

COMPANY NUMBER : 1736596

Daihatsu Diesel (Europe) Limited

Report and Financial Statements

31 March 2017

WEDNESDAY



L67LSZ8Z

LD2

31/05/2017

#175

COMPANIES HOUSE

Corporate information

Directors

T Miyoshi
Y Sengoku
T Saito

Secretary

E Watson

Auditors

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

Registered Office

Floor 28
One Canada Square
Canary Wharf
London E14 5AA

Registered No. 1736596

Strategic report

The directors present their strategic report for the year ended 31 March 2017.

Review of the business

The principal activity of the company is sale of ships' diesel engines and spare parts. The company's key financial indicators during the year were as follows:

	2017 ¥000	2016 ¥000	Change %
Turnover	4,650,340	4,871,353	-4.5%
Profit before tax	132,402	89,817	47.4%
Net assets	478,148	428,392	11.6%

Turnover decreased by 4.5% during the year primarily due to decreased sales of spare parts.

Profit before tax increased by 47.4%. This increase was caused by favourable exchange rate for expenses and continuous cost saving effort.

Net assets increased by 11.6% due to increase of cash at bank and in hand.

Due to excess supply of ships, the vessel hire rates have reduced and business conditions have stagnated for years. As a result there is a decrease in new ship buildings and customers have reduced their maintenance costs, which has reduced DDE's parts sales.

During the year to March 31, 2018, vessel hire rates are expected to recover, so DDE sales are expected to increase in its budget.

Regarding sales commission for engines, it is expected to decrease because engine orders decreased due to the above business environment.

The company is still operating a registered branch in Greece and a liaison office in Hamburg.

Principal risks and uncertainties

The company addresses price, credit, liquidity and cash flow risk as follows:

Price risk

Prices are agreed between customers such that transactions are commercially valid. Currently the company does not have contracted rates or rates in matching forward contracts. If in the future there are any material payments in foreign currency the company may consider to have forward contracts arranged to prevent any loss on the price achieved.

Credit risk

Credit risk arises when one party to a financial instrument causes a loss for the other party by failing to discharge an obligation. 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.

Liquidity and cash flow risk

The company manages its liquidity and cash flow risk by actively managing cash balances on hand, while ensuring the optimum return on them. The cash collection is structured for larger transactions and managed by way of a credit control function for routine transactions.

Strategic report (continued)

By order of the board



T Miyoshi
Director

26 May 2017

Registered No. 1736596

Directors' report

The directors present their report for the year ended 31 March 2017.

Directors of the company

The directors who served the company during the year and up to the date of this report were as follows:

T Miyoshi
Y Sengoku
I Teraoka (resigned on 6th April 2016)
T Saito (appointed on 6th April 2016)

Dividends

The profit for the year after taxation amounted to ¥108,756K (2016 – profit of ¥59,211K). The directors paid an interim dividend of ¥1,180 per ordinary share amounting to ¥59,000K (2016 – ¥54,446K).

Future developments

The Company will continue to focus on selling marine engines, spare parts and technical service with anticipated continuous growth in the shipping market.

The directors foresee the addition of stationary land engines and other Daihatsu environmental products to the portfolio of the business in the medium term.

Foreign Branches

The company is fully operating the liaison office in Hamburg, Germany and is still operating the registered branch in Greece.

Going Concern

The company will stay within its normal operating and trading environment within the boundaries of its medium and long-term plan and the factors likely to affect its future performance and position are set out above.

The company has sufficient financial resources, extra support from the parent undertaking and continues to operate as a European master distributor for the European market. The directors believe that they have a sound and proven business strategy for the company's business risks and that it is well managed.

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

Disclosure of information to the auditors

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 company's auditor, each director has taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Re-appointment of auditors

In accordance with s.485 of the Companies Act 2006, a resolution to appoint Ernst & Young LLP as auditors was passed by the members at the Annual General Meeting.

Directors' report (continued)

By order of the board



T Miyoshi
Director

26 May 2017

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. 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), 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 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;
- and state whether applicable UK Accounting Standards have been followed, subject to any material 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 financial statements 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.

Independent auditors' report

to the members of Daihatsu Diesel (Europe) Limited

We have audited the financial statements of Daihatsu Diesel (Europe) Limited for the year ended 31 March 2017 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and the related notes 1 to 22. 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 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 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 Directors' Responsibilities Statement set out on page 6, 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 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 Report and Financial Statements 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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditors' report (continued)

to the members of Daihatsu Diesel (Europe) Limited

Opinion on other matter prescribed by the Companies Act 2006

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

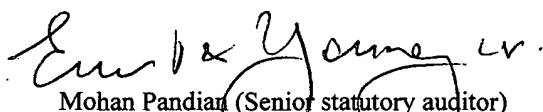
- ▶ the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- ▶ the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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

26 May 2017

Statement of comprehensive income

for the year ended 31 March 2017

	Notes	2017 ¥000	2016 ¥000
Turnover	2	4,650,340	4,871,353
Cost of sales		(4,134,551)	(4,337,329)
Gross profit		515,789	534,024
Administrative expenses		(442,369)	(492,112)
Other operating income	3	58,811	47,514
Operating profit	4	132,231	89,426
Interest receivable and similar income	8	171	391
Profit on ordinary activities before taxation		132,402	89,817
Tax	9	(23,646)	(30,606)
Profit for the financial year		108,756	59,211
Statement of Total Comprehensive Income for the year ended 31 March 2017			
Total other comprehensive income/(loss)		-	-
Total comprehensive income for the year		108,756	59,211

Statement of changes in equity

for the year ended 31 March 2017

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total equity</i>
	¥000	¥000	¥000
At 1 April 2015	18,361	405,266	423,627
Profit for the year		59,211	59,211
Equity dividends paid		(54,446)	(54,446)
At 31 March 2016	18,361	410,031	428,392
Profit for the year		108,756	108,756
Equity dividends paid		(59,000)	(59,000)
At 31 March 2017	18,361	459,787	478,148

Balance sheet

at 31 March 2017

	Notes	2017 ¥000	2016 ¥000
Fixed assets			
Intangible assets	10	-	-
Tangible assets	11	16,323	906
		<u>16,323</u>	<u>906</u>
Current assets			
Debtors	12	1,164,633	1,046,305
Cash at bank and in hand		501,540	418,431
		<u>1,666,173</u>	<u>1,464,736</u>
Creditors: amounts falling due within one year	13	(1,202,836)	(1,037,250)
Net current assets		<u>463,337</u>	<u>427,486</u>
Total assets less current liabilities		479,660	428,392
Provisions for liabilities	16	(1,512)	-
Net assets		<u>478,148</u>	<u>428,392</u>
Capital and reserves			
Share capital	17	18,361	18,361
Profit and loss account		459,787	410,031
		<u>478,148</u>	<u>428,392</u>



T Miyoshi
Director

26 May 2017

Registered No. 1736596

Notes to the financial statements

at 31 March 2017

1. Accounting policies

1.1 Statement of compliance

Daihatsu Diesel (Europe) Limited is a limited liability company incorporated in England. The Registered Office is Floor 28, One Canada Square, Canary Wharf, London E14 5AA.

The financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 March 2017.

1.2 Basis of preparation

The financial statements of the company were approved for issue by the Board of Directors on 26 May 2017. The financial statements have been prepared in accordance with applicable accounting standards.

The company has taken advantage of the following disclosure exemptions under FRS 102:

- (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 12.29 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.

The company's financial statements are prepared in Japanese Yen ("¥") and all values are rounded to the nearest thousand Japanese Yen ("¥000"), except when otherwise indicated.

1.3 Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Operating lease commitments

The company has entered into leases for buildings and equipment. The classification of such leases as operating or finance lease requires the company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

The following are the company's key sources of estimation uncertainty:

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next year and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Notes to the financial statements

at 31 March 2017

1. Accounting policies (continued)

1.3 Judgements and key sources of estimation uncertainty (continued)

Impairment of non-financial assets (continued)

the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Taxation

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 9.

1.4 Significant accounting policies

Intangible assets

Intangible assets acquired separately from a business are capitalised at cost.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight line basis over their estimated useful lives. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The useful economic lives of intangible assets are as follows:

Software licenses – 5 years

If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period previous estimates shall be reviewed and, if current expectations differ, the residual value, amortisation method or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

- | | | |
|-------------------------|---|--------------------|
| ▶ Computers | - | over 5 years |
| ▶ Fixtures and fittings | - | from 5 to 10 years |
| ▶ Office equipment | - | from 5 to 10 years |

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements

at 31 March 2017

1. Accounting policies (continued)

1.4 Significant accounting policies (continued)

Stock

Stock is stated at the lower of cost incurred in bringing each product to its present location and condition, and the net realisable value. Net realisable value is based on the estimated selling price less any further cost expected to be incurred to completion and disposal.

Impairment of non-financial assets

A review for obsolescence is not performed due to the immaterial nature of inventory and no write-downs of inventory have been recognised to date. The difference between purchase price of inventories and the replacement cost is deemed to be immaterial.

Revenue recognition

Rendering of services

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding VAT. The following criteria must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risk and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

Interest income

Revenue is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instruments to its net carrying amount.

Deferred tax

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

The functional currency and presentation currency of the financial statements is Japanese Yen ("¥"). The functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

Transactions in foreign currencies are initially recorded in the functional currency at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the rate of exchange ruling at the balance sheet date and gains or losses on translation are included in the profit and loss account. Non-monetary assets and liabilities, other than those measured at fair value, are not retranslated subsequent to initial recognition. Results of overseas operations which operate as independent branches are translated using the closing rate method and the gains or losses on translation are included in the profit and loss account.

Notes to the financial statements

at 31 March 2017

1. Accounting policies (continued)

1.4 Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term. Lease incentives are recognised over the lease term on a straight line basis.

Pension Costs

The company makes defined contributions to a group personal pension scheme on behalf of its employees. Contributions are charged to the profit and loss account in the period in which they become payable.

2. Turnover

Turnover represents the invoiced amount of goods sold and services provided stated net of value added tax. All turnover and the pre-tax result is attributable to the company's principal activity, all of which is continuing.

An analysis of turnover by geographical market is not disclosed because the directors believe it would be seriously prejudicial to the interest of the company.

Turnover recognised in the income statement is analysed as follows.

	2017 ¥000	2016 ¥000
Sales of goods	4,518,153	4,679,000
Services	132,187	192,353

3. Other operating income

	2017 ¥000	2016 ¥000
Commission earned	72,374	49,668
Foreign exchange gain (loss)	(13,576)	(12,642)
Other income	13	26
Trade cancellation charge received	-	10,462
	<u>58,811</u>	<u>47,514</u>

Notes to the financial statements

at 31 March 2017

4. Operating profit

This is stated after charging:

	2017 ¥000	2016 ¥000
Depreciation of owned fixed assets	2,498	1,101
Amortisation of intangible assets	-	-
Operating lease rentals – land and buildings	51,621	56,820
– Plant and machinery	7,947	9,837
Net loss/(gain) on foreign currency translation	13,576	12,642
Auditors' remuneration (see note 5)	4,859	11,809

5. Auditor's remuneration

The remuneration of the auditors or its associates is further analysed as follows:

	2017 ¥000	2016 ¥000
Audit of the financial statements	3,756	5,564
Total audit	3,756	5,564
Audit related assurance services	-	4,770
Taxation compliance services	1,103	1,475
Transfer Pricing services	-	-
Total non-audit services	1,103	6,245
	4,859	11,809

6. Directors' remuneration

	2017 ¥000	2016 ¥000
Aggregate remuneration	68,636	83,334
Value of company pension contribution to money purchase schemes	2,187	2,801
	70,823	86,135
	2017 ¥000	2016 ¥000
In respect of the highest paid director:		
Aggregate remuneration	37,011	48,517

The directors performed their duties for this company in accordance with contracts with the parent undertaking by whom they are employed. Included in the aggregate amount of directors' remuneration is ¥8,164K (2016 - ¥8,217K) paid by the parent undertaking.

The Company made contributions ¥2,187 K (2016– ¥2,801K) in respect of pension arrangements for directors.

Notes to the financial statements

at 31 March 2017

7. Staff costs

	2017 ¥000	2016 ¥000
Wages and salaries	180,866	232,618
Social security costs	13,812	17,918
Other pension cost (note 14)	6,554	8,469
	<u>201,232</u>	<u>259,005</u>

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

	2017 No.	2016 No.
Administrative staff	<u>16</u>	<u>16</u>

8. Interest receivable and similar income

	2017 ¥000	2016 ¥000
Bank interest receivable	168	322
Other interest receivable	3	69
	<u>171</u>	<u>391</u>

9. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2017 ¥000	2016 ¥000
Current tax:		
UK corporation tax at 20%	29,031	30,590
Adjustments in respect of prior periods	(7,363)	-
	<u>21,668</u>	<u>30,590</u>
Deferred tax:		
Origination and reversal of timing differences	1,978	16
Total deferred tax	<u>1,978</u>	<u>16</u>
Tax on profit on ordinary activities	<u>23,646</u>	<u>30,606</u>

Notes to the financial statements

at 31 March 2017

9. Tax (continued)

(b) Tax included in statement of comprehensive income

The tax assessed on the profit on ordinary activities for the year is higher/ (lower) than the standard rate of corporation tax in the UK of 20%. The differences are reconciled below:

	2017 ¥000	2016 ¥000
Profit on ordinary activities before tax	132,402	89,817
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20%	26,480	17,964
Disallowed expenses and non-taxable income	4,529	2,547
Tax impact on GAAP conversion and foreign exchange difference	-	10,095
Adjustments in respect of previous years	(7,363)	-
Total tax expense	23,646	30,606

(c) Deferred tax

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

	2017 ¥000	2016 ¥000
Included in debtors	-	466
Included in provisions for liabilities	(1,512)	-
Accelerated capital allowances	(1,512)	466
Provision for deferred tax	(1,512)	466
		¥000
At 1 April 2016		466
Deferred tax credit in profit and loss account		(1,978)
At 31 March 2017		(1,512)

Notes to the financial statements

at 31 March 2017

10. Intangible fixed assets

	<i>Software licences ¥000</i>
Cost:	
At 1 April 2016	1,520
Additions	-
Disposals	279
At 31 March 2017	<u>1,241</u>
Amortisation:	
At 1 April 2016	1,520
Provided during the year	-
Disposals	279
At 31 March 2017	<u>1,241</u>
Carrying amount at 31 March 2017	<u>0</u>
Carrying amount at 1 April 2016	<u>0</u>

11. Tangible fixed assets

	<i>Fixtures and fittings ¥000</i>
Cost or valuation:	
At 1 April 2016	35,661
Additions	18,013
Disposals	(19,636)
At 31 March 2017	<u>34,038</u>
Depreciation:	
At 1 April 2016	34,755
Provided during the year	2,498
Disposals	(19,538)
At 31 March 2017	<u>17,715</u>
Carrying amount at 31 March 2017	<u>16,323</u>
Carrying amount at 1 April 2016	<u>906</u>

Notes to the financial statements

at 31 March 2017

12. Debtors

	2017 ¥000	2016 ¥000
Trade debtors	1,110,507	958,830
Amounts due from group undertakings	24,756	38,937
Other debtors	7,497	20,979
Prepayments and accrued income	21,873	27,093
Deferred tax assets	-	466
	<u>1,164,633</u>	<u>1,046,305</u>

Amounts falling due after more than one year included above are:

	2017 ¥000	2016 ¥000
Deferred tax	-	466
	<u>-</u>	<u>466</u>

13. Creditors: amounts falling due within one year

	2017 ¥000	2016 ¥000
Trade creditors	23,353	37,054
Amounts due to group undertakings	1,082,065	911,414
Corporation tax	3,378	12,285
Other taxes and social security costs	10,847	10,524
Other creditors	49,475	35,653
Accruals and deferred income	33,718	30,320
	<u>1,202,836</u>	<u>1,037,250</u>

14. Pensions

The company operates a group personal pension scheme for all eligible employees and directors of the company. The company has made contributions into the scheme of ¥6,554K (2016 - ¥8,469K). No amounts are outstanding at the year end (2016 - ¥nil).

Notes to the financial statements

at 31 March 2017

15. Obligations under leases and hire purchase contracts

Future minimum rentals payable under non-cancellable operating leases are as follows:

	2017	2016
	¥000	¥000
Within one year	1,963	14,787
In two to five years	13,880	31,908
In over five years	105,035	-
	<u>120,878</u>	<u>46,695</u>

16. Provisions for liabilities

	Deferred tax liabilities
	¥000
At 1 April 2016	-
Arising during the year	1,512
At 31 March 2017	<u>1,512</u>

17. Allotted and Issued share capital

	2017	2016
	¥000	¥000
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	<u>18,361</u>	<u>18,361</u>

18. Dividends

	2017	2016
	¥000	¥000
<i>Declared and paid during the year</i>		
Equity dividends on ordinary shares:		
Interim dividend	59,000	54,446
Final dividend	-	-
	<u>59,000</u>	<u>54,446</u>

19. Off-balance sheet arrangements

The company enters into operating lease arrangements for the hire of buildings and plant and equipment as these arrangements are a cost efficient way of obtaining the short-term benefits of these assets. The company lease rental expense for the year is disclosed in note 4 and the annual company commitments under these arrangements are disclosed in note 15. There are no other material off-balance sheet arrangements.

Notes to the financial statements

at 31 March 2017

20. Financial instruments

	2017 ¥000	2016 ¥000
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Amounts due from group undertakings	24,756	38,937
Trade debtors	1,110,507	958,830
Other debtors	7,497	20,979
<i>Financial liabilities measured at amortised cost</i>		
Amounts due to group undertakings, if any	1,082,065	911,414
Trade creditors	23,353	37,054
Other creditors	49,475	35,653

21. Related party transactions

During the year the company entered into transactions with related parties, in the ordinary course of business. Transactions entered into, and trading balances outstanding at 31 March, are as follows:

	<i>Sale to a group company ¥000</i>	<i>Purchases from a group company ¥000</i>	<i>Amounts owed from a group company ¥000</i>	<i>Amounts owed to a group company ¥000</i>
The Daihatsu Diesel Manufacturing Company Limited, a parent undertaking				
2017	366,791	3,766,581	24,756	1,082,065
2016	388,530	3,948,371	38,937	911,414

Terms and conditions of transactions with related parties

Sales and purchases between related parties are made at normal market prices. Outstanding balances with entities are unsecured, interest free and cash settlement is expected within 90 days of invoice. The company has not provided or benefited from any guarantees for any related party receivables or payables.

During the year ended 31 March 2017, the company has not made any provision for doubtful debts relating to amounts owed by related parties (2016: ¥nil).

22. Ultimate parent undertaking and controlling party

The ultimate parent undertaking, controlling party and parent undertaking of the only group of undertaking for which group financial statement are drawn up and of which the company is a member is Daihatsu Diesel Manufacturing Company Limited, a company incorporated in Japan.

Copies of Daihatsu Diesel Manufacturing Company Limited's financial statements may be obtained from Umeda Sky Building Tower West, 1-30 Oyodonaka, 1-Chome, Kita-Ku, Osaka 531-0076, Japan.