Sheet.

Notes to the financial statements (continued) for the year ended 31 March 2024

10. Investments (continued)

Details of the investments in which the Company holds 20% or more of the nominal values of the class of share capital at 31 March 2024 are as follows:

<i>Name of Company</i>	<i>Holding</i>	<i>Proportion of voting rights held</i>	<i>Nature of business</i>
<i>Subsidiary undertakings:</i>			
"K" Line Bulk Shipping (UK) Limited	Ordinary shares	100%	Shipping
"K" Line LNG Shipping (UK) Limited	Ordinary shares	100%	Shipping
"K" Line (Europe) Limited	Ordinary shares	100%	Shipping

Unlisted investments:

The Company also owns 10% of the issued share capital of "K" Line Logistics (UK) Limited which was acquired on 1 January 2004 for £6,642.

The company's registered office address is: 671 Spur Road, North Feltham Trading Estate, Feltham, Middlesex, TW14 0SL

11. Debtors

	<i>31 March 2024</i>	<i>31 March 2023</i>
	<i>£</i>	<i>£</i>
Prepayments and accrued income	6,885	4,309
	<u>6,885</u>	<u>4,309</u>

12. Creditors: amounts falling due within one year

	<i>31 March 2024</i>	<i>31 March 2023</i>
	<i>£</i>	<i>£</i>
Amounts owed to group undertakings	134,451	23,001
Accruals and deferred income	41,255	49,927
	<u>175,706</u>	<u>72,928</u>

Amounts owed to group undertakings are unsecured and governed by a rolling contract.

Notes to the financial statements (continued) for the year ended 31 March 2024

13. Called up share capital

<i>Ordinary shares of £1 each</i>	No.	£
Allotted, called up and fully paid		
At 1 April 2023	90,479,013	90,479,013
Capital reduction during the year	<u>(45,479,013)</u>	<u>(45,479,013)</u>
At 31 March 2024	<u>45,000,000</u>	<u>45,000,000</u>

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

On 5th February 2024, the company returned capital amounting to £45,479,013 to its ultimate parent company, Kawasaki Kisen Kaisha, Ltd. This was in response to an equivalent amount of capital returned from its subsidiary, "K" Line Bulk Shipping (UK) Limited.

14. Related party transactions

The Company has taken advantage of the exemption available in Section 33.1A of FRS 102 from disclosing transactions with related parties, which are 100% owned and controlled within the Kawasaki Kisen Kaisha, Ltd group. There are no other related party transactions.

15. Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking and controlling party is Kawasaki Kisen Kaisha, Ltd, which is incorporated in Japan.

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