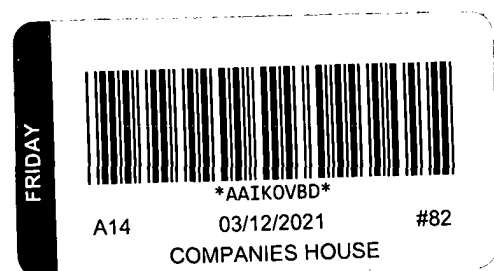


**AMADA UNITED KINGDOM
LIMITED**

Annual report and financial statements

for the year ended 31 March 2021

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 2021.

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 operates an overseas branch Amada United Kingdom Limited (Johannesburg Branch) which is registered in the Republic of South Africa. The results of the branch are included within these financial statements.

Amada United Kingdom Limited's principal activity is the supply of machines, tools and engineering services in the United Kingdom, the Republic of Ireland, 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 significant decreases in turnover and operating profit compared to 2019/20. Turnover fell by 40.5% compared to the prior year. This is attributed to the prior year transfer of the trade of the Spanish branch to a separate subsidiary, and the impact of the Covid-19 pandemic. The impact on UK turnover was a reduction of 19.7% from the prior year record turnover. The impact on turnover in South Africa was more severe, with a reduction of 46.2% evidenced. The overall impact of the reduced turnover was a decrease in pre-tax profits of 36.2% (2020 increase: 12.5%) from £11.0 million to £7.0 million (2020: £9.8 million to 11.0 million). The impact of the lost turnover was mitigated by strict cost control measures.

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 continued to be sensitive to news around the Covid-19 pandemic and the ongoing economic impact and recovery. Throughout the year the business closely monitored such movements to ensure the impact on profit was mitigated. An immediate impact of the Covid-19 pandemic was a significant drop in orders in April and May 2020. 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 second and third lockdowns did not materially impact trading, as customers and our engineers could continue to work by following the government Covid secure guidelines. Order intake for machines was robust heading into 2021/22. During the year the company received £511,369 from the Coronavirus Job Retention Scheme. On average, there were thirty staff furloughed across the year. This was significantly weighted towards the first half of the year.

The balance sheet on page 16 shows that the financial position of the Company remains strong and consistent with prior years. Cash generation has remained strong during the year, despite the impact of Covid-19. A small decrease is shown compared to 2020 due to the dividend payment of £6.4m made to the parent company during the year, and cash relating to the Spanish business now reported through a subsidiary company.

Long term debtors – primarily customer HP agreements have again increased, by 13.5% (2020: 10.7% increase). This reflects a strong recovery in orders and turnover during the second half of the year

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.

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 increase in the level of turnover during the next financial year, as the UK economy recovers from the impact of the Covid-19 pandemic. 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	2021	2020
Turnover (reduction) / growth ***	(40.5%)	14.6%
Gross profit percentage	30.4%	29.9%
Overhead costs percentage *	24.8%	21.7%
Operating profit percentage	7.9%	8.8%
Return on sales **	13.5%	12.6%
Revenue per employee (£'000)	241.8	313.1
Profit before tax per employee (£'000)	32.8	39.5

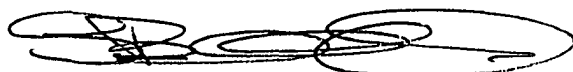
The reduction in turnover is detailed on page 2 and impacts on all of the above ratios. Return on sales has increased due to the level of hire purchase interest income being substantially maintained relative to turnover. This is despite the loss of such income from the transfer of the Spanish business (overall decrease of 9.5%).

*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.

***Like for like turnover (excluding Spain from prior year) showed a reduction of 23.2%.

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



Steve Basford
Director
20th July 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 2021.

Future prospects

Amada UK has set a conservative turnover budget for 2021/22, allowing for a small increase in trading on the back of a recovery from the Covid 19 pandemic. There will be a continued focus on close control of overhead expenditure. Thus far, and as mentioned on page 2, order intake has recovered strongly since the initial lockdown in 2020, and the business has entered the next financial year with a strong pipeline of orders.

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 during the year]; 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.

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.

AMADA UNITED KINGDOM LIMITED

Directors' Report

	Energy Use (kWh)	Emissions (t CO2e)
Scope 1 - Gas	321,038	58.83
Scope 1 - Vehicle Fuel	1,680,285	424.77
Scope 2 - Electricity	909,831	193.18
Total	2,911,154	676.78
Emission Intensity Ratio	13.08t CO2 per £m revenue generated	

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 2021 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 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 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.

AMADA UNITED KINGDOM LIMITED

Directors' Report

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
Steve Basford	
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.

Auditor

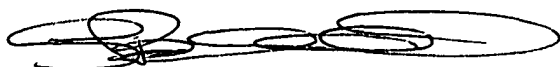
Each of the persons who are a director at the date of approval of this report confirms that:

- 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
20th July 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. Key decisions in the year have been around ensuring business continuity during the Covid-19 pandemic. This has included decisions around furloughing staff, and safely re-opening the showroom to customers.

Employee engagement

The directors recognise that its employees are fundamental and core to the business achieving its long term ambitions. The directors consider the 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. Throughout the Covid-19 pandemic the company has ensured that the premises adhere to Covid secure guidelines. This has included the use of remote meetings, one way systems, and limitations for the use of meeting rooms

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. Engagement is through remote communications or face to face meetings. Maintaining strong third party relationships has been integral to ensuring the strong result reported for the year.

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. Many customers have service contracts with the company, which provide a good opportunity for customers to feedback on Amada UK products. Amada UK holds regular customer events at Head Office where customers can benefit from demonstrations of the latest products. This also provides an opportunity for customers to meet the UK based directors.

Supplier relationships are also carefully maintained as the supply chain is integral to providing the level of service expected from our customers. A key component of this is the timely payment of all suppliers. Regular communication with key suppliers has also ensured disruption to supplies have been minimised and the premises well maintained to ensure a Covid secure environment.

Community and environment

Amada UK adheres to 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.

AMADA UNITED KINGDOM LIMITED

Corporate governance and responsibility statement

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.

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 2021 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 22.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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)

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included Streamlined Energy and Carbon Reporting Regulation and General Data Protection Regulation.

We discussed among the audit engagement team the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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

As a result of performing the above, we identified the greatest potential for fraud to the risk of incorrect cut-off in relation to revenue recognition. The Company makes high value sales to customers for larger machine types and revenue recognition is driven by the full delivery and installation of the machine. The incorrect application of the revenue recognition criteria could then result in material misstatements in the financial statements.

To address this risk:

- For a sample of sales transactions within the cut-off period before and after the year end, we have verified supporting sales invoices and installation documents. Based on such, we have corroborated whether the timing of revenue recognition is appropriate.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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.

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:

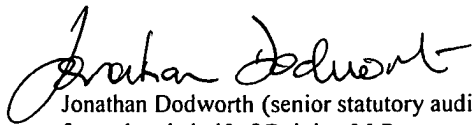
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law 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.

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

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
20th July 2021

AMADA UNITED KINGDOM LIMITED

Profit and loss account

For the year ended 31 March 2021

	Note	2021 £	2020 £
Turnover	3	51,749,358	87,046,059
Cost of sales		(36,039,301)	(60,998,916)
Gross profit		15,710,057	26,047,143
Distribution costs		(3,046,431)	(5,683,154)
Administrative expenses		(9,765,876)	(13,240,667)
Other operating income	4	1,214,968	494,563
Operating profit		4,112,718	7,617,885
Interest receivable and similar income	5	2,894,736	3,369,961
Profit before taxation	6	7,007,454	10,987,846
Tax on profit	9	(1,699,015)	(2,289,482)
Profit for the financial year attributable to the equity shareholders of the Company		<u>5,308,439</u>	<u>8,698,364</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 2021

	2021 £	2020 £
Profit for the financial year	<u>5,308,439</u>	<u>8,698,364</u>
Currency translation differences on foreign currency net investments.	(428,806)	(781,184)
Total comprehensive income attributable to equity shareholders of the Company	<u><u>4,879,633</u></u>	<u><u>7,917,180</u></u>

AMADA UNITED KINGDOM LIMITED

Balance sheet

As at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	6,108,363	6,344,765
Investments	12	11,332,868	11,332,868
		<u>17,441,231</u>	<u>17,677,633</u>
Current assets			
Stocks	13	20,902,927	20,865,800
Debtors: amounts due within one year	14	24,478,389	31,874,816
Short term investments		1,711,443	1,706,437
Cash at bank and in hand		6,307,517	7,193,285
		<u>53,400,276</u>	<u>61,640,338</u>
Current liabilities			
Creditors: amounts falling due within one year	15	(19,742,351)	(21,240,964)
		<u>33,657,925</u>	<u>40,399,374</u>
Net current assets			
Non-current assets			
Debtors: amounts due after one year	14	45,052,531	39,686,514
		<u>96,151,687</u>	<u>97,763,521</u>
Total assets less current liabilities			
Non-current liabilities			
Creditors: amounts falling due after one year	15	(1,037,397)	(1,088,412)
		<u>95,114,290</u>	<u>96,675,109</u>
Net Assets			
Capital and reserves			
Called-up share capital	16	2,606,000	2,606,000
Revaluation Reserve		980,078	980,078
Profit and loss account		91,528,212	93,089,031
		<u>95,114,290</u>	<u>96,675,109</u>
Shareholders' funds			
		<u>95,114,290</u>	<u>96,675,109</u>

The financial statements of Amada United Kingdom Limited (registered number 1063206) were approved by the board of directors and authorised for issue on 20th July 2021. They were signed on its behalf by:



Steve Basford
Director
Amada United Kingdom Limited

AMADA UNITED KINGDOM LIMITED

Statement of changes in equity For the year ended 31 March 2021

	Called-up share capital £	Profit and loss account £	Revaluation Reserve £	Total £
At 1 April 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	-	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
Profit for the financial year	-	5,308,439	-	5,308,439
Other comprehensive expense for the year	-	(428,806)	-	(428,806)
Total comprehensive income	-	4,879,633	-	4,879,633
Dividends paid on equity shares	-	(6,440,452)	-	(6,440,452)
At 31 March 2021	2,606,000	91,528,212	980,078	95,114,290

AMADA UNITED KINGDOM LIMITED

Notes to the financial statements

For the year ended 31 March 2021

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 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 2021

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 2021

1. Accounting policies (continued)

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.

j. Grants

Other income includes claims through the HMRC Coronavirus Job Retention Scheme. These have been accounted for under the accruals model permitted by FRS 102.

k. 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.

l. 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.

m. 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.

n. 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 2021

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

There are no critical judgements in applying the Company's accounting policies 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.

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 2021

3. Turnover

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

	2021 £	2020 £
Turnover:		
United Kingdom	44,630,931	54,916,886
South Africa	3,397,319	6,312,129
Europe	3,721,108	25,817,044
	<u>51,749,358</u>	<u>87,046,059</u>

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

	2021 £	2020 £
Turnover:		
Sale of machines and related products	44,650,101	78,400,502
Service contracts and labour	7,099,257	8,645,557
	<u>51,749,358</u>	<u>87,046,059</u>

4. Other operating income

	2021 £	2020 £
Rental income	28,894	57,994
Other income	1,186,074	435,457
Profit on sale of fixed assets	-	1,112
	<u>1,214,968</u>	<u>494,563</u>

Other income includes £511,369 received from the Coronavirus Job Retention Scheme. On average, thirty staff were furloughed during the year.

5. Interest receivable and similar income

	2021 £	2020 £
Income from hire purchase	2,591,396	2,864,516
Interest received from group undertakings	44,628	86,490
Other interest receivable and similar income	258,712	418,955
	<u>2,894,736</u>	<u>3,369,961</u>

AMADA UNITED KINGDOM LIMITED

Notes to the financial statements For the year ended 31 March 2021

6. Profit before taxation

Profit before taxation is stated after charging:

	2021 £	2020 £
Rentals under operating leases:		
Land and buildings	304,992	369,907
Other operating leases	440,700	623,172
Cost of stock recognised as an expense	36,039,301	60,998,916
Including exchange losses	532,832	447,634
Depreciation:		
Owned assets	312,380	426,491
Leased assets	5,484	5,484
Auditor Remuneration:		
Fees payable to the Company's Auditor for the audit of the annual financial statements	76,000	76,125
Fees payable to the Company's Auditor for other services:		
Review services	10,500	10,500
Tax services	27,720	32,125

7. Staff numbers and costs

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

	2021 Number	2020 Number
Office and management	47	54
Sales, service and production	167	224
Total number of employees	214	278

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	6,900,505	9,429,046
Social security costs	978,842	1,453,978
Other pension costs	622,897	628,571
	8,502,244	11,511,595

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

AMADA UNITED KINGDOM LIMITED

Notes to the financial statements For the year ended 31 March 2021

8. Directors' remuneration and transactions

	2021 £	2020 £
<i>Directors' remuneration</i>		
Emoluments	503,982	510,250
Company contributions to money purchase pension schemes	10,533	17,200
	<u>514,515</u>	<u>527,450</u>
	Number	Number
The number of directors who:		
Are members of a defined contribution pension scheme	<u>2</u>	<u>2</u>
	2021 £	2020 £
Remuneration of the highest paid director:		
Emoluments	341,204	342,759
Pension contributions	<u>3,333</u>	<u>10,000</u>

AMADA UNITED KINGDOM LIMITED

Notes to the financial statements For the year ended 31 March 2021

9. Tax on profit

The tax charge comprises:

	2021 £	2020 £
Current tax on profit		
UK corporation tax	1,223,186	2,091,384
Double tax relief	-	(478,155)
Foreign tax	-	491,196
	<u>1,223,186</u>	<u>2,104,425</u>
Adjustments in respect of prior years		
UK corporation tax	436,443	(36,398)
	<u>436,443</u>	<u>(36,398)</u>
Total current tax	1,659,629	2,068,027
Deferred tax		
Origination and reversal of timing differences	45,999	203,357
Adjustment in respect of prior years	(6,613)	18,098
	<u>39,386</u>	<u>221,455</u>
Total deferred tax (see note 17)	39,386	221,455
Total tax on profit	1,699,015	2,289,482

The standard rate of tax applied to reported profit is 19% (2020: 19%). In the 2021 Budget, the government announced that from 1 April 2023 the corporation tax rate would increase to 25%. This was substantively enacted after the balance sheet date, on 24 May 2021. Accordingly deferred tax balances have been calculated with reference to the current rate of tax.

AMADA UNITED KINGDOM LIMITED

Notes to the financial statements

For the year ended 31 March 2021

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:

	2021 £	2020 £
Profit before tax	7,007,454	10,987,846
Tax on profit standard UK corporation tax rate of 19% (2020: 19%)	1,331,416	2,087,691
Effects of:		
- Expenses not deductible for tax purposes	31,664	52,104
- Income not taxable	(93,895)	(62,839)
- Unrelieved foreign taxes	-	13,042
- Prior adjustments	429,830	(18,300)
- Tax rate changes	-	23,565
- Revaluation gain	-	186,214
- Withdrawal of WDA Spanish branch	-	8,005
Total tax charge for period	1,699,015	2,289,482

10. Dividends on equity shares

	2021 £	2020 £
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the year ended 31 March 2019 (£577.29 per ordinary share)	-	15,044,117
	-	15,044,117
Final dividend for the year ended 31 March 2020 (£247.14 per ordinary share)	6,440,452	-
	6,440,452	-

AMADA UNITED KINGDOM LIMITED

Notes to the financial statements

For the year ended 31 March 2021

11. Tangible fixed assets

	Land and buildings				Fixtures, fittings, equipment and motor vehicles £	Total £
	Freehold Investment properties £	Freehold industrial £	Long and short leasehold £	Plant and machinery £		
Cost or valuation						
At 31 March 2020	1,400,000	5,377,428	129,587	1,577,108	279,057	8,763,180
Additions	-	-	-	69,490	3,674	73,164
Disposals	-	-	-	(23,915)	(3,056)	(26,971)
Foreign exchange translation difference	-	-	-	40,937	2,523	43,460
At 31 March 2021	1,400,000	5,377,428	129,587	1,663,620	282,198	8,852,833
Depreciation						
At 31 March 2020	-	1,100,752	91,091	1,011,124	215,448	2,418,415
Charge for the year	-	176,098	5,484	119,018	17,264	317,864
Disposals	-	-	-	(11,432)	(1,872)	(13,304)
Foreign exchange translation difference	-	-	-	20,368	1,127	21,495
At 31 March 2021	-	1,276,850	96,575	1,139,078	231,967	2,744,470
Net book value						
At 31 March 2021	1,400,000	4,100,578	33,012	524,542	50,231	6,108,363
At 31 March 2020	1,400,000	4,276,676	38,496	565,984	63,609	6,344,765

The value of freehold land not depreciated is £89,207 (2020; £89,207)

The net book value of short leasehold property included above is £33,012 (2020; £38,496)

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.

AMADA UNITED KINGDOM LIMITED

Notes to the financial statements For the year ended 31 March 2021

12. Fixed asset investments

	2021 £	2021 £
Subsidiary undertakings	11,332,868	11,332,868
	<u>11,332,868</u>	<u>11,332,868</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 2020	11,332,868
Additions	-
Disposals	-
As at March 2021	<u>11,332,868</u>
Provisions for impairment	
At 1 April 2020	-
Impairment	-
Reversal of past impairment	-
Disposals	-
At 31 March 2021	<u>-</u>
Carrying value	<u>11,332,868</u>

Subsidiary undertakings have not been consolidated by Amada United Kingdom Limited as permitted by s.401 of the Companies Act 2006 as they are consolidated in the financial statements of Amada Co. Ltd.

AMADA UNITED KINGDOM LIMITED

Notes to the financial statements

For the year ended 31 March 2021

13. Stocks

	2021 £	2020 £
Finished goods and goods for resale	20,902,927	20,865,800
	<u>20,902,927</u>	<u>20,865,800</u>

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

14. Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Amounts received under finance leases and hire purchase agreements	11,591,059	13,695,975
Trade debtors	2,921,143	6,299,486
Amounts owed by subsidiary companies	313,317	870,792
Amounts owed by other group companies	8,558,895	9,641,246
UK Corporation tax debtor	-	215,949
Deferred taxation (note 17)	64,056	108,827
Other debtors	255,279	218,354
Prepayments	774,640	824,187
	<u>24,478,389</u>	<u>31,874,816</u>
Amounts falling due after more than one year:		
Amount receivable under finance and hire purchase agreements	45,052,531	39,686,514
	<u>45,052,531</u>	<u>39,686,514</u>

Amounts owed by other group companies relate to a loan repayable on demand, which incurs interest at 0.20% per annum. Interest is paid quarterly on the loan.

AMADA UNITED KINGDOM LIMITED

Notes to the financial statements For the year ended 31 March 2021

15. Creditors

	2021 £	2020 £
Amounts falling due within one year:		
Payments on account	1,026,620	942,028
Trade creditors	921,253	1,441,081
Amount owed to parent company	1,129,706	2,080,030
Amount owed to subsidiary companies	113,240	113,240
Amount owed to other group companies	6,507,499	8,571,610
Deferred taxation (note 17)	507,105	512,490
UK Corporation tax payable	407,567	-
Other taxes and social security	1,969,905	1,415,222
Other creditors	126,975	240,195
Accruals and deferred income	7,032,481	5,925,068
	<u>19,742,351</u>	<u>21,240,964</u>
Amounts falling due after one year:		
Accruals and deferred income	<u>1,037,397</u>	<u>1,088,412</u>
	<u>1,037,397</u>	<u>1,088,412</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.

16. Called-up share capital and reserves

	2021 £	2020 £
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 and other reserves

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.

The revaluation reserve represents the revaluation to fair value of investment properties, which are all freehold, on 31 March 2020.

AMADA UNITED KINGDOM LIMITED

Notes to the financial statements For the year ended 31 March 2021

17. Provisions for liabilities

	Deferred taxation £	Total £
At 31 March 2020	403,663	403,663
Charged to profit and loss account	39,386	39,386
At 31 March 2021	<u>443,049</u>	<u>443,049</u>

Deferred tax

Deferred tax is provided as follows:

	2021 £	2020 £
Accelerated capital allowances	507,105	512,490
Short term timing differences	(64,056)	(108,827)
Provision for deferred tax	<u>443,049</u>	<u>403,663</u>

18. Financial instruments

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

	31 March 2021 £	31 March 2020 £
Financial liabilities at fair value		
Measured at fair value through profit or loss		
• Foreign currency forwards	(49,963)	-

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

	31 March 2021 £	31 March 2020 £
Fair value gains and losses		
On financial liabilities (including listed investments) measured at fair value through profit or loss	(49,963)	-

Fair value has been determined by reference to the closing price of £ / € at the balance sheet date.

AMADA UNITED KINGDOM LIMITED

Notes to the financial statements

For the year ended 31 March 2021

18. 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	
	2021 rate	2020 rate	2021 £	2020 £	2021 £	2020 £
<i>Sell £ Sterling</i>	1.1579	-	3,022,732	-	2,978,769	-
Less than 3 months						
					<u>2,978,769</u>	<u>-</u>

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.

Losses of £43,963 (2020: losses of £Nil) were recognised in the profit and loss account.

19. Financial commitments

Capital commitments are as follows:

There were no capital commitments contracted for but not provided at 31 March 2021

	2021		2020	
	Land and buildings £	Other £	Land and buildings £	Other £
Leases which expire;				
- within one year	320,656	307,284	290,524	407,602
- between one and five years	847,604	253,106	864,233	460,835
- after five years	620,103	-	775,129	-
	<u>1,788,363</u>	<u>560,390</u>	<u>1,929,886</u>	<u>868,437</u>

20. 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 (2020: £80,000).

21. 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 £516,002 (2020: £628,571). At 31 March 2021 there was a pension accrual amounting to £87,427 (2020: £72,776).

AMADA UNITED KINGDOM LIMITED

Notes to the financial statements

For the year ended 31 March 2021

22. 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.