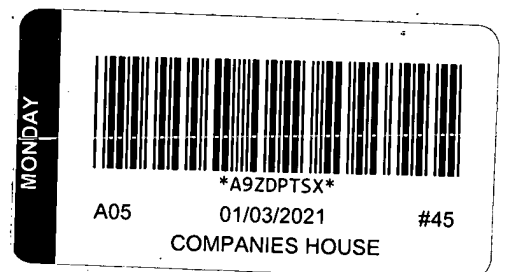


**AMADA UNITED KINGDOM
LIMITED**

Annual report and financial statements

for the year ended 31 March 2020

Registered number: 1063206



AMADA UNITED KINGDOM LIMITED

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AMADA UNITED KINGDOM LIMITED

Strategic Report

The directors present their strategic report for the year ended 31 March 2020.

Review of business and principal activities

The Company, Amada United Kingdom Limited (Amada UK), is a wholly owned subsidiary of Amada Co. Ltd., registered in Japan, operating as part of its European operations. The Company operated two branches overseas during the year, Amada United Kingdom Limited (Johannesburg Branch) which is registered in the Republic of South Africa and Amada United Kingdom Sucursal, registered in Spain. The results of the branches are included within these financial statements. As at 31 January 2020, the Spanish operations moved from the UK branch to the Spanish subsidiary.

Amada United Kingdom Limited's principal activity is the supply of machines, tools and engineering services in the United Kingdom, the Republic of Ireland, Spain, Portugal and South Africa. The company continues to provide management support and supply of goods for resale for subsidiaries in Spain and Scandinavia.

The Directors are not aware, at the date of this report, of any significant changes in the forthcoming year.

The year has seen substantial increases in both turnover and operating profit when compared to 2018/19. Strong contributions were made by both overseas branch operations, as well as in the UK. The Spanish business transferred to a subsidiary company, Amada Maquinaria Iberica S.L., on 31 January 2020. Accordingly, the reported results include ten months trading for Spain. For future periods, Amada UK will receive a dividend from Amada Maquinaria Iberica S.L. in line with group dividend policy. As shown in the profit and loss account on page 13, the Company's turnover has increased by 14.6% (2019 increase: 2.9%) over the prior year. Pre-tax profits increased by 12.5% (2019 decrease: 7.0%) from £9.8 million to £11.0 million (2019: £10.5 million to £9.8 million).

Amada UK continues to closely monitor exchange rates and engage in forward foreign currency contracts where appropriate, since the majority of stock purchases are denominated in Euros. Sterling exchange rates throughout the year were more volatile than the prior year due to the December 2019 general election and political events related to Brexit. Overall the business was able to hedge against the risks that this presented. Order intake for machines was robust heading into 2020/21. An immediate impact of the Covid 19 pandemic was a significant drop in orders in April and May. However, order intake has since made a strong recovery. This has also been the case for after sales of spare parts and tooling, which were initially reduced as a result of many customers temporarily closing their operations.

The balance sheet on page 15 shows that the financial position of the Company remains strong and consistent with prior years, showing steady growth. Cash has reduced compared to 2019 due to the dividend payment of £15.0m made to the parent company during the year. Amada UK continues to be highly cash generative. The large increase in investments reflects the purchase of three Amada subsidiaries in Scandinavia from a fellow group undertaking, and the equity contribution of the Spanish branch to Amada Maquinaria Iberica S.L.

Long term debtors – primarily Amada Loans, provided to customers, have increased, reflecting turnover growth in the year, and take up of the Amada Loan product. This is reflected in the increase of 10.7% (2019: 9.1% increase).

Principal risks and uncertainties

The Company trades in a very competitive industry and the key risks are maintaining market share and the retention of skilled employees. The Company maintains its competitive status by introducing new products and providing market leading support. The Company recruits and seeks to retain the most talented people by supporting them to expand their skills and capabilities.

Amada UK acknowledges that the ongoing trade negotiations between the UK and EU pose an element of risk and uncertainty. The Brexit committee will continue to assess any potential risks and implement measures in order to mitigate the impact.

The Company has no significant concentration of credit risk, with exposure over a number of counterparties and customers. The directors consider that the carrying value of trade receivables represents their recoverable amount.

While the majority of sales are in Sterling, purchases are primarily in Euros. Due to the current instability in exchange rates, this is viewed as an area of greater risk. To minimise the exposure to exchange rate fluctuations, currency rates are constantly reviewed and the timing of currency purchases is carefully considered. Where appropriate, forward currency transactions have been entered into in order to mitigate risk.

AMADA UNITED KINGDOM LIMITED

Strategic Report

Future Developments

The directors expect a moderate decline in activity as a result of the Covid 19 pandemic in the next financial year. Additionally, the final Brexit outcome will continue to be monitored throughout the remainder of 2020. Further details can be found on the Directors Report on page 4.

Key performance indicators

The Company produces detailed management reports and accounts on a monthly basis and a number of Key Performance Indicators ("KPI's") are an integral part of this process. The monthly management reporting and accounts focus on the actual performance of the business compared to the budget set for the current financial year and the comparable period of the previous financial year.

The table below sets out the key KPI's:

KPI	2020	2019
Turnover growth	14.6%	2.9%
Gross profit percentage	29.9%	32.5%
Overhead costs percentage *	21.7%	25.0%
Operating profit percentage	8.8%	8.1%
Return on sales **	12.6%	12.9%
Revenue per employee (£'000)	313.1	279.3
Profit before tax per employee (£'000)	39.5	35.9

*Overhead costs being defined as the sum of distribution costs and administrative expenses.

**Return on sales being calculated as profit on ordinary activities before taxation divided by turnover.

Approved by the Board of Directors and signed on behalf of the Board



Steve Basford
Director
12th February 2021
Amada United Kingdom Limited
Spennells Valley Road
Kidderminster
Worcestershire
DY10 1XS
United Kingdom

AMADA UNITED KINGDOM LIMITED

Directors' Report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 March 2020.

Future prospects

Amada UK has set a reduced turnover budget for 2020/21, allowing for the possibility of the Covid 19 pandemic having a significant and ongoing impact. There will be a particular focus on close control of overhead expenditure. Thus far, and as mentioned on page 2, order intake has recovered strongly since the end of May, and the business is on track to significantly exceed this worst case budget. Amada UK also continues to plan for the impact of Brexit as the UK continues trade negotiations with the EU. The business will focus on the strengths of its core business model including aftersales, engineering services and Amada Loan to mitigate the impact of the challenging economic conditions that are anticipated.

Existence of branches outside the UK

The company has branches, as defined in section 1046(3) of the Companies Act 2006, outside the UK as follows:

- Amada UK Sucursal Espana [not operational at year end]; and
- Amada UK Johannesburg Branch.

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including cash flow risk, credit risk, and liquidity risk. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The Company does not use derivative financial instruments for speculative purposes.

Cash flow risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The Company uses foreign exchange forward contracts where appropriate to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The Company's principal financial assets are bank balances and cash, Amada loans, trade and other receivables.

The Company's credit risk is primarily attributable to its trade receivables and loan book. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity, ensuring that sufficient funds are available for ongoing operations and future developments, the Company continuously monitors the working capital.

The Company has no debt finance and therefore carries no risk concerning the repayment of debt.

Environment

The Company recognises the importance of its environmental responsibilities. In all activities, working practices, and business relationships, the Company continually works towards protecting, conserving and enhancing all aspects of the environment. In order to achieve these objectives, the Company seeks to always meet the necessary regulatory requirements and continues to raise awareness to all employees around environmental issues.

The Company will always seek to minimise its impact on the environment through improving its energy efficiency, use of all energy sources, use of raw materials and recycling wherever possible.

AMADA UNITED KINGDOM LIMITED

Directors' Report

Streamlined Energy and Carbon Reporting (SECR)

The company has calculated its scope 1 (gas and vehicle fuel) and scope 2 (electricity) GHG footprint in line with the GHG Protocol.

	Energy Use (kWh)	Emissions (t CO ₂ e)
Scope 1 - Gas	338,881	62.65
Scope 1 - Vehicle Fuel	1,780,116	453.85
Scope 2 - Electricity	1,073,295	250.23
Total	3,192,292	766.73
Emission Intensity Ratio	2.48 t CO ₂ per machine sold	

The company has identified the most significant sources of operational GHG emissions were electricity, gas and vehicle use and these have been targeted for energy reduction. The following actions have been taken to improve energy efficiency and reduce emissions:

- Installation of smart meters;
- Increased use of video conferencing;
- Selecting vehicles with lower CO₂ emissions;
- Monitoring driver efficiency; and
- Smart LED lighting and heating controls.

We have followed the 2019 UK Government environmental reporting guidance. We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors from the UK Government's GHG Conversion Factors for Company Reporting 2020 to calculate the above disclosures.

Going concern

The directors consider that the financial position of Amada UK at the end of the current year is satisfactory, with a strong balance sheet that provides a sound base for the Company to sustain its prosperity and progress in the short and long term. The Company does not rely on any form of external finance and has a strong cash position which is forecast to continue.

As previously stated the Company has set a conservative budget for the forthcoming year and will continue to focus heavily on customer support. As a result, the directors believe that the Company is well positioned to manage the business and potential risks successfully and is confident that positive trading conditions will continue throughout the year.

After making enquiries, the directors have a reasonable expectation that the Company has sufficient resources to continue its operational existence for a period of at least 12 months from the date of signing these financial statements. The directors have also received a letter of support from the parent company confirming that adequate cash will be left within the business to ensure liabilities are met. Accordingly they continue to adopt the going concern basis in the preparation of the annual report and financial statements.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee consultation

The Company places considerable value on the involvement of its employees and continues to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is

AMADA UNITED KINGDOM LIMITED

Directors' Report

achieved through formal and informal meetings, the Company newsletter and an annual staff meeting. Employees are consulted regularly on a wide range of matters affecting their current and future interests.

Directors

The directors, who served throughout the year and up to the date of signing, except as noted, were as follows:

Alan Parrott	
Yasuhiro Kawashita	resigned 30th April 2020
Eiichi Yagi	resigned 28th April 2020
Atsushige Abe	resigned 1st April 2019
Steve Basford	appointed 1st April 2019
Koji Tsuchimoto	appointed 28th April 2020
Toshinori Kurihara	appointed 28th April 2020

None of the directors have any disclosable interests, as defined by the Companies Act 2006, in the shares or share options of the company.

Director's indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Dividends

The directors recommend a final dividend of £6,440,452 (2019: £15,044,117). This will be accounted for in the 2021 financial statements. Retained profits are shown on page 15 and have been transferred to reserves.

Auditor

Each of the persons who are a director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed a willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:



Steve Basford
Director
12th February 2021
Amada United Kingdom Limited
Spennells Valley Road
Kidderminster
Worcestershire
DY10 1XS
United Kingdom

AMADA UNITED KINGDOM LIMITED

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 financial statements, the directors are required to:

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

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.

AMADA UNITED KINGDOM LIMITED

Corporate governance and responsibility statement

The Board work with the Senior Management Team to consider the wider needs of the stakeholders of Amada UK when performing its duty.

The Board has sought to promote the success of the company for the benefit of Amada UK's key stakeholders, taking a long-term view and ensuring the company has the necessary resources to meet its obligations, objectives and responsibilities. In doing so, the Board has considered the factors of section 172(1) of the Companies Act 2006 as outlined below.

Decision making

The company is wholly owned by Amada Co. Ltd. and is subject to its Corporate Code of Conduct. The directors review long-term plans in considerable depth and work together in order to ascertain if a long-term plan is feasible and in the best interests of all parties involved. The directors avoid quick decisions, and business plans are subject to scrutiny at Board level of Amada Co. Ltd.

Employee engagement

The directors recognise that its employees are fundamental and core to the business achieving its long term ambitions. The directors consider implications and impacts of any decisions on the employees of Amada UK.

The company also promotes a healthy lifestyle and routinely highlights the importance of mental and physical health with the support of its medical scheme.

The approach to employee consultation can be found within the Director's Report on page 5.

Third party relationships

The Directors recognise that building professional and co-operative relationships with third parties is integral to the company's continued success. Consideration is given to the needs of all external parties when engaging with them.

Maintaining relationships with all customers is important to the success of Amada UK with an aim to deliver to the highest level of satisfaction possible as a measure of retaining customers.

Supplier relationships are also maintained with due diligence as the supply chain is key to providing the level of service expected from our customers. Integral to this is the timely payment of all suppliers.

Community and environment

Amada UK respects all rules and regulations in the communities in which it operates.

Amada UK operates and employs staff throughout the UK. The company uses a range of both local and national suppliers through its supply chain, resulting in investment in local communities.

An apprenticeship scheme has successfully been operated by Amada UK for a number of years, allowing ease of access to those in the community looking to start their career.

Amada UK champions a charitable organisation each year which is voted for by employees. Donations raised by employees through various events are matched by the company.

The Company is subject to the Environmental Declaration of its parent company and will always seek to minimise its impact on the environment through improving its energy efficiency, use of all energy sources, use of raw materials and recycling wherever possible. Further detail on the approach to the environment can be found within the Director's Report on page 4.

Professional reputation

The directors strive to maintain the professional reputation of Amada UK. A friendly and professional service is used when engaging with internal and external parties. Maintaining a professional work environment and issuing employee guidelines such as dress codes and behavioural codes of conduct are some of the ways in which the company maintains its level of professionalism.

AMADA UNITED KINGDOM LIMITED

Corporate governance and responsibility statement

Routine training is provided to staff engaging with customers and suppliers on a regular basis. This is provided by an external specialist. Internal training and guidance are available to all staff and can be requested through an individual's line manager. Training includes GDPR compliance to ensure that Amada UK does not suffer GDPR breaches.

Independence and bias

The company is a wholly owned subsidiary of Amada Co. Ltd. Consequently, conflicts of interest between members are not applicable.

Independent auditor's report to the members of Amada United Kingdom Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Amada United Kingdom Limited ('the company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 24.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent auditor's report to the members of Amada United Kingdom Limited (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Independent auditor's report to the members of Amada United Kingdom Limited (continued)

Matters on which we are required to report by exception

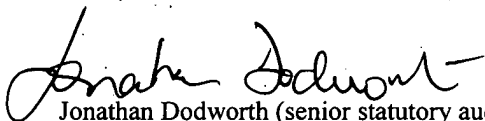
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

Use of our report

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.



Jonathan Dodworth (senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
12th February 2021

AMADA UNITED KINGDOM LIMITED

Profit and loss account

For the year ended 31 March 2020

	Note	2020 £	2019 £
Turnover	3	87,046,059	75,964,542
Cost of sales		(60,998,916)	(51,242,830)
Gross profit		26,047,143	24,721,712
Distribution costs		(5,683,154)	(6,031,190)
Administrative expenses		(13,240,667)	(12,978,239)
Other operating income	4	494,563	416,676
Operating profit		7,617,885	6,128,959
Interest receivable and similar income	5	3,369,961	3,640,411
Profit before taxation	6	10,987,846	9,769,370
Tax on profit	9	(2,289,482)	(2,351,945)
Profit for the financial year attributable to the equity shareholders of the Company		<u>8,698,364</u>	<u>7,417,425</u>

Revenue and operating profit are all derived from continuing operations.

AMADA UNITED KINGDOM LIMITED

Statement of comprehensive income **For the year ended 31 March 2020**

	2020 £	2019 £
Profit for the financial year	<u>8,698,364</u>	<u>7,417,425</u>
 Currency translation differences on foreign currency net investments.	 (781,184)	 (1,624,355)
 Total comprehensive income attributable to equity shareholders of the Company	 <u><u>7,917,180</u></u>	 <u><u>5,793,070</u></u>

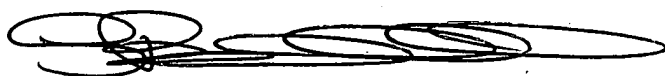
AMADA UNITED KINGDOM LIMITED

Balance sheet

As at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	6,344,765	5,796,584
Investments	12	11,332,868	200
Goodwill	13	-	29,429
		<u>17,677,633</u>	<u>5,826,213</u>
Current assets			
Stocks	14	20,865,800	27,773,277
Debtors: amounts due within one year	15	31,874,816	47,761,703
Short term investments		1,706,437	1,690,051
Cash at bank and in hand		7,193,285	13,436,519
		<u>61,640,338</u>	<u>90,661,550</u>
Current liabilities			
Creditors: amounts falling due within one year	16	(21,240,964)	(28,480,232)
Net current assets		<u>40,399,374</u>	<u>62,181,318</u>
Non-current assets			
Debtors: amounts due after one year	15	39,686,514	35,844,157
Total assets less current liabilities		<u>97,763,521</u>	<u>103,851,688</u>
Non-current liabilities			
Creditors: amounts falling due after one year	16	(1,088,412)	(1,029,720)
Net Assets		<u>96,675,109</u>	<u>102,821,968</u>
Capital and reserves			
Called-up share capital	17	2,606,000	2,606,000
Revaluation Reserve		980,078	-
Profit and loss account		93,089,031	100,215,968
Shareholders' funds		<u>96,675,109</u>	<u>102,821,968</u>

The financial statements of Amada United Kingdom Limited (registered number 1063206) were approved by the board of directors and authorised for issue on 12th February 2021. They were signed on its behalf by:



S. Basford
Director
Amada United Kingdom Limited

AMADA UNITED KINGDOM LIMITED

Statement of changes in equity For the year ended 31 March 2020

	Called-up share capital £	Profit and loss account £	Revaluation Reserve £	Total £
At 1 April 2018	2,606,000	98,436,498	-	101,042,498
Profit for the financial year	-	7,417,425	-	7,417,425
Other comprehensive expense for the year	-	(1,624,355)	-	(1,624,355)
Total comprehensive income	-	5,793,070	-	5,793,070
Dividends paid on equity shares	-	(4,013,600)	-	(4,013,600)
At 31 March 2019	2,606,000	100,215,968	-	102,821,968
Profit for the financial year	-	8,698,364	-	8,698,364
Other comprehensive expense for the year	-	(781,184)	-	(781,184)
Gains arising on revaluation of investment property	-	-	980,078	980,078
Total comprehensive income	-	7,917,180	980,078	8,897,258
Dividends paid on equity shares	-	(15,044,117)	-	(15,044,117)
At 31 March 2020	2,606,000	93,089,031	980,078	96,675,109

AMADA UNITED KINGDOM LIMITED

Notes to the financial statements

For the year ended 31 March 2020

1. Accounting policies

Amada United Kingdom Limited is a private Company limited by shares and incorporated and domiciled in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office and its principal activity are shown on page 3.

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a. General information and basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The financial statements have been prepared using the going concern basis of accounting.

The functional currency of Amada United Kingdom Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Amada United Kingdom Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Amada United Kingdom Limited is consolidated in the financial statements of its parent, Amada Co. Ltd, which may be obtained at 200 Ishida, Isehara – shi, Kanagawa, 259-11, Japan. Exemptions have been taken in these separate Company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

The company has taken advantage of the exemption contained in section 33 of FRS 102 ("Related Party Transactions") which allows it not to disclose transactions with wholly owned group entities or investees qualifying as related parties.

b. Going concern

The financial statements have been prepared using the going concern basis of accounting.

The directors consider that the financial position of Amada UK at the end of the current year is satisfactory, with a strong balance sheet that provides a sound base for the Company to sustain its prosperity and progress in the short and long-term. The Company does not rely on any form of external finance and has a strong cash position which is forecast to continue.

As previously stated the Company has set a conservative budget for the forthcoming year and will continue to focus heavily on customer support. As a result, the directors believe that the Company is well positioned to manage the business and potential risks successfully and is confident that positive trading conditions will continue throughout the year.

After making enquiries, the directors have a reasonable expectation that the Company has sufficient resources to continue its operational existence for a period of at least 12 months from the date of signing these financial statements. The directors have also received a letter of support from the parent company confirming that adequate cash will be left within the business to ensure liabilities are met. Accordingly they continue to adopt the going concern basis in the preparation of the annual report and financial statements.

AMADA UNITED KINGDOM LIMITED

Notes to the financial statements

For the year ended 31 March 2020

1. Accounting policies (continued)

c. *Tangible fixed assets*

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Freehold industrial / residential	over 30 / 50 years
Leasehold buildings	over the term of the lease
Plant, machinery, fixtures and fittings	10% and 12.5% per annum
Motor vehicles	25% per annum

d. *Fixed asset investments*

Investments in subsidiaries are measured at cost less impairment.

e. *Investment properties*

Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in the revaluation reserve.

Market valuations are conducted by an independent valuer with recent experience in the location and class of the investment property being valued. The method of determining fair market value is based on the position, location and general condition of the property and a comparison with recent sale price of similar properties. Significant assumptions are as follows: the property is with vacant possession and that the properties are not subject to any unusual or especially onerous restrictions, encumbrances or outgoings.

f. *Financial instruments*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

g. *Stocks*

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Costs include the purchase price, import duty where applicable and transport costs associated with the delivery of the stock. Provision is made for obsolete, slow-moving or defective items where appropriate.

h. *Taxation*

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable

AMADA UNITED KINGDOM LIMITED

Notes to the financial statements

For the year ended 31 March 2020

profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

i. Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of machines is recognised when the machinery and software has been successfully installed. Turnover for consumable items is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable.

l. Accounting policies (continued)

j. Dividend and interest revenue

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

k. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into to hedge certain foreign currency risks; and
- exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

l. Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

m. Pension costs

The company operates a defined contribution scheme.

The cost of providing pensions is charged to the profit and loss account as the contributions are payable.

AMADA UNITED KINGDOM LIMITED

Notes to the financial statements

For the year ended 31 March 2020

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Stock provisions

Management considers the appropriateness of stock valuation, with reference to the ageing of stock, and product and market developments. A general provision policy based on stock ageing is applied consistently year on year. In addition, specific product types are reviewed for impairment when considering current market price, and recent product developments. Where appropriate any necessary adjustment to net realisable value is made.

Bad debt provisions

The Company has robust processes in place to manage its significant receivables balance with respect to machinery sold under hire purchase contracts. In making a provision for such receivables, management regularly reviews a number of factors including customer arrears, and both general and specific economic factors that impact on our customers industries.

Key sources of estimation uncertainty

There are no key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

AMADA UNITED KINGDOM LIMITED

Notes to the financial statements For the year ended 31 March 2020

3. Turnover

An analysis of the Company's turnover by geographical market is set out below.

	2020 £	2019 £
Turnover:		
United Kingdom	54,916,886	40,988,282
South Africa	6,312,129	7,572,063
Europe	25,817,044	27,404,197
	<u>87,046,059</u>	<u>75,964,542</u>

An analysis of the Company's turnover by class of business is set out below.

	2020 £	2019 £
Turnover:		
Sale of machines and related products	78,400,502	67,900,750
Service contracts and labour	8,645,557	8,063,792
	<u>87,046,059</u>	<u>75,964,542</u>

4. Other operating income

	2020 £	2019 £
Rental income	57,994	20,914
Other income	435,457	372,776
Profit on sale of fixed assets	1,112	22,986
	<u>494,563</u>	<u>416,676</u>

5. Interest receivable and similar income

	2020 £	2019 £
Income from hire purchase	2,864,516	2,844,051
Interest received from group undertakings	86,490	217,423
Other interest receivable and similar income	418,955	578,937
	<u>3,369,961</u>	<u>3,640,411</u>

AMADA UNITED KINGDOM LIMITED

Notes to the financial statements For the year ended 31 March 2020

6. Profit before taxation

Profit before taxation is stated after charging:

	2020 £	2019 £
Rentals under operating leases:		
Land and buildings	369,907	376,342
Other operating leases	623,172	801,370
Cost of stock recognised as an expense	60,998,916	51,242,830
Depreciation:		
Owned assets	426,491	389,483
Leased assets	5,484	5,709
Auditor Remuneration:		
Fees payable to the Company's Auditor for the audit of the annual financial statements	76,125	67,500
Fees payable to the Company's Auditor for other services:		
Review services	10,500	10,500
Tax services	32,125	27,845
Other Services	-	-

7. Staff numbers and costs

The average monthly number of employees (including executive directors) was:

	2020 Number	2019 Number
Office and management	54	53
Sales, service and production	224	219
Total number of employees	278	272

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	9,429,046	8,992,728
Social security costs	1,453,978	1,621,547
Other pension costs	628,571	542,043
	11,511,595	11,156,318

'Other pension costs' includes only those items included within operating costs. Items reported elsewhere have been excluded.

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Notes to the financial statements For the year ended 31 March 2020

8. Directors' remuneration and transactions

	2020 £	2019 £
Directors' remuneration		
Emoluments	510,250	249,293
Company contributions to money purchase pension schemes	17,200	10,000
	<u>527,450</u>	<u>259,293</u>
	Number	Number
The number of directors who:		
Are members of a defined contribution pension scheme	2	1
	<u>2020 £</u>	<u>2019 £</u>
Remuneration of the highest paid director:		
Emoluments	342,759	249,293
Pension contributions	10,000	10,000

9. Tax on profit

The tax charge comprises:

	2020 £	2019 £
Current tax on profit		
UK corporation tax	2,091,384	1,932,271
Double tax relief	(478,155)	(612,581)
Foreign tax	491,196	850,898
	<u>2,104,425</u>	<u>2,170,588</u>
Adjustments in respect of prior years		
UK corporation tax	(36,398)	151,488
Total current tax	<u>2,068,027</u>	<u>2,322,076</u>
Deferred tax		
Origination and reversal of timing differences	203,357	5,228
Adjustment in respect of prior years	18,098	24,641
Total deferred tax (see note 18)	<u>221,455</u>	<u>29,869</u>
Total tax on profit	<u>2,289,482</u>	<u>2,351,945</u>

Finance Bill 2016 had previously enacted provisions to reduce the main rate of UK corporation tax to 17% from 1 April 2020 and accordingly the deferred tax at 31 March 2019 had been calculated at this rate. However, in the March 2020 Budget it was announced that the reduction will not occur and the Corporation Tax Rate will be held at 19%. The Provisional Collection of Taxes Act was used to substantively enact the revised 19% tax rate on 17 March 2020 and accordingly the deferred tax balances have been re-calculated to 19% at the year ended 31 March 2020.

AMADA UNITED KINGDOM LIMITED

Notes to the financial statements For the year ended 31 March 2020

9. Tax on profit (continued)

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2020 £	2019 £
Profit before tax	10,987,846	9,769,370
Tax on profit standard UK corporation tax rate of 19% (2019: 19%)	2,087,691	1,856,180
Effects of:		
- Expenses not deductible for tax purposes	52,104	81,933
- Income not taxable	(62,839)	-
- Unrelieved foreign taxes	13,042	238,317
- Prior adjustments	(18,300)	176,129
- Tax rate changes	23,565	(614)
- Revaluation gain	186,214	-
- Withdrawal of WDA Spanish branch	8,005	-
Total tax charge for period	2,289,482	2,351,945

10. Dividends on equity shares

	2020 £	2019 £
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the year ended 31 March 2018 (£154.01 per ordinary share)	-	4,013,600
	-	4,013,600
Final dividend for the year ended 31 March 2019 (£577.29 per ordinary share)	15,044,117	-
	15,044,117	-

A final dividend of £6,440,452 was approved by the shareholders and paid on 17 September 2020. This is not included as a liability in these financial statements as it was not a commitment at the year-end.

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Notes to the financial statements For the year ended 31 March 2020

11. Tangible fixed assets

	Land and buildings					Fixtures, fittings, equipment and motor vehicles	Total
	Investment properties £	Freehold industrial £	Freehold residential £	Long and short leasehold £	Plant and machinery £	£	£
Cost or valuation							
At 31 March 2019	-	5,987,000	419,922	129,587	1,414,970	652,745	8,604,224
Additions	-	-	-	-	334,803	42,205	377,008
Disposals	-	(609,572)	-	-	(96,223)	(411,734)	(1,117,529)
Foreign exchange translation difference	-	-	-	-	(76,442)	(4,159)	(80,601)
Transfer to investment property	419,922	-	(419,922)	-	-	-	-
Revaluation gain	980,078	-	-	-	-	-	980,078
At 31 March 2020	1,400,000	5,377,428	-	129,587	1,577,108	279,057	8,763,180
Depreciation							
At 31 March 2019	-	1,193,328	-	85,607	931,841	596,864	2,807,640
Charge for the year	-	226,011	-	5,484	139,502	60,978	431,975
Disposals	-	(318,587)	-	-	(21,919)	(440,183)	(780,689)
Foreign exchange translation difference	-	-	-	-	(38,300)	(2,211)	(40,511)
At 31 March 2020	-	1,100,752	-	91,091	1,011,124	215,448	2,418,415
Net book value							
At 31 March 2020	1,400,000	4,276,676	-	38,496	565,984	63,609	6,344,765
At 31 March 2019	-	4,793,672	419,922	43,980	483,129	55,881	5,796,584

The value of freehold land not depreciated is £89,207 (2019; £119,407)

The net book value of short leasehold property included above is £38,496 (2019; £43,980)

Investment properties, which are all freehold, were revalued to fair value at 31 March 2020, based on a market valuation undertaken by Doolittle & Dalley FRICS MARLA, an independent valuer with recent experience in the location and class of the investment property being valued. The method of determining fair market value was based on the position, location and general condition of the properties and compared with the sale price of three similar properties. Significant assumptions applied were as follows: the property is with vacant possession and that the properties are not subject to any unusual or especially onerous restrictions, encumbrances or outgoings. There are no restrictions on the realisability of investment property.

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Notes to the financial statements

For the year ended 31 March 2020

12. Fixed asset investments

	2020 £	2019 £
Subsidiary undertakings	11,332,868	200
	<u>11,332,868</u>	<u>200</u>

Investments

The Company has investments in the following subsidiary undertakings.

Investment	Registered office address	Holding %
Amada Scandinavia AB	16 Borgens Gata, 441 39 Alingsås, Sweden	100%
Amada Denmark A/S	Erhvervsbyvej 4, 8700 Horsens, Denmark	100%
Amada Norway AS	Myrveien 12, 1430 Ås, Norway	100%
Amada Maquinaria Iberica S.L.U.	Carrer de la Recerca, Gavà Business Park, Barcelona, Spain	100%
Amada Essex Limited	Spennells Valley Road, Kidderminster, DY10 1XS	100%
Amada Midlands Limited	Spennells Valley Road, Kidderminster, DY10 1XS	100%

Amada United Kingdom Limited directly owns 100% of the Ordinary shares of each of the above companies. With the exception of Amada Essex Limited and Amada Midlands Limited, the principal activity of all of the above companies is the supply of machines, tools and engineering services.

Subsidiary undertakings

	£
Cost	
At 1 April 2019	200
Additions	11,332,668
Disposals	-
	<u>11,332,868</u>
Provisions for impairment	
At 1 April 2019	-
Impairment	-
Reversal of past impairment	-
Disposals	-
	<u>-</u>
At 31 March 2020	<u>-</u>
Carrying value	<u>11,332,868</u>

Subsidiary undertakings have not been consolidated by Amada United Kingdom Limited as permitted by s.400 of the Companies Act 2006 as they are consolidated in the financial statements of Amada Co. Ltd.

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Notes to the financial statements For the year ended 31 March 2020

13. Goodwill

	2020 £	2019 £
Goodwill	-	29,429
	<u>-</u>	<u>29,429</u>

The opening goodwill balance was in relation to the Spanish branch of Amada UK. This was released upon transfer of the Spanish operations to the Spanish subsidiary on 31 January 2020.

14. Stocks

	2020 £	2019 £
Finished goods and goods for resale	20,865,800	27,773,277
	<u>20,865,800</u>	<u>27,773,277</u>

There is no material difference between the balance sheet value of stock and their replacement cost.

15. Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Amounts received under finance leases and hire purchase agreements	13,695,975	12,965,777
Trade debtors	6,299,486	13,769,599
Amounts owed by group undertakings	10,512,038	19,539,861
UK Corporation tax debtor	215,949	398,962
Deferred taxation (note 18)	108,827	47,600
Other debtors	218,354	257,021
Prepayments	824,187	782,883
	<u>31,874,816</u>	<u>47,761,703</u>
Amounts falling due after more than one year:		
Amount receivable under finance and hire purchase agreements	39,686,514	35,844,157
	<u>39,686,514</u>	<u>35,844,157</u>

Amounts owed by group undertakings relate to a loan repayable on demand, which incurs interest at 0.80% per annum. Interest is paid quarterly on the loan.

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Notes to the financial statements For the year ended 31 March 2020

16. Creditors

	2020 £	2019 £
Amounts falling due within one year:		
Payments on account	942,028	1,700,450
Trade creditors	1,441,081	3,711,688
Amount owed to parent company	2,080,030	3,144,255
Amount owed to subsidiary companies	113,240	113,490
Amount owed to other group companies	8,571,610	11,751,573
Deferred taxation (note 18)	512,490	229,808
UK Corporation tax payable	-	-
Other taxes and social security	1,415,222	1,986,735
Other creditors	240,195	738,588
Accruals and deferred income	5,925,068	5,103,645
	<u>21,240,964</u>	<u>28,480,232</u>
Amounts falling due after one year:		
Accruals and deferred income	<u>1,088,412</u>	<u>1,029,720</u>
	<u>1,088,412</u>	<u>1,029,720</u>

Amount owed to parent company comprises of trading balances, incur no interest, and are payable under normal commercial arrangements.

Amount owed to subsidiary companies is the value of the investment in these companies.

Amount owed to other group companies also comprises of trading balances, incur no interest, and are payable under normal commercial arrangements.

17. Called-up share capital and reserves

	2020 £	2019 £
Allotted, called-up and fully-paid		
26,060 Ordinary shares of £100 each	<u>2,606,000</u>	<u>2,606,000</u>

The Company has one class of ordinary shares which carry no right to fixed income.

Profit and Loss account

The profit and loss reserve represents cumulative profits or losses, including other comprehensive income or losses arising from translation of foreign currency net investments, net of dividends paid and other adjustments.

AMADA UNITED KINGDOM LIMITED

Notes to the financial statements For the year ended 31 March 2020

18. Provisions for liabilities

	Deferred taxation £	Total £
At 31 March 2019	182,208	182,208
Charged to profit and loss account	221,455	221,455
At 31 March 2020	<u>403,663</u>	<u>403,663</u>

Deferred tax

Deferred tax is provided as follows:

	2020 £	2019 £
Accelerated capital allowances	512,490	229,808
Short term timing differences	(108,827)	(47,600)
Provision for deferred tax	<u>403,663</u>	<u>182,208</u>

19. Financial instruments

The carrying values of the Company's financial assets and liabilities are summarised by category below:

	31 March 2020 £	31 March 2019 £
Financial liabilities at fair value		
Measured at fair value through profit or loss		
• Foreign currency forwards	<u>-</u>	<u>27,553</u>

The Company's income, expense, gains and losses in respect of financial instruments are summarised below:

	31 March 2020 £	31 March 2019 £
Fair value gains and losses		
On financial liabilities (including listed investments) measured at fair value through profit or loss	<u>-</u>	<u>27,553</u>

AMADA UNITED KINGDOM LIMITED

Notes to the financial statements

For the year ended 31 March 2020

19. Financial instruments continued

Cash flow hedges

Forward foreign currency contracts

The following table details the forward foreign currency contracts for Euros outstanding as at the year-end:

Outstanding contracts	Average contractual exchange rate		Notional value		Fair value	
	2020	2019	2020	2019	2020	2019
	rate	rate	£	£	£	£
<i>Sell £ Sterling</i>	-	1.1381	-	1,318,000	-	1,290,000
Less than 3 months						
					-	1,290,000

The Company enters into contracts to supply goods to customers in Europe. The Company has entered into forward foreign currency contracts to hedge the exchange rate risk arising from these anticipated future transactions, which are designated as cash flow hedges. The hedged cash flows are expected to occur and to affect profit or loss within the next financial year.

Gains of £nil (2019: gains of £27,553) were recognised in the profit and loss account.

20. Financial commitments

Capital commitments are as follows:

There were no capital commitments contracted for but not provided at 31 March 2020

	2020		2019	
	Land and buildings £	Other £	Land and buildings £	Other £
Leases which expire;				
- within one year	290,524	407,602	416,656	622,849
- between one and five years	864,233	460,835	845,600	591,912
- after five years	775,129	-	1,526	-
	<u>1,929,886</u>	<u>868,437</u>	<u>1,263,782</u>	<u>1,214,761</u>

21. Contingent liabilities

At the year-end there is an indemnity in place for bank guarantees in the UK. The total of this guarantee provided was £80,000 (2019: £180,000).

22. Employee benefits

Defined contribution schemes

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £628,571 (2019: £542,043). At 31 March 2020 there was a pension accrual amounting to £72,776 (2019: £40,902).

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Notes to the financial statements

For the year ended 31 March 2020

23. Controlling party

The immediate and ultimate parent company and controlling party is Amada Co. Ltd., a company incorporated in Japan. Copies of its financial statements are available from their registered office at 200 Ishida, Isehara – shi, Kanagawa, 259-11, Japan. The largest group in which the results of the Company are consolidated is that headed by Amada Co. Ltd. and it has included the Company in its group financial statements. The smallest group into which the accounts are consolidated is Amada Co. Ltd.

24. Post balance sheet events

Dealing with the impact of the Covid 19 pandemic has been a significant focus for management since the balance sheet date. The immediate short term impact of the UK lockdown was to cause the delay of a number of machine deliveries and installations. Order intake for machines significantly reduced during the first two months of the new financial year. Many customers temporarily closed their operations, which impacted sales of spare parts and tooling. The demand for service visits was also reduced during the initial part of the UK lockdown. Accordingly, the business took the step to furlough staff in areas of the business where there would be insufficient work. The number of staff furloughed has been steadily reduced throughout the operation of the scheme, and in line with a significant recovery in order intake, and the easing of lockdown restrictions.

Throughout the pandemic, strong cash management has been a key focus of the business. Amada UK has a significant HP book and has used its strong cash position to support customers that have required payment holidays or reductions. By August the majority of HP customers had returned to making full payments. For non-HP sales fulfilled since year-end, there has been a drive to ensure that payment terms are adhered to.

Overall, the evidence is that the market has remained relatively robust during the pandemic. Management efforts continue to be focused on ensuring the company exits this period of uncertainty in a strong financial position.