

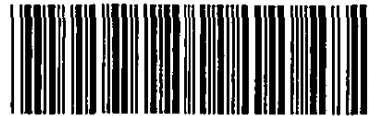
Company number 5005018

“K” Line Holding (Europe) Limited

Report and Financial Statements

31 March 2013

THURSDAY



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COMPANIES HOUSE

Directors

K Terashima
Y Nakagawa
E Tomoka

Secretary

P Rogers

Auditor

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

Bankers

Mizuho Corporate Bank Limited
Bracken House
One Friday Street
London EC4M 9JA

Registered Office

6th Floor
200 Aldersgate Street
London
EC1A 4HD

Registered No 5005018

Directors' report

The accounting reference date of the company and group was changed from 31 December to 31 March. The directors present their group's report and financial statements for the 15 month period ended 31 March 2013.

Results and dividends

The group profit for the 15 month period after taxation amounted to £58m (year ended 31 December 2011 – profit of £12m). The directors do not recommend a final dividend (year ended 31 December 2011 – £nil).

Principal activities and review of the business

The company acts as a parent undertaking. The principal activities of the group are of general shipping agents for container ships and car carriers, operation and management of bulk and LNG vessels as well as road haulage.

The group's key financial performance indicators during the period were as follows:

	<i>15 month period ended 31 March 2013 £000</i>	<i>Year ended 31 December 2011 £000</i>	<i>Change %</i>
Turnover – group and share of joint venture	320,365	279,030	15%
Profit after tax	58,322	11,809	394%
Shareholder's funds	236,385	171,825	38%
Cash at bank and in hand	70,681	33,260	113%

Turnover increased by 15% during the period as a result of mainly the increased level in fleet operations for bulk business. In addition, for the LNG division, higher charter rates were achieved together with an increase in other ship management income.

Events since the balance sheet date

James Kemball Limited New trucks

On 2 April 2013, 10 new trucks were purchased at a cost of £891k. The financing will be spread over 36 months with annual interest of 1.07%.

Future developments

The directors aim to maintain and strengthen the management policies which will ensure the continuity of business in the foreseeable future. They consider that 2013 will show a slow growth in sales from continuing operations because of the current economic downturn, however, they believe that the latter part of year 2013 will start to bring positive results to the group as a whole.

Principal risks and uncertainties

The principal risks and uncertainties facing the company are broadly grouped as:

Competitive risks

The existence of medium to long-term contracts with some customers minimises the group's exposure to a certain extent.

Directors' report

Principal risks and uncertainties (continued)

Legislative risks

In the UK and Europe, the main legislative risks are EU competition law, employment law and tax law. These standards are subject to continuous revision, however, they are not expected to have a material impact on the ability of the group to generate a profit.

Treasury operations and financial instruments

The group operates a treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the company's activities.

Financial instrument risks

The group has established a risk and financial management framework whose primary objectives are to protect the company from events that hinder the achievement of the company's performance objectives.

The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

Use of derivatives

The group uses forward foreign currency contracts to reduce exposure to the variability of foreign exchange rates by fixing the rate of any material payments in a foreign currency. The group also uses interest rate swaps to adjust interest rate exposures in order to guarantee fixed interest payments where payments are variable and hence exposed to interest rate movements. During the period, a forward freight agreement and bunker swap agreement were also used to minimise the fluctuations in market freight rates and bunker rates.

Liquidity risk

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

The group 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. Group policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts where necessary. The group does not suffer from significant bad debt expense.

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out above.

The group has considerable financial resources together with existing contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the group and company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Directors' report

Going concern (continued)

The directors have a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors

The directors who served the company during the period and at the date of this report are as follows:

K Terashima

T Suzuki (resigned 16 May 2013)

E Tomioka (appointed 1 July 2012)

N Ando (resigned 30 June 2012)

Y Nakagawa (appointed 17 May 2013)

Creditor payment policy and practice

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

At 31 March 2013, the group had an average of 14 days' (31 December 2011 – 21 days') purchases outstanding in trade creditors.

Employee involvement

The group has given full and fair consideration to applications for employment made by disabled persons, having regard to their respective aptitudes and abilities.

The group has a policy of employee involvement by making information available to all employees on matters of concern to them on a regular basis. Information concerning the group's business plans and financial performance is also published on the group's intranet and web sites. All employees have access to the group's intranet and internet.

The group maintains a policy of encouraging personal development and training.

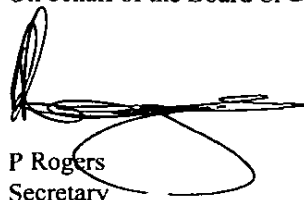
Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A resolution to reappoint Ernst & Young LLP as auditor will be put to the members at the Annual General Meeting.

On behalf of the Board of Directors



P Rogers
Secretary

Date 07 JUN 2013

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group's and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report

to the members of "K" Line Holding (Europe) Limited

We have audited the financial statements of "K" Line Holding (Europe) Limited for the 15 month period ended 31 March 2013 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group and Company Balance Sheets and the related notes 1 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Statement of Directors' Responsibilities set out on page 5, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent undertaking's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent undertaking's affairs as at 31 March 2013 and of the group's profit for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditor's report

to the members of "K" Line Holding (Europe) Limited

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



Mohan Pandian (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP (Statutory Auditor)

London

Date

10 JUN 2013

Group profit and loss account

for the period ended 31 March 2013

		<i>15 month period ended 31 March 2013 £000</i>	<i>Year ended 31 December 2011 £000</i>
	<i>Notes</i>		
Turnover			
Total group and share of joint venture	2	320,365	279,030
Less share of joint venture turnover – discontinued operations	2	-	(28,420)
		320,365	250,610
Cost of sales		(274,356)	(215,191)
Gross profit		46,009	35,419
Administrative expenses		(41,687)	(39,479)
Group operating profit/(loss)	3	4,322	(4,060)
Share of operating profit in joint venture – discontinued operations		-	5,465
Share of operating profit in associate		393	505
Amortisation of goodwill arising on acquisition of joint venture		-	(11,097)
Profit on sale of joint venture – discontinued operations	14	-	37,285
Total operating profit group and share of joint venture and associate		4,715	28,098
Exceptional item -profit on disposal of tangible fixed assets	4	2,228	-
Interest receivable and similar income	8	1,908	1,610
Interest payable and similar charges	9	(8,036)	(8,505)
Exchange gain/(loss) – retranslation of loans	10	58,480	(14,006)
Profit on ordinary activities before taxation		59,295	7,197
Tax	11	(973)	4,612
Profit for the financial period	23	58,322	11,809

All amounts relate to continuing activities

Group statement of total recognised gains and losses

for the period ended 31 March 2013

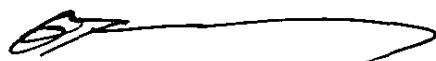
	<i>15 month period ended 31 March 2013 £000</i>	<i>Year ended 31 December 2011 £000</i>
Profit/(loss) for the financial period excluding share of profit of joint venture and associate	58,025	(28,894)
Share of joint venture's profit for the period – discontinued operations	-	3,050
Profit on disposal of joint venture – discontinued operations	-	37,285
Share of associate's profit for the period	297	368
Profit for the financial period attributable to members of the parent undertaking	58,322	11,809
Exchange difference on retranslation of net assets of subsidiary undertaking	6,238	3,941
Total recognised gains related to the period	64,560	15,750

Group balance sheet

at 31 March 2013

		<i>31 March</i>	<i>31 December</i>
		<i>2013</i>	<i>2011</i>
	<i>Notes</i>	<i>£000</i>	<i>£000</i>
Fixed assets			
Tangible fixed assets	13	495,345	417,394
Investments			
Investment in associate	14	342	227
Other investments	14	47	47
		<u>495,734</u>	<u>417,668</u>
Current assets			
Stocks	15	8,383	6,444
Debtors amounts falling due within one year		174,993	101,222
Debtors amounts falling due after more than one year		-	86,869
	16	<u>174,993</u>	<u>188,091</u>
Cash at bank and in hand		70,681	33,260
		<u>254,057</u>	<u>227,795</u>
Creditors: amounts falling due within one year	17	<u>(159,103)</u>	<u>(83,377)</u>
Net current assets		94,954	144,418
Total assets less current liabilities		590,688	562,086
Creditors: amounts falling due after more than one year	18	(354,086)	(389,942)
Provisions for liabilities	21	<u>(217)</u>	<u>(319)</u>
Net assets		<u>236,385</u>	<u>171,825</u>
Capital and reserves			
Called up share capital	22	84,881	84,881
Profit and loss account	23	<u>151,504</u>	<u>86,944</u>
Shareholder's funds	23	<u>236,385</u>	<u>171,825</u>

The financial statements were approved by the Board of Directors and signed on their behalf by



K Terashima

Director

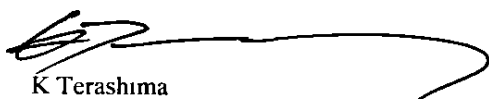
Date **07 JUN 2013**

Company balance sheet

at 31 March 2013

		<i>31 March</i>	<i>31 December</i>
		<i>2013</i>	<i>2011</i>
	<i>Notes</i>	<i>£000</i>	<i>£000</i>
Fixed assets			
Investments	14	<u>50,411</u>	<u>50,411</u>
Current assets			
Debtors amounts falling due within one year	16	2,227	-
Cash at bank and in hand		<u>101</u>	<u>2,063</u>
		2,328	2,063
Creditors: amounts falling due within one year	17	<u>(38)</u>	<u>(78)</u>
Net current assets		<u>2,290</u>	<u>1,985</u>
Net assets		<u>52,701</u>	<u>52,396</u>
Capital and reserves			
Called up share capital	22	84,881	84,881
Profit and loss account	23	<u>(32,180)</u>	<u>(32,485)</u>
Shareholder's funds	23	<u>52,701</u>	<u>52,396</u>

The financial statements were approved by the Board of Directors and signed on their behalf by



K Terashima

Director

Date **07 JUN 2013**

Notes to the financial statements

at 31 March 2013

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Going concern

The directors have a reasonable expectation that the group and company have adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements

Group financial statements

The group financial statements consolidate the financial statements of "K" Line Holding (Europe) Limited and its subsidiary undertakings. These financial statements are drawn up to 31 March each period. No profit and loss account is presented for the company as permitted by section 408 of the Companies Act 2006

Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary and associated undertakings acquired or disposed of in the year are included in the group profit and loss account from the date of acquisition or up to the date of disposal

Entities in which the group holds an interest on a long term basis and are jointly controlled by the group and one or more other ventures under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the gross equity method

Entities, other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence are treated as associates. In the group financial statements, associates are accounted for using the equity method

Dividends received and receivable are credited to the company's profit and loss account to the extent that they represent a realised profit for the company

Statement of cash flows

The company has taken advantage of the exemption available in FRS 1 (Revised) not to disclose a statement of cash flows as the company is a wholly owned subsidiary of a company whose financial statements are publicly available

Tangible fixed assets

All fixed assets are initially recorded at cost

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows

Leasehold building	-	8-10 years straight line
Leasehold property	-	over the lease term
Fixtures and fittings	-	5-10 years straight line
Tractors and trailers	-	6-7 years straight line
Motor vehicles	-	25% reducing balance
Shipping vessels	-	15-30 years straight line
Dry docking assets	-	2-5 years straight line

Assets under construction are not depreciated

Notes to the financial statements

at 31 March 2013

1. Accounting policies (continued)

Tangible fixed assets (continued)

The cost of tangible fixed assets includes expenditure incurred during construction, delivery and modification. Where a substantial period of time is required to bring the asset into use attributable finance costs are capitalised and included in the cost of the relevant asset.

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Revenue recognition

Revenue is recognised to the extent that group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

- (i) Charter hire income: The time charter equivalent of income from the company's vessel chartering activities is recognised on a time proportion basis whilst voyage charter income is recognized on voyage completion basis.
- (ii) Management fees: The fees earned from the management of vessels, crew and technical matters are recognised when services are rendered.

Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Deferred taxation

Deferred taxation 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 right to pay less or to receive more tax, with the following exceptions:

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- 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.

Notes to the financial statements

at 31 March 2013

1. Accounting policies (continued)

Foreign currencies

Company

Monetary assets and liabilities 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 dealt with in the profit and loss account.

Group

For consolidation purposes, the financial statements of overseas subsidiary undertakings are translated at the closing exchange rates. Exchange differences arising on these translations are taken directly to reserves. The exchange differences arising on the retranslation of opening net assets is taken directly to reserves.

Leasing and hire purchase commitments

A lease is recognised as a finance lease if it transfers substantially to the Company all the risks and rewards of ownership.

Assets acquired by way of a finance lease are stated at an amount equal to the lower of the fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as loans. In calculating the present value of the minimum lease payments, the discount factor used is the rate implicit in the lease when it is practicable to determine, otherwise the company's incremental borrowing rates is used.

Lease payments are apportioned between the interest expense and the reduction of the outstanding liability. Interest expense, which represents the difference between the total leasing commitments and the fair value of the assets acquired, is recognised as an expense in the profit and loss account over the term of the relevant lease so to produce a constant periodic rate of change on the remaining balance of the obligation for each accounting period.

Rental payments under operating leases are charged against income on a straight-line basis over the lease term.

Pensions

The company and group operate a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable.

Derivative instruments

The company uses forward foreign currency contracts to reduce exposure to foreign exchange rates. The company also uses interest rate swap contracts to reduce interest rate exposures, forward freight agreement to minimise the fluctuation in market freight rates and bunker swap contracts to minimise the fluctuations in bunker prices. The group does not apply hedge accounting for any of the derivative instruments.

Loans receivable

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.

Notes to the financial statements

at 31 March 2013

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.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties in respect of the group's continuing activity as stated in the directors' report.

An analysis of turnover by geographical market is given below.

	<i>15 month period ended 31 March 2013 £000</i>	<i>Year ended 31 December 2011 £000</i>
United Kingdom	96,678	50,365
Rest of Europe	150,869	156,391
Rest of world	72,818	72,274
	<u>320,365</u>	<u>279,030</u>

Operating lease income from charter hire included above is £237,752,000 (year ended 31 December 2011 – £186,140,000).

An analysis of turnover by geographical market for the joint venture is given below.

	<i>15 month period ended 31 March 2013 £000</i>	<i>Year ended 31 December 2011 £000</i>
United Kingdom	-	284
Rest of Europe	-	16,767
Rest of world	-	11,369
	<u>-</u>	<u>28,420</u>

Notes to the financial statements

at 31 March 2013

3. Group operating profit/(loss)

This is stated after charging/(crediting)

	<i>15 month period ended 31 March 2013 £000</i>	<i>Year ended 31 December 2011 £000</i>
Auditor remuneration (note 5)	568	396
Depreciation of owned tangible fixed assets	27,382	16,577
Depreciation of assets held under finance leases and hire purchase contracts	6,606	4,247
Operating lease rentals		
– land and buildings	1,266	1,292
– vessels and plant and machinery	93,860	94,321
Foreign exchange loss	3,317	745
Cancellation cost of vessel construction contract	-	12,990

4. Exceptional item – profit on disposal of tangible fixed assets

	<i>15 month period ended 31 March 2013 £000</i>	<i>Year ended 31 December 2011 £000</i>
Profit on disposal of tangible fixed assets	2,228	-

5. Auditors' remuneration

The remuneration of the auditor is further analysed as follows

	<i>15 month period ended 31 March 2013 £000</i>	<i>Year ended 31 December 2011 £000</i>
Audit of the financial statements	56	54
Other fees to auditor – local statutory audits for subsidiaries	113	97
– taxation compliance services	94	80
– other services relating to taxation	305	165
	568	396

Notes to the financial statements

at 31 March 2013

6. Directors' remuneration

<i>15 month period ended</i>	<i>Year ended</i>
<i>31 March</i>	<i>31 December</i>
<i>2013</i>	<i>2011</i>
<i>£000</i>	<i>£000</i>

Remuneration

-	-
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No pension contributions were paid by the company to directors during the period (year ended 31 December 2011 – £nil)

The directors were remunerated by other companies in the group where full disclosure has been made. The directors did not recharge any remuneration from the other fellow group undertakings during the year in respect of their services to the Company. The directors believe that it is impractical to apportion the amount paid by other fellow group undertakings to the directors of this Company between their services as directors of this company and their services as directors of the other fellow group undertakings.

7. Staff costs

<i>15 month period ended</i>	<i>Year ended</i>
<i>31 March</i>	<i>31 December</i>
<i>2013</i>	<i>2011</i>
<i>£000</i>	<i>£000</i>

Wages and salaries

22,286

17,912

Social security costs

1,712

1,286

Other pension costs (note 27)

1,168

895

25,166

20,093

The average monthly number of employees during the period was made up as follows

	<i>No</i>	<i>No</i>
Operational	122	133
Administration	272	268
	394	401

8. Interest receivable and similar income

<i>15 month period ended</i>	<i>Year ended</i>
<i>31 March</i>	<i>31 December</i>
<i>2013</i>	<i>2011</i>
<i>£000</i>	<i>£000</i>

Bank interest receivable

88

116

Loan interest receivable

1,817

1,481

Other interest receivable

3

13

1,908

1,610

Share of joint venture interest receivable

-

9

Notes to the financial statements

at 31 March 2013

9. Interest payable and similar charges

	<i>15 month period ended 31 March 2013 £000</i>	<i>Year ended 31 December 2011 £000</i>
Bank interest payable	12,433	11,952
Finance lease charges net of interest rate swap	(4,214)	(3,773)
Other	(183)	326
	<u>8,036</u>	<u>8,505</u>
Finance lease interest payable	<u>1,481</u>	<u>518</u>
Share of joint venture's interest payable	<u>-</u>	<u>2,411</u>

10. Exchange gain/(loss)

In 2013, an exchange gain of £58,480,000 (2011 exchange loss of £14,006,000) arose on retranslation of loans and finance lease obligations of the subsidiaries

11. Tax

(a) Tax on profit on ordinary activities

The tax charge/(credit) is made up as follows

	<i>15 month period ended 31 March 2013 £000</i>	<i>Year ended 31 December 2011 £000</i>
Current tax:		
UK corporation tax on the profit for the period	1,125	1,092
Adjustment in respect of prior periods	1	539
	<u>1,126</u>	<u>1,631</u>
Foreign tax:		
Current tax	-	7
Adjustment in respect of prior periods	(135)	-
Total current tax (note 11(b))	<u>991</u>	<u>1,638</u>
Deferred tax.		
Origination and reversal of timing differences	(23)	(5,920)
Effect of changes in tax rates on opening liability	5	(330)
Total deferred tax (note 11(c))	<u>(18)</u>	<u>(6,250)</u>
Tax on profit on ordinary activities	<u>973</u>	<u>(4,612)</u>

Notes to the financial statements

at 31 March 2013

11. Tax (continued)

(b) Factors affecting current tax charge for the period

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 24.4% (year ended 31 December 2011 – 26.5%). The differences are explained below

	<i>15 month period ended 31 March 2013 £000</i>	<i>Year ended 31 December 2011 £000</i>
Profit on ordinary activities before tax	<u>59,295</u>	<u>7,197</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.4% (year ended 31 December 2011 – 26.5%)	14,468	1,907
<i>Effects of</i>		
(Non taxable income)/disallowable expenses	(13,390)	10
Decelerated/(accelerated) capital allowances	29	(1,915)
Adjustments in respect of prior periods	(135)	538
Unrelieved tax losses	19	1,089
Difference in tax rates	-	2
Excess foreign tax on overseas income	-	7
Current tax for the period (note 11(a))	<u>991</u>	<u>1,638</u>

(c) Deferred tax

The deferred tax asset included in the balance sheet is as follows

	<i>31 March 2013 £000</i>	<i>31 December 2011 £000</i>
Included in debtors (note 16)	200	208
Included in provisions for liabilities (note 21)	<u>(21)</u>	<u>(47)</u>
	179	161
	<i>£000</i>	<i>£000</i>
Decelerated capital allowances	200	208
Accelerated capital allowances	<u>(21)</u>	<u>(47)</u>
	179	161
At 1 January 2012		161
Profit and loss account movement during the period (note 11(a))		<u>18</u>
At 31 March 2013		<u>179</u>

Notes to the financial statements

at 31 March 2013

11. Tax (continued)

(d) Factors that may affect future tax charges

There is an unrecognised deferred tax asset of £106,000 arising in respect of carried forward losses in "K" Line Holding Europe Limited. This deferred tax asset has not been recognised as there is no reasonable indication that there will be future taxable profits from which these timing differences can be deducted.

The Chancellor announced in the Budget of 20 March 2013, that the main rate of UK corporation tax will fall to 20% from 1 April 2015. This follows the announcement in the pre-Budget Report that the main rate will fall to 21% with effect from 1 April 2014. A reduction in the corporation tax rate to 20% would reduce the company's unrecognised deferred tax asset by approximately £14,000 to £92,000 and recognised deferred tax asset by approximately £23,000 to £156,000. This has not been reflected in these financial statements due to the relevant legislation not having been substantively enacted at the balance sheet date.

12. Profit/(loss) attributable to members of parent undertaking

The profit dealt with in the financial statements of the parent undertaking was £305,000 (year ended 31 December 2011 – loss of £9,870,000).

Notes to the financial statements

at 31 March 2013

13. Tangible fixed assets

Group

	<i>Vessels</i> £000	<i>Vessel under construction</i> £000	<i>Leasehold property and improve- ments</i> £000	<i>Plant and machinery, fixtures and fittings</i> £000	<i>Motor vehicles</i> £000	<i>Total</i> £000
Cost						
At 1 January 2012	405,642	75,741	1,111	11,979	70	494,543
Exchange adjustment	9,620	1,796	5	8	-	11,429
Additions	160,587	113,730	-	558	68	274,943
Disposals/ transfers	(35,679)	(155,435)	-	(1,587)	(37)	(192,738)
At 31 March 2013	540,170	35,832	1,116	10,958	101	588,177
Depreciation						
At 1 January 2012	68,005	-	811	8,307	25	77,148
Exchange adjustment	(15,362)	-	3	5	-	(15,354)
Provided during the period	32,258	-	125	1,564	41	33,988
Disposals	(1,485)	-	-	(1,441)	(24)	(2,950)
At 31 March 2013	83,416	-	939	8,435	42	92,832
Net book value						
At 31 March 2013	456,754	35,832	177	2,523	59	495,345
At 1 January 2012	337,637	75,741	299	3,672	45	417,394

The net book value of vessels and plant and machinery above includes an amount of £90,816,000 (year ended 31 December 2011 – £91,554,000) in respect of assets held under finance leases and hire purchase contracts

The vessel has been placed as security under the finance lease agreement

The depreciation charged to the financial statements in the year in respect of assets held under finance lease arrangements and hire purchase contracts were £6,606,000 (year ended 31 December 2011 – £4,247,000)

Included in additions under "Vessels" above is an amount of £3,810,000 (year ended 31 December 2011 – £4,325,000) relating to financing costs capitalised during the year

Notes to the financial statements

at 31 March 2013

14. Investments

Group

	<i>31 March</i> <i>2013</i> <i>£000</i>	<i>31 December</i> <i>2011</i> <i>£000</i>
Joint venture (a)	-	-
Associate	342	227
Unlisted investments	47	47

(a) Joint venture

	<i>Share of net</i> <i>assets</i> <i>£000</i>	<i>Goodwill</i> <i>£000</i>	<i>Total</i> <i>£000</i>
At 1 January 2011	51,125	10,959	62,084
Acquired during the year	2,048	-	2,048
Exchange adjustments	(1,096)	138	(958)
Share of profit retained by joint venture	3,050	-	3,050
Amortisation of goodwill	-	(11,097)	(11,097)
Consideration for disposal of joint venture	(92,412)	-	(92,412)
Profit on disposal of joint venture	37,285	-	37,285
At 31 December 2011 and 31 March 2013	-	-	-

On 27 May 2011, "K" Line Heavy Lift (UK) Limited sold all its interests in the SAL group of entities to "K" Line Heavy Lift (Germany) GmbH for an agreed price of €105,807,450 together with the inter company balance receivable of €4,477,500

Additional disclosures are given when the aggregate share of joint ventures exceeds the 15% thresholds under FRS 9 'Associates and Joint Ventures', as follows

	<i>31 March</i> <i>2013</i> <i>£000</i>	<i>31 December</i> <i>2011</i> <i>£000</i>
Fixed assets	-	-
Current assets	-	-
Liabilities due within one period	-	-
Liabilities due after more than one year	-	-
Turnover	-	28,420
Operating profit	-	5,465

Notes to the financial statements

at 31 March 2013

14. Investments (continued)

Company

	<i>Joint ventures and associate</i> £000	<i>Investment in subsidiary undertakings</i> £000	<i>Unlisted investments</i> £000	<i>Total</i> £000
Cost				
At 1 January 2012	23	85,796	47	85,866
At 31 March 2013	23	85,796	47	85,866
Amounts provided				
At 1 January 2012	-	(35,455)	-	(35,455)
At 31 March 2013	-	(35,455)	-	(35,455)
Net book value				
At 31 March 2013	23	50,341	47	50,411
At 1 January 2012	23	50,341	47	50,411

In the opinion of the directors, the aggregate value of the investment in subsidiary undertakings is not less than the amount at which they are stated in the balance sheet

Details of the investments in which the group and the company (unless indicated) holds 20% or more of the nominal values of the class of share capital 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
James Kemball Limited	Ordinary shares	100%	Road haulage
"K" Line (Europe) Limited	Ordinary shares	100%	Shipping
"K" Line Heavy Lift (UK) Limited	Ordinary shares	100%	Shipping
Ralph Morton Transport Limited	Ordinary shares	100%	Road haulage
<i>Associate</i>			
Polar LNG Shipping (UK) Limited	Ordinary shares	42.5%	Shipping

During the prior period, the haulage business within Ralph Morton Transport Limited was transferred to James Kemball Limited. Ralph Morton Transport Limited ceased trading on 31 December 2012, however, the directors have no immediate plans to wind up the company

Unlisted investments

The group and company also own 10% of the issued share capital of "K" Line Logistics (UK) Limited which was acquired on 1 January 2004 for £6,642 and less than 1% of the issued share capital of Baltic Exchange Company Limited which was acquired on 1 January 2004 for £40,447

Notes to the financial statements

at 31 March 2013

15. Stocks

	<i>Group</i>		<i>Company</i>	
	<i>31 March 2013 £000</i>	<i>31 December 2011 £000</i>	<i>31 March 2013 £000</i>	<i>31 December 2011 £000</i>
Stocks	8,383	6,444	-	-

Stocks consist of bunker fuel oil and diesel fuel oil which are stated at cost

16. Debtors

	<i>Group</i>		<i>Company</i>	
	<i>31 March 2013 £000</i>	<i>31 December 2011 £000</i>	<i>31 March 2013 £000</i>	<i>31 December 2011 £000</i>
Loans receivable from group undertaking	122,990	133,089	2,203	-
Amounts owed by group undertakings	3,086	5,220	24	-
Amounts owed by related party undertakings	2,001	5,222	-	-
Trade debtors	14,772	16,670	-	-
Other debtors	5,169	653	-	-
Prepayments and accrued income	26,775	27,029	-	-
Deferred taxation (note 11(c))	200	208	-	-
	<u>174,993</u>	<u>188,091</u>	<u>2,227</u>	<u>-</u>

Amounts falling due after more than one year included above are

	<i>Group</i>		<i>Company</i>	
	<i>31 March 2013 £000</i>	<i>31 December 2011 £000</i>	<i>31 March 2013 £000</i>	<i>31 December 2011 £000</i>
Loans receivable	-	86,869	-	-

Loans receivable include £35,078,000 (year ended 31 December 2011 – £39,537,000) loans given to a group company "K" Line TRS. These loans are renewable every three months. Loans receivable also include £87,912,000 (year ended 31 December 2011 – £93,552,000) loans given to a group company "K" Line Heavy Lift Germany GmbH and its maturity date is July 2013.

Notes to the financial statements

at 31 March 2013

17. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	<i>31 March 2013 £000</i>	<i>31 December 2011 £000</i>	<i>31 March 2013 £000</i>	<i>31 December 2011 £000</i>
Bank loans (note 19)	108,638	24,575	-	-
Overdraft	58	21	-	-
Obligations under finance leases and hire purchase contracts (note 20)	8,418	7,623	-	-
Trade creditors	11,548	12,144	-	-
Amounts owed to group undertakings	5,863	8,211	1	15
Amounts owed to related party undertakings	125	625	-	-
Current corporation tax	93	1,593	-	-
Other taxes and social security costs	942	1,377	-	-
Other creditors	259	8,064	-	-
Accruals and deferred income	23,159	19,144	37	63
	<u>159,103</u>	<u>83,377</u>	<u>38</u>	<u>78</u>

The bank overdraft is secured by a mortgage over the leasehold property of a subsidiary company

18. Creditors: amounts falling due after more than one year

	<i>Group</i>		<i>Company</i>	
	<i>31 March 2013 £000</i>	<i>31 December 2011 £000</i>	<i>31 March 2013 £000</i>	<i>31 December 2011 £000</i>
Obligations under finance leases and hire purchase contracts (note 20)	131,874	106,609	-	-
Bank loans (note 19)	222,212	283,333	-	-
	<u>354,086</u>	<u>389,942</u>	<u>-</u>	<u>-</u>

Notes to the financial statements

at 31 March 2013

19. Loans

	<i>Group</i>		<i>Company</i>	
	<i>31 March 2013 £000</i>	<i>31 December 2011 £000</i>	<i>31 March 2013 £000</i>	<i>31 December 2011 £000</i>
Amounts repayable				
In one year or less or on demand	108,638	24,575	-	-
In more than one year but not more than two years	77,230	104,762	-	-
In more than two years but not more than five years	50,348	135,226	-	-
In more than five years	94,634	43,345	-	-
	<u>330,850</u>	<u>307,908</u>	-	-
Less included in creditors				
Amounts falling due within one year (note 17)	(108,638)	(24,575)	-	-
Amounts falling due after more than one year (note 18)	<u>222,212</u>	<u>283,333</u>	-	-

Group:

"K" Line Bulk Shipping (UK) Limited

The first loan of \$23,239,736 (JPY22,185,000,000) is repayable by 2016 in 11 equal instalments \$917,358 (JPY86,250,000) and 1 final instalment of \$13,148,798 (JPY1,236,250,000) The rate of interest payable on the loan is 0 17% above LIBOR The loan is secured by a fixed charge over the vessel

The second loan of \$25,198,206 (JPY1,629,275,000) is repayable by 2014 in 12 equal instalments \$658,105 (JPY61,875,000) and 1 final instalment of \$9,482,833 (JPY886,875,000) The rate of interest payable on the loan is 0 20% above LIBOR The loan is secured by a fixed charge over the vessel

The third loan of \$45,069,049 (JPY4,275,000) is repayable by 2014 in 4 equal instalments \$1,010,423 (JPY95,000,000) and 1 final instalment of \$41,427,356 (JPY3,895,000,000) The rate of interest payable on the loan is 0 70% above LIBOR The loan is secured by a fixed charge over the vessel

The fourth loan of \$58,316,316 (JPY5,482,900,000) is repayable by 2014 in 6 equal instalments \$1,241,225 (JPY116,700,000) and 1 final instalment of \$50,868,964 (JPY4,782,700,000) The rate of interest payable on the loan is 0 65% above LIBOR The loan is secured by a fixed charge over the vessel

The fifth loan of \$31,238,673 (JPY2,937,060,000) is repayable by 2020 in 32 equal instalments \$589,449 (JPY55,420,000) and 1 final instalment of \$12,376,303 (JPY1,163,620,000) The rate of interest payable on the loan is 1 15% above LIBOR The loan is secured by a guarantee provided by the ultimate parent company

The sixth loan of \$45,360,562 (JPY4,264,800,000) is repayable by 2021 in 33 equal instalments \$842,374 (JPY55,420,000) and 1 final instalment of \$17,562,221 (JPY1,651,200,000) The rate of interest payable on the loan is 0 55% above LIBOR The loan is secured by a fixed charge over the vessel

The seventh loan of \$28,350,000 is repayable by 2021 in 33 equal instalments \$525,000 and 1 final instalment of \$11,025,000 The rate of interest payable on the loan is 0 60% above LIBOR The loan is secured by a fixed charge over the vessel

Notes to the financial statements

at 31 March 2013

19. Loans (continued)

The eighth new loan of \$29,400,000 is repayable by 2019 in 25 equal instalments \$525,000 and 1 final instalment of \$11,025,000. The rate of interest payable on the loan is 1% above LIBOR. The loan is secured by a fixed charge over the vessel.

The ninth new loan of \$30,450,000 is repayable by 2022 in 35 equal instalments \$525,000 and 1 final instalment of \$17,325,000. The rate of interest payable on the loan is 0.76% above LIBOR. The loan is secured by a fixed charge over the vessel.

The tenth new loan of \$59,626,612 (JPY5,606,000,000) is repayable by 2019 in 25 equal instalments \$1,031,695 (JPY97,000,000) and 1 final instalment of \$33,833,227 (JPY3,181,000,000). The rate of interest payable on the loan is 0.86% above LIBOR. The loan is secured by a fixed charge over the vessel.

"K" Line Heavy Lift (UK) Limited

The loan was drawn down from a total loan facility of €136,000,000 from syndication banks arranged by Mizuho Corporate Bank Ltd. The first repayment on this facility was made on 15 July 2009 and will be followed by 3 equal annual payments of the same amount and a final payment of €104m. The rate of interest payable on the loan is 0.23% above Euro base rate. The maturity date for all outstanding loans against the facility is 15 July 2013 and the loan is secured by a guarantee from the ultimate parent undertaking.

20. Obligations under finance leases and hire purchase contracts

Amounts due under finance leases and hire purchase contracts

<i>Group</i>	<i>31 March 2013</i>	<i>31 December 2011</i>
	<i>£000</i>	<i>£000</i>
Amounts payable		
Within one year	10,952	9,320
In two to five years	42,011	36,654
Over five years	110,273	86,661
	<u>163,236</u>	<u>132,635</u>
Less finance charges allocated to future periods	(22,944)	(18,403)
	<u>140,292</u>	<u>114,232</u>

Analysis of present value of finance lease and hire purchase liabilities

	<i>31 March 2013</i>	<i>31 December 2011</i>
	<i>£000</i>	<i>£000</i>
In one year or less or on demand	8,418	7,623
In more than one year but not more than five years	32,601	28,924
In more than five years	99,273	77,685
	<u>140,292</u>	<u>114,232</u>

The rate of interest payable on the finance lease of "K" Line Bulk Shipping (UK) Limited is 4.208% and on the "K" Line LNG Shipping (UK) Limited finance lease is 0.275% above LIBOR. Both finance leases are secured by a fixed charge over the assets concerned.

Notes to the financial statements

at 31 March 2013

20. Obligations under finance leases and hire purchase contracts (continued)

Annual commitments under non-cancellable operating leases are as follows

Group

	31 March 2013		31 December 2011	
	Land and buildings £000	Plant and machinery (Other) £000	Land and buildings £000	Plant and machinery (Other) £000
Operating leases which expire				
Within one year	273	4,577	94	1,979
In two and five years	268	29,138	1,059	58,097
Over five years	434	21,929	323	18,511
	<u>975</u>	<u>55,644</u>	<u>1,476</u>	<u>78,587</u>

During the period the group held operating leases for 52 vessels (year ended 31 December 2011 – 22 vessels) for the purposes of trading in its bulk division

21. Provisions for liabilities

Group

The movement in the provision for liabilities during the period was

	Onerous lease £000	Dilapidation £000	Deferred Tax £000	Total £000
At 1 January 2012	136	136	47	319
Profit and loss account movement arising during the period	(136)	60	(26)	(102)
At 31 March 2013	<u>-</u>	<u>196</u>	<u>21</u>	<u>217</u>

22. Issued share capital

	31 March 2013		31 December 2011	
	No	£000	No	£000
Allotted, called up and fully paid				
Ordinary shares of £1 each	84,880,603	<u>84,881</u>	84,880,603	<u>84,881</u>

Notes to the financial statements

at 31 March 2013

23. Reconciliation of shareholders' funds and movements on reserves

Group

	<i>Share capital</i> £000	<i>Profit and loss account</i> £000	<i>Total share- holders' funds</i> £000
At 1 January 2011	69,298	71,194	140,492
Shares issued	15,583	-	15,583
Profit for the year	-	11,809	11,809
Exchange difference on retranslation	-	3,941	3,941
At 1 January 2012	84,881	86,944	171,825
Profit for the period	-	58,322	58,322
Exchange difference on retranslation	-	6,238	6,238
At 31 March 2013	84,881	151,504	236,385

Company

	<i>Share capital</i> £000	<i>Profit and loss account</i> £000	<i>Total share- holders' funds</i> £000
At 1 January 2011	69,298	(22,615)	46,683
Shares issued	15,583	-	15,583
Loss for the year	-	(9,870)	(9,870)
At 1 January 2012	84,881	(32,485)	52,396
Profit for the period	-	305	305
At 31 March 2013	84,881	(32,180)	52,701

24. Derivatives

The group uses forward foreign currency contracts to reduce exposure to foreign exchange rates. The group also uses interest rate swap contracts to reduce interest rate exposures. During the period, a forward freight agreement and bunker swap agreement was also used to minimise the fluctuations in market freight and bunker rates. The fair values of the derivatives held at the balance sheet date, determined by reference to their market values, are as follows:

	<i>Group</i>		<i>Company</i>	
	<i>31 March 2013 £000</i>	<i>31 December 2011 £000</i>	<i>31 March 2013 £000</i>	<i>31 December 2011 £000</i>
Interest rate swaps	(2,718)	(4,014)	-	-
Forward foreign currency contracts	-	(4,763)	-	-
Bunker swap agreements	31	35	-	-
Forward freight agreements	1,073	-	-	-

Notes to the financial statements

at 31 March 2013

25. Events since the balance sheet date

James Kemball Limited New trucks

On 2 April 2013, 10 new trucks were purchased at a cost of £891k The financing will be spread over 36 months with annual interest of 1.07%

26. Capital commitments

The group had capital commitments contracted but not provided for in the financial statements of £101,517,000 (31 December 2011 – £223,295,000)

27. Pensions

The group operates a defined contribution pension scheme The assets of the scheme are held separately from those of the group in an independently administered fund The pension cost charge represents contributions payable by the group

28. Related party transactions

The company has taken advantage of the exemption available in FRS 8 from disclosing transactions with related parties, 100% of whose voting rights are controlled within the Kawasaki Kisen Kaisha Limited group

During the period "K" Line Europe Limited had entered into transactions, in the ordinary course of business with the following related parties

	<i>Income from related party</i>	<i>Purchases from related party</i>	<i>Amounts owed from related party</i>	<i>Amounts owed to related party</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Polar LNG Shipping (UK) Limited				
2013	-	-	5	-
2011	-	-	9	-
SAL Schiffahrtskontor Altes Land GmbH & Co KG				
2013	-	-	-	-
2011	5	-	36	-

During the period "K" Line Bulk Shipping (UK) Ltd had entered into transactions, in the ordinary course of business with the following related party

Together with Cardinal Shipping Limited, "K" Line Bulk Shipping (UK) Limited entered into a partnership under the name of "E&K Amanda Partners" The main purpose of the partnership is to manage and operate a cape size vessel that is co-owned by each partner All profits or losses are to be shared equally between the partners

During the period, profit share of £600,000 (year ended 31 December 2011 – £1,090,000) has been included in the turnover (note 2) A management fee of £24,000 (2011 - £13,000) has been charged to E&K Amanda Partners At 31 March 2013, the balance receivable from E & K Amanda Partners amounted to £306,290 (31 December 2011 - £1,104,000)

Notes to the financial statements

at 31 March 2013

28. Related party transactions (continued)

During the period, "K" Line Heavy Lift (UK) Limited had entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding as at 31 March, are as follows

	<i>Shares of profit/(loss) from related party £000</i>	<i>Dividends received from related party £000</i>	<i>Amounts owed from related party £000</i>	<i>Amounts owed to related party £000</i>
SAL GmbH & Co KG				
2011	(391)	-	-	-
HLL Sea Lion GmbH & Co KG				
2011	181	-	-	-
HLL Sea Tiger GmbH & Co KG				
2011	(119)	-	-	-
HLL Sea Hawk GmbH & Co KG				
2011	125	-	-	-
HLL Sea Eagle GmbH & Co KG				
2011	183	-	-	-
HLL Annette GmbH & Co KG				
2011	277	-	-	-
HLL Maria GmbH & Co KG				
2011	968	-	-	-
HLL Grietje GmbH & Co KG				
2011	(173)	-	-	-
HLL Annegret GmbH & Co KG				
2011	(49)	-	-	-
HLL Paula GmbH & Co KG				
2011	128	-	-	-
HLL Wiebke GmbH & Co KG				
2011	21	-	-	-
HLL Carrier GmbH & Co KG				
2011	248	-	-	-
HLL Project GmbH & Co KG				
2011	160	-	-	-
HLL Trina GmbH & Co KG				
2011	19	-	-	-
HLL Regine GmbH & Co KG				
2011	712	-	-	-
HLL Svenja GmbH & Co KG				
2011	1,064	-	-	-

Notes to the financial statements

at 31 March 2013

28. Related party transactions (continued)

	<i>Shares of profit/(loss) from related party £000</i>	<i>Dividends received from related party £000</i>	<i>Amounts owed from related party £000</i>	<i>Amounts owed to related party £000</i>
HLL Lone GmbH & Co KG				
2011	(304)	-	-	-
2013 Total	-	-	-	-
2011 Total	3,050	-	-	-

During the period "K" Line LNG Shipping (UK) Ltd entered into transactions with affiliates of Kawasaki Kisen Kaisha Limited, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 March 2013, are as follows

	<i>Income from related party £000</i>	<i>Purchases from related party £000</i>	<i>Amounts owed from related party £000</i>	<i>Amounts owed to related party £000</i>
Polar LNG Shipping (UK) Limited				
2013	9,568	-	645	-
2011	7,628	-	2,882	-
J5 Nakilat No 3 Limited				
2013	7,294	-	-	89
2011	3,484	-	323	-
J5 Nakilat No 7 Limited				
2013	4,542	-	231	-
2011	3,475	-	365	-
Peninsula LNG No 2 Limited				
2013	4,158	-	-	36
2011	3,551	-	513	-
Trinity LNG Transport S A				
2013	9,987	-	814	-
2011	6,357	-	-	625

29. Ultimate parent undertaking and controlling party

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

The financial statements of Kawasaki Kisen Kaisha Limited, which represent the smallest and the largest group in which the company is included, are available from Kawasaki Kisen Kaisha Limited, Hibiya Central Buildings, 2-9 Nishi-Shinbashi 1 - chome, Minato-ku, Tokyo 105-8421, Japan