5005016

"K" Line Holding (Europe) Limited

Report and Financial Statements

31 December 2004

ERNST & YOUNG

Registered No: 5005018

Directors

F Kawamata (Managing Director)
F Messerschmidt
K Terashima
H Maekawa
R Dowding

Secretary

R Dowding

Auditors

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

Bankers

Mizuho Corporate Bank Limited
7-11 Finsbury Circus
London
EC2M 7DH

Registered office

River Plate House
7-11 Finsbury Circus
London
EC2M 7EA

Directors' report

The directors present their report and financial statements of the group for the period ended 31 December 2004.

Results and dividends

The results of the group for the period ended 31 December 2004 are shown in the group profit and loss account. The profit for the period after taxation was £2,019,787. The directors do not recommend the payment of any dividends.

Principal activities and review of the business

The company was incorporated on 31 December 2003 and commenced its business on that day. During the period, the company issued 16,445,539 ordinary shares of £1 each at par for cash.

The company acts as a holding company. The practical business of the group is that of general shipping agents for container ships and car carriers, operation of bulk vessels and road haulage.

On 1 January 2004, the company acquired 100% of the issued share capital of "K" Line (Europe) Limited for a consideration of £278,181 satisfied by cash. On the same date, the company acquired 100% of the issued share capital of "K" Line Bulk Shipping (UK) Limited. "K" Line Bulk Shipping (UK) Limited did not trade during the year but has vessels under construction.

On 30 January 2004, the company acquired 100% of the issued share capital of James Kemball Limited for a consideration of £1,850,000 satisfied by cash.

On 22 January 2004, 2,000,000 ordinary shares of £1 were allotted to Kawasaki Kisen Kaisha Limited. On 29 March 2004, 1,200,000 ordinary shares of £1 were allotted to Kawasaki Kisen Kaisha Limited. On 19 April 2004, 6,309,644 ordinary shares of £1 were allotted to Kawasaki Kisen Kaisha Limited. On 1 September 2004, 1,067,447 ordinary shares of £1 were allotted to Kawasaki Kisen Kaisha Limited.

On 29 October 2004, the company increased its authorised share capital to £30,000,000 by the creation of 10,000,000 ordinary shares of £1. On the same date, 5,868,448 ordinary shares of £1 were allotted to Kawasaki Kisen Kaisha Limited.

On 29 March 2005, the company increased its authorised share capital to £55,000,000 by the creation of 25,000,000 ordinary shares of £1. On the same date, 496,278 ordinary shares of £1 were allotted to Kawasaki Kisen Kaisha Limited.

Directors and their interests

The directors who served the company during the period were as follows:

F Kawamata	(appointed 31 December 2003)
F Messerschmidt	(appointed 31 December 2003)
K Terashima	(appointed 31 December 2003)
H Maekawa	(appointed 15 April 2005)
R Dowding	(appointed 15 April 2005)

There are no directors' interests requiring disclosure under the Companies Act 1985.

Directors' report

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 December 2004, the company had an average of 30 days purchases outstanding in trade creditors.

Auditors

Ernst & Young LLP were appointed by the directors as the company's first auditors during the period. A resolution to re-appoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the board

R Dowding
Secretary

0 3 JUN 2005

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Independent auditors' report

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

We have audited the group's financial statements for the period ended 31 December 2004 which comprise the Group Profit and Loss Account, Group Statement of Total Recognised Gains and Losses, Group Balance Sheet, Company Balance Sheet and the related notes 1 to 24. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

ERNST & YOUNG

Independent auditors' report

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

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group as at 31 December 2004 and of the profit of the group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

- 7 JUN 2005

Group profit and loss account

for the period ended 31 December 2004

	Notes	*Period ended 31 December 2004* £
Turnover	2	38,193,964
Cost of sales		(20,498,615)
Gross profit		17,695,349
Administrative expenses		(14,536,174)
Operating profit	3	3,159,175
Income from investments		210
Interest receivable and similar income	6	91,912
Interest payable and similar charges	7	(135,350)
Profit on ordinary activities before taxation		3,115,947
Taxation	8	(1,096,160)
Profit for the financial period		2,019,787

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Group statement of total recognised gains and losses

for the period ended 31 December 2004

	Period ended 31 December 2004
	£
Profit for the financial year	2,019,787
Exchange difference on retranslation of net assets of subsidiary undertaking	(159,187)
Total recognised gains related to the period	1,860,600

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Group balance sheet

at 31 December 2004

	Notes	2004 £
Fixed assets		
Intangible assets	10	508,092
Tangible assets	11	26,168,784
Investments	12	47,090
		26,723,966
Current assets		
Stocks	13	25,049
Debtors	14	3,616,304
Cash at bank and in hand		7,757,516
		11,398,869
Creditors: amounts falling due within one year	15	(18,698,898)
Net current liabilities		(7,300,029)
Total assets less current liabilities		19,423,937
Creditors: amounts falling due after more than one year	16	(975,891)
Provisions for liabilities and charges		
Deferred taxation	19	(141,907)
		18,306,139
Capital and reserves		
Called up share capital	20	16,445,539
Profit and loss account	21	1,860,600
Equity shareholders' funds	21	18,306,139

T Kawamata
Director

0 3 JUN 2005

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Balance sheet

at 31 December 2004

	Notes	2004 £
Fixed assets		
Investments	12	16,293,362
Current assets		
Debtors	14	220,000
Cash at bank and in hand		54,309
		274,309
Creditors: amounts falling due within one year	15	(37,519)
Net current assets		236,790
Total assets less current liabilities		16,530,152
Capital and reserves		
Called up share capital	20	16,445,539
Profit and loss account	21	84,613
Equity shareholders' funds	21	16,530,152

F Kawamata
Director

0 3 JUN 2005

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Notes to the financial statements

at 31 December 2004

1. Accounting policies

Accounting convention

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

Basis of consolidation

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 December each year. No profit and loss account is presented for the company as permitted by section 230 of the Companies Act 1985.

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 period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

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 consolidated financial statements are publicly available.

Fixed assets

All fixed assets are initially recorded at cost.

Goodwill

Goodwill is the difference between the cost of an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life up to a presumed maximum of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Fixed asset 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 in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Depreciation

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

Assets under construction are not depreciated.

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

Notes to the financial statements

at 31 December 2004

1. Accounting policies (continued)

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 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

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 assets and liabilities and profit and loss accounts of subsidiary undertakings are translated at the closing exchange rates. Exchange differences arising on these translations are taken directly to reserves.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and hire purchase contracts and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to 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.

Notes to the financial statements

at 31 December 2004

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:

	Period ended 31 December 2004 £
United Kingdom	18,267,524
Rest of Europe	1,317,064
Rest of World	18,609,376
	38,193,964

3. Operating profit

This is stated after charging/(crediting):

		Period ended 31 December 2004 £
Auditors' remuneration	- audit services	57,612
	- non-audit services	82,103
		139,715
Amortisation of goodwill		127,022
Depreciation of owned tangible fixed assets		634,439
Depreciation of assets held under finance leases and hire purchase contracts		373,480
Operating lease rentals	- land and buildings	435,197
	- plant and machinery	100,326
Foreign exchange gains		(5,369)
Profit on disposal of fixed assets		(26,921)

Notes to the financial statements

at 31 December 2004

4. Directors' remuneration

	Period ended 31 December 2004
	£
Emoluments	532,975

The amounts in respect of the highest paid director are as follows:

	Period ended 31 December 2004
	£
Emoluments	338,899

5. Staff costs

	Period ended 31 December 2004
	£
Wages and salaries	9,250,082
Social security costs	717,978
Other pension costs (note 17)	465,095
	10,433,155

The average weekly number of employees during the period was as follows:

	Period ended 31 December 2004
	No.
Operational	63
Administration	169
	232

Notes to the financial statements

at 31 December 2004

6. Interest receivable

	Period ended 31 December 2004 £
Bank interest receivable	91,912

7. Interest payable

	Period ended 31 December 2004 £
Bank interest payable	49,459
Finance charges	85,891
	135,350

8. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	Period ended 31 December 2004 £
Current tax:	
UK corporation tax on the profit for the period	1,123,430
Adjustment in respect of prior periods	(24,191)
Total current tax (note 8(b))	1,099,239
Deferred tax:	
Origination and reversal of timing differences	(58,469)
Effect of change in tax rate	55,390
	(3,079)
Tax on profit on ordinary activities	1,096,160

Notes to the financial statements

at 31 December 2004

8. Tax (continued)

(b) Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 30%. The differences are explained below:

	Period ended 31 December 2004
	£
Profit on ordinary activities before tax	3,115,947
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	934,784
Effects of:	
Disallowable expenses and non-taxable income	163,493
Depreciation in advance of capital allowances	66,227
Group relief for nil consideration	(41,074)
Adjustments in respect of prior periods	(24,191)
Current tax for the period (note 8(a))	1,099,239

(c) Deferred tax

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

	2004
	£
Included in debtors (note 14)	81,983
Included in provisions for liabilities and charges (note 19)	(141,907)
	(59,924)
Decelerated capital allowances	81,983
Accelerated capital allowances	(141,907)
	(59,924)
Arising from acquisition	(63,003)
Profit and loss account movement during the period	3,079
At 31 December	(59,924)

9. Profit attributable to members of parent company

The profit dealt with in the financial statements of the parent company was £84,613.

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Notes to the financial statements

at 31 December 2004

10. Intangible fixed assets

Group	*Goodwill*
	£
Cost:	
Additions	635,114
At 31 December 2004	635,114
Amortisation:	
Provided during the period	127,022
At 31 December 2004	127,022
Net book value:	
At 31 December 2004	508,092

11. Tangible fixed assets

Group	*Vessel under construction*	*Leasehold property and improvements*	*Plant and machinery, fixtures and fittings*	*Motor vehicles*	*Total*
	£	*£*	*£*	*£*	*£*
Cost:					
Acquisition of subsidiary undertakings	–	153,792	5,979,910	170,967	6,304,669
Additions	23,063,040	162,567	1,245,296	17,888	24,488,791
Disposals	–	–	(234,812)	(50,447)	(285,259)
At 31 December 2004	23,063,040	316,359	6,990,394	138,408	30,508,201
Depreciation:					
Acquisition of subsidiary Undertakings	–	40,300	3,480,889	81,089	3,602,278
Provided during the period	–	48,036	937,692	22,191	1,007,919
Disposals	–	–	(234,811)	(35,969)	(270,780)
At 31 December 2004	–	88,336	4,183,770	67,311	4,339,417
Net book value:					
At 31 December 2004	23,063,040	228,023	2,806,624	71,097	26,168,784

The net book value of plant and machinery above includes an amount of £1,826,432 in respect of assets held under finance leases and hire purchase contracts.

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Notes to the financial statements

at 31 December 2004

12. Investments

Group

	Unlisted investments £
Cost:	
Acquired during the period	47,090
At 31 December 2004	47,090

Company

	Investment in Subsidiary undertakings £	*Unlisted investments* £	*Total* £
Cost/fair value:			
Acquired during the period	16,246,272	47,090	16,293,362
At 31 December 2004	16,246,272	47,090	16,293,362

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:

Name of company	*Holding*	*Proportion of voting rights held*	*Nature of business*
"K" Line (Europe) Limited	Ordinary shares	100%	Shipping
"K" Line Bulk Shipping (UK) Limited	Ordinary shares	100%	Shipping
James Kemball Limited	Ordinary shares	100%	Road haulage

On 1 January 2004 the company acquired "K" Line (Europe) Limited for a consideration of £278,181 satisfied by cash. The investment in K Line (Europe) Limited has been included in the balance sheet at its fair value at the date of acquisition.

Analysis of the acquisition of "K" Line Europe Limited:

Net assets at date of acquisition:

	Book and fair value to group £
Fixed assets	752,923
Current assets	8,600,320
Creditors	(9,075,062)
Net assets	278,181
Discharged by:	
Cash	278,181

Notes to the financial statements

at 31 December 2004

12. Investments (continued)

"K" Line (Europe) Limited earned a profit after tax of £1,953,581 in the year ended 31 December 2004.

On 1 January 2004 the company acquired "K" Line Bulk Shipping (UK) Limited. This company was dormant at the date of acquisition. "K" Line Bulk Shipping (UK) Limited generated a loss in the period ended 31 December 2004 of £16,685. The goodwill arising on acquisition amounted to £2,553.

On 30 January 2004 the group acquired James Kemball Limited for a consideration of £1,850,000 satisfied by cash. The investment in James Kemball Limited has been included in the balance sheet at its fair value at the date of acquisition.

Analysis of the acquisition of James Kemball Limited:

Net assets at date of acquisition:

	Book and fair value to group
	£
Fixed assets	1,947,545
Current assets	1,898,368
Creditors: amounts falling due within one year:	(1,432,803)
Creditors: amounts falling due after one year:	(1,195,671)
Net assets	1,217,439
Goodwill arising on acquisition	632,561
	1,850,000
Discharged by:	
Cash	1,850,000

James Kemball Limited earned a profit after tax of £386,966 in the year ended 31 December 2004.

The group and company also own 10% of the issued share capital of "K" Line Air Services (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.

13. Stocks

	Group 2004	*Company 2004*
	£	*£*
Raw materials and consumables	25,049	–

Notes to the financial statements

at 31 December 2004

14. Debtors

	Group 2004 £	Company 2004 £
Trade debtors	1,108,473	–
Other debtors	971,760	220,000
Prepayments	1,454,088	–
Deferred taxation (note 8(c))	81,983	–
	3,616,304	220,000

15. Creditors: amounts falling due within one year

	Group 2004 £	Company 2004 £
Bank loans and overdraft	9,184,649	–
Obligations under finance leases and hire purchase contracts (note 18)	602,103	–
Trade creditors	772,054	–
Amounts owed to group undertakings	4,803,775	6,500
Current corporation tax	1,028,916	–
Other taxes and social security costs	742,381	–
Other creditors	1,530	–
Accruals and deferred income	1,563,490	31,019
	18,698,898	37,519

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

The loan was repaid on 7 January 2005. The rate of interest payable on the loan was 0.5% above LIBOR. On 22 December the original loan was refinanced by a subsequent loan of ¥4,700,000,000. The subsequent loan is repayable by 7 January 2012 in 28 instalments. The rate of interest payable on the subsequent loan is 0.5% above LIBOR. The original and subsequent loans are secured by fixed charges over one of the vessels under construction by a subsidiary company.

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

	Group 2004 £	Company 2004 £
Obligations under finance leases and hire purchase contracts (note 18)	975,891	–

17. 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 to the fund.

Notes to the financial statements

at 31 December 2004

18. Obligations under leases and hire purchase contracts

Amounts due under finance leases and hire purchase contracts:

Group and company	*2004*
	£
Amounts payable:	
Within one year	602,103
In two to five years	975,891
	1,577,994

Annual commitments under non-cancellable operating leases are as follows:

Group		*2004*
	Land and buildings	*Other*
	£	£
Operating leases which expire:		
Within one year	–	125,306
Between two and five years	76,120	6,941,656
Over five years	556,863	2,697,638
	632,983	9,764,600

During the year the group held leases for four vessels for the purposes of trading in its bulk division.

19. Provisions for liabilities and charges

	2004
	£
The movement in the deferred taxation provision during the period was:	
Arising from acquisition	95,671
Profit and loss account movement arising during the period	46,236
At 31 December (Note 8(c))	141,907

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Notes to the financial statements

at 31 December 2004

20. Share capital

	Authorised
	2004
	£
Ordinary shares of £1 each	30,000,000

	Allotted, called up and fully paid	
		2004
	No.	*£*
Ordinary shares of £1 each	16,445,539	16,445,539

On 22 January 2004, 2,000,000 ordinary shares of £1 were allotted to Kawasaki Kisen Kaisha Limited. On 29 March 2004, 1,200,000 ordinary shares of £1 were allotted to Kawasaki Kisen Kaisha Limited. On 19 April 2004, 6,309,644 ordinary shares of £1 were allotted to Kawasaki Kisen Kaisha Limited. On 1 September 2004, 1,067,447 ordinary shares of £1 were allotted to Kawasaki Kisen Kaisha Limited.

On 29 October 2004, the company increased its authorised share capital to £30,000,000 by the creation of 10,000,000 ordinary shares of £1. On the same date, 5,868,448 ordinary shares of £1 were allotted to Kawasaki Kisen Kaisha Limited.

21. Reserves

Group	*Share Capital*	*Profit and loss account*	*Total*
	£	*£*	*£*
Retained profit for the period	–	2,019,787	2,019,787
Exchange difference on retranslation of net assets of subsidiary undertaking	–	(159,187)	(159,187)
Other movements			
New equity share capital issued	16,445,539	–	16,445,539
At 31 December 2004	16,445,539	1,860,600	18,306,139

Company	*Share Capital*	*Profit and loss account*	*Total*
	£	*£*	*£*
Profit for the period	–	84,613	84,613
Other movements			
New equity share capital issued	16,445,539	–	16,445,539
At 31 December 2004	16,445,539	84,613	16,530,152

22. Capital commitments

The group had capital commitments contracted but not provided for in the financial statements of £56,469,688.

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Notes to the financial statements

at 31 December 2004

23. Related party transactions

The company has taken advantage of the exemption available in FRS 8 from disclosing transactions with related parties, 90% or more of whose voting rights are controlled within the Kawasaki Kisen Kaisha Limited group.

24. Ultimate parent company

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

The financial statements of Kawasaki Kisen Kaisha Limited, which represents the largest group in which the company is consolidated, are available from Kawasaki Kisen Kaisha Limited, Hibiya Central Buildings, 2-9 Nishi-Shinbashi 1 – chome, Minato-ku, Tokyo 105, Japan.