

Registered number
08998564
(England and Wales)

Nippon Kaiji Kyokai (UK) Ltd

Directors' Report and Financial Statements

For the period ended 31 December 2014

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Nippon Kaiji Kyokai (UK) Ltd
Report and accounts
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Nippon Kaiji Kyokai (UK) Ltd
Company Information

Directors

Dr Moideen Kunju Abdul Rahim (Appointed 15 April 2014)

Hiroki Mukai (Appointed 15 April 2014)

Kazuto Yoshinaga (Appointed 15 April 2014)

Registered number

08998564

Registered office

12th Floor Tower 42

25 Old Broad Street

London

EC2N 1HQ

Auditors

Kingston Smith LLP

Devonshire House

60 Goswell Road

London

EC2M 7AD

Accountants

Howlader & Company Ltd

56 Leman Street

London

E1 8EU

Nippon Kaiji Kyokai (UK) Ltd

Registered number: 08998564

Directors' Report for the period ended 31 December 2014

The directors present their report and audited financial statements for the period ended 31 December 2014.

Principal activities

The company was incorporated on 15 April 2014. The company's principal activity during the period was that of ship classification, survey, audit & inspection.

The company has taken the exemption under 414b of the Companies Act 2006 from preparing the strategic report.

Future developments

The company will continue to operate within its principal activities.

Dividends

No dividends were issued during the period.

Directors

The following directors have held office since incorporation;

Dr Moideen Kunju Abdul Rahim (Appointed 15 April 2014)

Hiroki Mukai (Appointed 15 April 2014)

Kazuto Yoshinaga (Appointed 15 April 2014)

Political and charitable donations

No political or charitable donations were made during the period.

Auditors

Kingston Smith LLP were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006 a resolution proposing that they be re-appointed will be put to a general meeting.

Directors' responsibilities

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

Company law requires the directors to prepare accounts for each financial period. Under that law the directors have elected to prepare the accounts in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these accounts, the directors are required to select suitable accounting policies and then apply them consistently;

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Nippon Kaiji Kyokai (UK) Ltd

Registered number: 08998564

Directors' Report for the period ended 31 December 2014

- State whether applicable UK Accounting Standards have been followed, subject to any rational departures disclosed and explained in the financial statements

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 accounts comply with the Companies Act 2006. They 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 auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 24 September 2015 and signed on its behalf.



Kazuto Yoshinaga
Director

Nippon Kaiji Kyokai (UK) Ltd
Independent auditors' report
to the member of Nippon Kaiji Kyokai (UK) Ltd

We have audited the financial statements of Nippon Kaiji Kyokai (UK) Ltd For the period ended 31 December 2014 set out in pages 6 - 16. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (Financial Reporting Standard 102).

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 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 explained more fully in the Statement of Directors' Responsibilities, 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 accounts 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the accounts

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 company'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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the accounts

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice - Financial Reporting Standard 102; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters 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.

Nippon Kaiji Kyokai (UK) Ltd
Independent auditors' report
to the member of Nippon Kaiji Kyokai (UK) Ltd

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 accounts 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

Jonathan Sutcliffe
(Senior Statutory Auditor)
for and on behalf of
Kingston Smith LLP
Chartered Accountants and Statutory Auditors
24 September 2015

Devonshire House
60 Goswell Road
London

EC1M 7AD

Nippon Kaiji Kyokai (UK) Ltd
Profit and Loss Account
For the period ended 31 December 2014

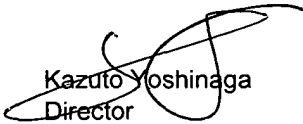
	Notes	Period Ended 31 December 2014 £
Turnover	3	1,330,745
Administrative expenses		(1,300,356)
Operating profit	4	<u>30,389</u>
Interest payable	5	(28,232)
Profit on ordinary activities before taxation		<u>2,157</u>
Tax on profit on ordinary activities	6	(16,962)
Loss for the period		<u>(14,805)</u>
Statement of Comprehensive Income		
Profit for the period		<u>(14,805)</u>
Other comprehensive income		-
Total comprehensive income		<u>(14,805)</u>

Nippon Kaiji Kyokai (UK) Ltd
Balance Sheet
As at 31 December 2014

	Notes	2014 £
Fixed assets		
Tangible assets	8	3,896,143
Current assets		
Debtors	9	250,136
Cash at bank and in hand		947,275
		<u>1,197,411</u>
Creditors: amounts falling due within one year	10	(730,834)
Net current assets		<u>466,577</u>
Total assets less current liabilities		<u>4,362,720</u>
Creditors: amounts falling due after more than one year	11	(2,217,680)
Provisions for liabilities	13	(2,717)
Net assets		<u>2,142,323</u>
Capital and reserves		
Called up share capital	14	500,000
Other reserves	15	1,628,897
Profit and loss account	16	13,426
Shareholder's funds		<u>2,142,323</u>

The notes on pages 8 to 16 are an integral part of these financial statements

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.


Kazuto Yoshinaga
Director

Approved by the board for issue on 24 September 2015

Nippon Kaiji Kyokai (UK) Ltd
Statement of changes in equity
For the period ended 31 December 2014

	Notes	Called-up share capital £	Capital contribution £	Retained earnings £	Total £
Balance as at 15 April 2014		-	-	-	-
Profit for the year	16	-		(14,805)	(14,805)
Other comprehensive income				-	-
Total comprehensive income				(14,805)	(14,805)
Share Capital on Incorporation	14	500,000			500,000
Financing Costs	15	-	1,657,128		1,657,128
Transfer to profit & loss	15	-	(28,231)	28,231	-
Total transactions with owners, recognised directly in equity		500,000	1,628,897	28,231	2,157,128
Balance as at 31 December 2014		500,000	1,628,897	13,426	2,142,323

Nippon Kaiji Kyokai (UK) Ltd
Notes to the Accounts
For the period ended 31 December 2014

1 Accounting policies

Statement of compliance

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102.

Accounting convention

The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

Disclosure Exemptions

The individual accounts of Nippon Kaiji Kyokai (UK) Limited have adopted the following disclosure exemptions:

- a) The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv).
- b) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
- c) The requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29A providing the equivalent disclosures required by this FRS are included in the consolidated financial statements of the group in which the entity is consolidated.
- d) The requirement of Section 33 Related Party Disclosures paragraph 33.7

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Turnover

The turnover shown in the profit and loss account represents revenue derived from services supplied to customers during the year, net of Value Added Tax. Revenue is recognised through the provision of a service agreement contract with the customer and is calculated upon costs of services which fall within the company's ordinary activities performed to date.

Tangible Fixed Assets

Tangible fixed assets are measured at cost less accumulated depreciation, and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight-line or reducing balance methods. The rates applicable are:

Fixtures & fittings	25% straight line
Motor vehicles	25% straight line
Land & Buildings	10% straight line

Nippon Kaiji Kyokai (UK) Ltd
Notes to the Accounts
For the period ended 31 December 2014

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Current Tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxation

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Operating lease commitments

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Nippon Kaiji Kyokai (UK) Ltd
Notes to the Accounts
For the period ended 31 December 2014

Employee Benefits

The company provides a range of benefits to employees, including bonus arrangements, defined contribution pension plans, and company cars.

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financing

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a) Discount factor applied to long-term financing

The effective interest rate charge is subject to the change in external costs of financing. The effective interest rate is assessed annually and amended where necessary.

b) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation, and physical condition of the assets.

Nippon Kaiji Kyokai (UK) Ltd
Notes to the Accounts
For the period ended 31 December 2014

3 Turnover **Period Ended 31 December 2014**

Turnover attributable to geographical markets outside the UK 100.0%

Turnover analysed by category	2014
	£
Share of Survey fees	1,260,981
Sales per service agreement	69,764
	<u>1,330,745</u>

4 Operating profit **Period Ended 31 December 2014**

£

This is stated after charging:

Depreciation of owned fixed assets	15,178
Rentals under operating leases	219,418
Pension costs	7,891
Auditors' remuneration	6,000
	<u>248,487</u>

5 Interest payable **Period Ended 31 December 2014**

£

Interest payable	<u>28,232</u>
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6 Taxation **2014**
£

UK corporation tax	14,245
Deferred tax	2,717
	<u>16,962</u>

7 Reconciliation of tax charge **2014**
£

Profit on ordinary activities before tax	<u>2,157</u>
Profit multiplied by standard rate of tax in the UK of 21%	453
Effects of:	
- Depreciation	3,187
- Disallowable expenses	8,453
- Finance costs	5,929
- Capital Allowances	(3,777)
- Deferred tax	2,717
	<u>16,962</u>
Tax charge for the year	<u>16,962</u>

Nippon Kaiji Kyokai (UK) Ltd
Notes to the Accounts
For the period ended 31 December 2014

8 Tangible fixed assets

	Land and buildings £	Fixtures & Fittings £	Motor vehicles £	Total £
Cost				
Additions	3,870,118	16,582	24,621	3,911,321
At 31 December 2014	<u>3,870,118</u>	<u>16,582</u>	<u>24,621</u>	<u>3,911,321</u>
Depreciation				
Charge for the period	10,133	1,967	3,078	15,178
At 31 December 2014	<u>10,133</u>	<u>1,967</u>	<u>3,078</u>	<u>15,178</u>
Net book value				
At 31 December 2014	<u>3,859,985</u>	<u>14,615</u>	<u>21,543</u>	<u>3,896,143</u>

9 Debtors

	2014 £
Trade debtors	72,048
Other debtors	<u>178,088</u>
	<u>250,136</u>

10 Creditors: amounts falling due within one year

	2014 £
Amounts owed to parent undertaking	572,774
Trade creditors	15,011
Corporation tax	14,245
Other creditors	<u>128,804</u>
	<u>730,834</u>

11 Creditors: amounts falling due after one year

	2014 £
Amounts owed to parent undertaking - due after 5 yrs	2,004,511
Amounts owed to parent undertaking - due between 2 - 5yrs	<u>213,169</u>
	<u>2,217,680</u>

12 Loans

	2014 £
Creditors include:	
Amounts falling due for payment after more than five years	<u>2,004,511</u>

Nippon Kaiji Kyokai (UK) Ltd
Notes to the Accounts
For the period ended 31 December 2014

13 Provisions for liabilities

Deferred taxation:	2014
	£
Accelerated capital allowances	2,717
	2014
	£
Deferred tax charge in profit and loss account	2,717
At 31 December	2,717

14 Share capital

	Nominal value	2014
		£
Allotted, called up and fully paid:		
Ordinary shares	£1 each	500,000
	Nominal value	Amount
		£
Shares issued during the period:		
Ordinary shares	£1 each	500,000

On incorporation, one ordinary share of £1 was issued at par for cash.

On 25 June 2014, a further 499,999 ordinary shares of £1 were issued at par for cash.

15 Other Reserve

	2014
	£
At 15 April 2014	
Change during the period	1,657,128
Transfer to profit & loss account	(28,231)
At 31 December 2014	1,628,897

The Other Reserve comprises the discounting applied to intercompany loan finance.

16 Profit and loss account

	2014
	£
Loss for the period	(14,805)
Transfer from other reserves	28,231
At 31 December 2014	13,426

Nippon Kaiji Kyokai (UK) Ltd
Notes to the Accounts
For the period ended 31 December 2014

17 Operating lease commitments

	2014
	£
Minimum lease payments under operating leases	
Rental < 1 year	289,985
Rental 2 - 5 years	654,556
Rental > 5 years	75,332
	<u>1,019,873</u>

18 Related party transactions

The company has taken advantage of the exemption available in accordance with FRS 102 Section 33.1A Related Party Disclosures not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

19 Control

The immediate and ultimate parent undertaking is Nippon Kaiji Kyokai, a foundation registered in Japan.

Copies of Nippon Kaiji Kyokai's consolidated financial statements can be obtained from the Company Secretary at 4-7, Kioi-cho, Chiyoda-ku, Tokyo, 102-8567, Japan.