

Registered number
08998564
(England & Wales)

Nippon Kaiji Kyokai (UK) Ltd
Annual Report & Financial Statements
For the year ended 31 December 2016

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Nippon Kaiji Kyokai (UK) Ltd
Report and accounts

	Page
Company information	1
Directors' report	2 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 18

Nippon Kaiji Kyokai (UK) Ltd
Company Information

Directors

Dr Moideen Abdul Rahim (Resigned 1 April 2017)
Mitsuhiko Kidogawa (Appointed 1 April 2017)
Tsuyoshi Nabeya (Appointed 1 April 2016)
Daisuke Shiraki (Appointed 6 January 2016)
Hiroki Mukai (Resigned 1 April 2016)
Kazuto Yoshinaga (Resigned 6 January 2016)

Auditors

Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

Accountants

Howlader & Company Ltd
56 Leman Street
London
E1 8EU

Registered office

12th Floor, Tower 42
25 Old Broad Street
London
EC2N 1HQ

Registered number

08998564

Nippon Kaiji Kyokai (UK) Ltd**Registered number: 08998564****Directors' Report for the year ended 31 December 2016**

The directors present their report and audited financial statements for the year ended 31 December 2016.

Principal activities

The company's principal activity during the year continued to be 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.

Results and dividends

No dividends were paid during the year. The directors do not recommend payment of a final dividend. The results for the year are set out on page 6.

Directors

The following persons served as directors during the year and up to the date of signature of the financial statements:

Dr Moideen Abdul Rahim (Resigned 1 April 2017)
Mitsuhiko Kidogawa (Appointed 1 April 2017)
Tsuyoshi Nabeya (Appointed 1 April 2016)
Daisuke Shiraki (Appointed 6 January 2016)
Hiroki Mukai (Resigned 1 April 2016)
Kazuto Yoshinaga (Resigned 6 January 2016)

Political & charitable donations

Charitable donations of £1,000 (2015: £1,800) were made during the year.

Auditors

The auditors, Kingston Smith LLP, are deemed to be appointed under section 487(2) of the Companies Act 2006.

Directors' responsibilities

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

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standards 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;
- make judgements and estimates that are reasonable and prudent;

Nippon Kaiji Kyokai (UK) Ltd

Registered number: 08998564

Directors' Report for the year ended 31 December 2016

- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business;
- state whether appropriate UK accounting standards have been followed, subject to any rational departures declared and explained in the financial statements.

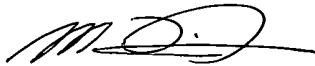
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. 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 25 September 2017 and signed on its behalf.



Mitsuhiro Kidogawa
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 year ended 31 December 2016 which comprise the profit and loss accounts, the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes as set out on pages 6 - 18.. 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

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 accounts 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 from 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 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 are 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 2016 and of its loss for the year 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 year for which the accounts 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 prepare the accounts in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and 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
Accountants and Statutory Auditors
25 September 2017

29 September 2017

Devonshire House
60 Goswell Road
London
EC1M 7AD

Nippon Kaiji Kyokai (UK) Ltd
Profit and Loss Account
For the year ended 31 December 2016

	Notes	2016 £	2015 £
Turnover	2	2,408,369	2,918,079
Administrative expenses		(2,549,642)	(3,041,891)
Operating loss	3	<u>(141,273)</u>	<u>(123,812)</u>
Interest payable	7	(63,355)	(139,032)
Loss on ordinary activities before taxation		<u>(204,628)</u>	<u>(262,844)</u>
Tax on loss on ordinary activities	9	17,156	(19,601)
Loss for the financial year		<u>(187,472)</u>	<u>(282,445)</u>

Nippon Kaiji Kyokai (UK) Ltd
Statement of comprehensive income
For the year ended 31 December 2016

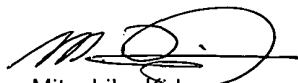
	2016 £	2015 £
Loss for the financial year	(187,472)	(282,445)
Other comprehensive income	2,676,909	-
Total comprehensive income for the year	<u>2,489,437</u>	<u>(282,445)</u>

Nippon Kaiji Kyokai (UK) Ltd
Balance Sheet
as at 31 December 2016

	Notes	2016 £	2015 £
Fixed assets			
Intangible assets	10	3,173	-
Tangible assets	11	4,608,960	4,521,834
		<u>4,612,133</u>	<u>4,521,834</u>
Current assets			
Debtors	12	369,059	701,881
Cash at bank and in hand		<u>367,647</u>	<u>431,224</u>
		736,706	1,133,105
Creditors: amounts falling due within one year	13	(475,122)	(954,915)
Net current assets		<u>261,584</u>	<u>178,190</u>
Total assets less current liabilities		<u>4,873,717</u>	<u>4,700,024</u>
Creditors: amounts falling due after more than one year	14	(504,996)	(2,803,584)
Provisions for liabilities		(19,406)	(36,562)
Net assets		<u>4,349,315</u>	<u>1,859,878</u>
Capital and reserves			
Called up share capital	17	500,000	500,000
Other reserves	18	101,005	1,496,821
Profit and loss account	19	3,748,310	(136,943)
Shareholder's funds		<u>4,349,315</u>	<u>1,859,878</u>

The notes on pages 10 - 18 are an integral part of the 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 the accounts. The financial statements are approved by the board of directors, authorised for issue on 25 September 2017, and signed on their behalf by:



Mitsuhiro Kidogawa
Director

Approved by the board on 25 September 2017

Nippon Kaiji Kyokai (UK) Ltd
Statement of Changes in Equity
For the year ended 31 December 2016

	Notes	Share capital £	Capital contribution £	Profit and loss account £	Total £
At 1 January 2015		500,000	1,628,897	13,426	2,142,323
Loss for the financial year				(282,445)	(282,445)
Transfer to profit and loss account	18		(132,076)	132,076	-
Total comprehensive income for the financial year		-	(132,076)	(150,369)	(282,445)
At 31 December 2015 and as at 1 January 2016		<u>500,000</u>	<u>1,496,821</u>	<u>(136,943)</u>	<u>1,859,878</u>
Loss for the financial year				(187,472)	(187,472)
Other comprehensive income				2,676,909	2,676,909
Transfer from reserves	18		(1,395,816)	1,395,816	-
Total comprehensive income for the financial year		-	(1,395,816)	3,885,253	2,489,437
At 31 December 2016		<u>500,000</u>	<u>101,005</u>	<u>3,748,310</u>	<u>4,349,315</u>

Nippon Kaiji Kyokai (UK) Ltd
Notes to the Accounts
For the year ended 31 December 2016

1 Accounting policies

Company Information

Nippon Kaiji Kyokai (UK) Ltd is a company domiciled and incorporated in England. Its registered office is: 12th Floor, Tower 42, 25 Old Broad Street, London EC2N 1HQ

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The principal accounting policies are set out below. The financial statements are prepared in Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

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 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 company has adequate resources to continue in operational existence for the foreseeable future. The company is still in its development phase, and is reliant on the continued financial support of its parent company. The directors have received written assurances that this support will continue for a period of at least 12 months from the signature of the balance sheet. 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.

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses. Amortisation is calculated at 20% straight line.

Nippon Kaiji Kyokai (UK) Ltd
Notes to the Accounts
For the year ended 31 December 2016

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold land	Nil depreciation charged
Buildings	10% straight line
Motor vehicles	25% straight line
Fixtures & fittings	25% straight line

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.

Financial instruments

The company has elected to apply the provisions of Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instruments Issues" of FRS102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net movements presented in the financial statements when there is a legally enforceable right to set off the recognised amounts.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Nippon Kaiji Kyokai (UK) Ltd
Notes to the Accounts
For the year ended 31 December 2016

Current taxation

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. 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.

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 include cash in hand 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.

Nippon Kaiji Kyokai (UK) Ltd
Notes to the Accounts
For the year ended 31 December 2016

Foreign currency translation

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

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.

c) Revenue

Revenue is recognised through the provision of a service agreement calculated upon cost of services.

Nippon Kaiji Kyokai (UK) Ltd
Notes to the Accounts
For the year ended 31 December 2016

2 Turnover	2016	2015
Turnover attributable to geographical markets outside the UK	100%	100%
Turnover analysed by category	2016	2015
	£	£
Share of Survey Fees	2,406,149	2,918,079
Technical Services	2,220	-
	<u>2,408,369</u>	<u>2,918,079</u>
3 Operating profit	2016	2015
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	97,901	48,591
Rentals under operating leases	265,651	446,491
Pension costs	17,088	15,482
Auditors' remuneration	7,000	6,000
	<u>387,640</u>	<u>516,564</u>
4 Auditors remuneration	2016	2015
	£	£
Fees for the audit of the company	7,000	6,000
	<u>7,000</u>	<u>6,000</u>
5 Directors' remuneration	2016	2015
	£	£
Salaries	493,532	406,529
	<u>493,532</u>	<u>406,529</u>
6 Employees	2016	2015
	Number	Number
Average number of persons employed by the company	<u>13</u>	<u>13</u>
7 Interest payable/(receivable)	2016	2015
	£	£
Interest payable	63,355	139,032
Interest receivable	-	-
	<u>63,355</u>	<u>139,032</u>

Nippon Kaiji Kyokai (UK) Ltd
Notes to the Accounts
For the year ended 31 December 2016

8 Taxation	2016	2015
	£	£
UK corporation tax	-	(14,244)
Deferred tax	(17,156)	33,845
	<u>(17,156)</u>	<u>19,601</u>

9 Reconciliation of tax charge	2016	2015
	£	£
Profit on ordinary activities before tax	(204,628)	(262,844)
Profit multiplied by standard rate of tax in the UK of 20%	(40,926)	(52,569)
Effects of:		
- Depreciation & amortisation	19,602	9,718
- Disallowable expenses	6,980	8,499
- Finance costs	12,671	27,806
- Capital allowances	(5,497)	(8,098)
- Deferred tax	(17,156)	33,845
- Loss brought forward	(37,217)	(14,244)
- Loss carried forward	44,387	14,644
	<u>(17,156)</u>	<u>19,601</u>

10 Intangible fixed assets

	Software
	£
Cost	
Additions	<u>3,282</u>
At 31 December 2016	<u>3,282</u>
Amortisation	
Charge during the year	<u>109</u>
At 31 December 2016	<u>109</u>
Net book value	
At 31 December 2016	<u>3,173</u>

Nippon Kaiji Kyokai (UK) Ltd
Notes to the Accounts
For the year ended 31 December 2016

11 Tangible fixed assets

	Land & buildings £	Fixtures & Fittings £	Motor vehicles £	Total £
Cost				
At 1 January 2016	4,482,461	51,372	50,996	4,584,829
Additions	139,802	17,786	36,405	193,993
Disposals	-	(8,088)	(1,971)	(10,059)
At 31 December 2016	<u>4,622,263</u>	<u>61,070</u>	<u>85,430</u>	<u>4,768,763</u>
Depreciation				
At 1 January 2016	39,817	8,616	14,562	62,995
Charge for the year	66,816	15,084	16,001	97,901
On disposals	-	-	(1,093)	(1,093)
At 31 December 2016	<u>106,633</u>	<u>23,700</u>	<u>29,470</u>	<u>159,803</u>
Net book value				
At 31 December 2016	<u>4,515,630</u>	<u>37,370</u>	<u>55,960</u>	<u>4,608,960</u>
At 31 December 2015	<u>4,442,644</u>	<u>42,756</u>	<u>36,434</u>	<u>4,521,834</u>

12 Debtors: amounts falling due within one year

	2016 £	2015 £
Trade debtors	268,417	618,576
Corporation tax	-	14,244
Other taxes & social security costs	24,546	8,922
Other debtors	76,096	60,139
	<u>369,059</u>	<u>701,881</u>

13 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	4,827	105,449
Amounts owed to parent undertaking	236,306	505,357
Other creditors	233,989	344,109
	<u>475,122</u>	<u>954,915</u>

Nippon Kaiji Kyokai (UK) Ltd
Notes to the Accounts
For the year ended 31 December 2016

14 Creditors: amounts falling due after one year	2016	2015
	£	£
Amounts owed to parent undertaking - due between 2 - 5 years	141,000	336,511
Amounts owed to parent undertaking - due after 5 years	363,996	2,467,073
	<u>504,996</u>	<u>2,803,584</u>
15 Loans	2016	2015
	£	£
Creditors include:		
Amounts falling due for payment after more than five years	<u>363,996</u>	<u>2,558,325</u>
16 Provisions for liabilities	2016	2015
Deferred taxation:	£	£
Accelerated capital allowances:	19,406	36,562
	<u>19,406</u>	<u>36,562</u>
At 1 January 2016	36,562	2,717
Deferred tax charge in profit and loss accounts	(17,156)	33,845
At 31 December 2016	<u>19,406</u>	<u>36,562</u>
17 Share capital	2016	2015
	£	£
Allotted, called up and fully paid:		
Ordinary shares £1 each	<u>500,000</u>	<u>500,000</u>
18 Capital redemption reserve	2016	2015
	£	£
At 1 January 2016	1,496,821	1,628,897
Transfer to profit & loss account:	(1,395,816)	(132,076)
At 31 December 2016	<u>101,005</u>	<u>1,496,821</u>
The Other Reserve comprises the discounting applied to intercompany loan finance.		
19 Profit and loss account	2016	2015
	£	£
At 1 January 2016	(136,943)	13,426
Loss for the year	(187,472)	(282,445)
Other comprehensive income	2,676,909	
Transfer from other reserves	1,395,816	132,076
At 31 December 2016	<u>3,748,310</u>	<u>(136,943)</u>

Nippon Kaiji Kyokai (UK) Ltd
Notes to the Accounts
For the year ended 31 December 2016

As at 5 May 2016, an intercompany loan with a principal amount of £3,910,000 was waived. This was recognised as a transfer to reserves during the year.

20 Operating lease commitments

At the reporting end date, the company had the following future minimum lease payments under non cancellable operating leases which fell due as follows:

	2016	2015
	£	£
Within 1 year	281,698	258,464
Between 2 and 5 years	392,954	536,579
	<u>674,652</u>	<u>795,043</u>

21 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.

22 Controlling party

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.