Companies Hs

Registered No: 1413144

Nitto Kohki Europe Co. Limited

Report and Financial Statements

31 December 2013

Directors
M Ogue
H Ushigome
E Kaibuchi

Secretary
M Ogue

Auditors
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Strategic report

Principal activities and review of the business

The company has two subsidiaries, Universal Drilling & Cutting Equipment Limited (UK) and Nitto Kohki Deutschland GmbH (Germany). Universal Drilling & Cutting Equipment Limited has branches in the US, Netherlands and France. The company's and its subsidiaries' principal activity is the supply of pumps, tools and cuplas worldwide. There have been no changes in the group's principal activities as a result of the economic slowdown worldwide in the year under review. The directors are cautiously optimistic, at the date of this report, of recovery in the group's activities in the forthcoming year.

The Group's key financial and other performance indicators during the year were as follows:

	Unit	*2013*	*2012*
Turnover	£000	13,894	14,032
Gross profit margin	%	29%	29%
Operating profit	£000	438	709

As shown in the group's profit and loss account on page 7, the group's sales have decreased by 1% from last year.

The group's key measurement of effectiveness of its operations is calculating gross margin after direct costs. The group achieved a gross margin after direct costs of 29%.

The Group's balance sheet on page 8 shows that the group's financial position at the year end has, in net assets, increased compared with the prior year.

The group's cash levels have decreased by £257,458, from £3,585,572 at the end of 2012 to £3,328,114 at the end of the current financial year.

There have been no significant events since the balance sheet date, which require further disclosure.

Principal risks and uncertainties

The principal risks and uncertainties facing the group are broadly grouped as – competitive and foreign exchange risk.

Competitive risk

The main concern for the group is the slowdown of world economy and coping with it for the foreseeable future.

The group operates in a highly competitive market which is a continuing risk to the group and could result in losing sales to its key competitors. The group manages this risk by providing value added services to its customers, by having fast response times to customer queries and by maintaining strong relationships with its customers.

Foreign exchange risk

Some of the group's sales are in Euros and US dollars which expose the group to currency movement and therefore the group is exposed to movement in the Euro and the US dollar to pound exchange rate.

On behalf of the board

M Ogue

M Ogue
Director

1 MAY 2014

Directors' report

The directors present their report and financial statements for the year ended 31 December 2013.

Results and dividends

The group profit for the year after taxation amounted to £295,225 (2012 – profit of £526,670). The directors have paid a dividend of £686,000 (2012 – £650,000) during the year and recommend a final dividend for the year of £100,000.

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out below.

The group has considerable financial resources together with existing good relationship with number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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

Directors

The directors who served during the year were as follows:

M Ogue
H Ushigome
E Kaibuchi

Policy and practice on payment of creditors

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

At 31 December 2013, the company had an average of 60 days' purchases outstanding in trade creditors.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board

M. Ogue

M Ogue
Secretary

1 MAY 2014

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 proper accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Nitto Kohki Europe Co. Limited

We have audited the financial statements of Nitto Kohki Europe Co. Limited for the year ended 31 December 2013 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group and Parent Company Balance Sheets and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2013 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

to the members of Nitto Kohki Europe Co. Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Ernst & Young LLP

John Dervley (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Luton

1 MAY 2014

Group profit and loss account

for the year ended 31 December 2013

	Notes	2013 £	2012 £
Turnover	2	13,894,551	14,032,383
Cost of sales		(9,819,504)	(9,916,097)
Gross profit		4,075,047	4,116,286
Distribution costs		(732,729)	(721,869)
Administrative expenses		(2,927,895)	(2,691,922)
Other operating (expense) / income		23,606	6,620
Operating profit	3	438,029	709,115
Interest receivable and similar income	6	16,294	45,655
Profit on ordinary activities before taxation		454,323	754,770
Taxation	7	(159,098)	(228,100)
Profit for the financial year	18	295,225	526,670

All amounts relate to continuing activities.

Group statement of total recognised gains and losses

for the year ended 31 December 2013

	Note	2013 £	2012 £
Profit for the financial year	18	295,225	526,670
Currency translation differences	18	71,024	(14,114)
Total recognised gain for the year		366,249	512,556

Group balance sheet

at 31 December 2013

	Notes	2013 £	2012 £
Fixed assets			
Intangible fixed assets	10	708,956	795,767
Tangible fixed assets	11	983,847	1,021,124
		1,692,803	1,816,891
Current assets			
Stocks	13	4,922,953	5,363,980
Debtors	14	1,827,873	2,273,638
Cash at bank and in hand		3,328,114	3,585,572
		10,078,940	11,223,190
Creditors: amounts falling due within one year	15	(1,654,905)	(3,289,492)
Net current assets		8,424,035	7,933,698
Total assets less current liabilities		10,116,838	9,750,589
Capital and reserves			
Called up share capital	17	4,730,000	4,730,000
Profit and loss account	18	5,386,838	5,020,589
Shareholders' funds	18	10,116,838	9,750,589

The financial statements were approved by the board on 1 MAY 2014 and signed on its behalf by:

M Ogue

M Ogue

Director

Company balance sheet

at 31 December 2013

	Notes	2013 £	2012 £
Fixed assets			
Intangible fixed assets	10	1	1
Tangible fixed assets	11	74,272	85,872
Investments	12	5,045,735	5,045,735
		5,120,008	5,131,608
Current assets			
Stocks	13	695,598	693,823
Debtors	14	343,051	321,736
Cash at bank and in hand		1,038,698	1,570,401
		2,077,347	2,585,960
Creditors: amounts falling due within one year	15	(174,914)	(849,040)
Net current assets		1,902,433	1,736,920
Total assets less current liabilities		7,022,441	6,868,528
Provisions for liabilities	16	(2,631)	(4,759)
Net assets		7,019,810	6,863,769
Capital and reserves			
Called up share capital	17	4,730,000	4,730,000
Profit and loss account	18	2,289,810	2,133,769
Shareholders' funds	18	7,019,810	6,863,769

The financial statements were approved by the board on 1 MAY 2014 and signed on its behalf by:

M. Ogue

M Ogue

Director

Notes to the financial statements

at 31 December 2013

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out below.

The group has considerable financial resources together with existing good relationship with number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

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

Group financial statements

The group financial statements consolidate the financial statements of Nitto Kohki Europe Co. Limited and its subsidiary undertakings drawn up to 31 December each year. No profit and loss account is presented for Nitto Kohki Europe Co. Limited as permitted by section 408 of the Companies Act 2006.

Statement of cash flows

The group has not prepared a statement of cash flows because it is taking advantage of the exemptions available under the revised FRS 1. Exemption is on the grounds that it is a wholly owned subsidiary undertaking and is included in the ultimate parent undertaking's financial statements which are available to the public.

Intangible fixed assets

Goodwill arising on the acquisition of subsidiary undertakings represents any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, and is capitalised and written off on a straight line basis over its useful economic life. Provision is made for any impairment.

The rate of amortisation is as follows:

Goodwill – 20 years

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements

at 31 December 2013

1. Accounting policies (continued)

Tangible fixed assets

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold property	–	4% per annum
Freehold improvements, furniture, fixtures and fittings	–	20% per annum
Computer equipment – hardware and software	–	33% per annum
Plant and machinery	–	14 to 25% per annum

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Revenue recognition

Revenue, which excludes value added tax, represents the invoiced value of goods and services supplied. Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the customer, usually on despatch of goods.

Stocks

Stocks are stated at the lower of cost and net realisable value, and consist of finished goods and include any import duties and freight inwards costs where applicable. Provision is made for obsolescence.

Deferred taxation

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

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions of the group denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities in currencies other than sterling are translated into sterling at the rates of exchange ruling at that date. These translation differences are dealt with in the group profit and loss account.

The results of overseas subsidiaries are translated at the closing rate of exchange during the year and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising from the translation of the opening net investment in the subsidiaries and branch at the closing rate is reported in the group statement of total recognised gains and losses.

Notes to the financial statements

at 31 December 2013

1. Accounting policies (continued)

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

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

Pensions

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

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and is attributable to one continuing activity, as stated in the directors' report.

An analysis of turnover by geographical market is given below:

	2013	*2012*
	£	*£*
United Kingdom	2,248,173	2,361,226
Other European countries	8,051,739	7,676,200
America	2,214,526	2,827,942
Other	1,380,113	1,167,015
	13,894,551	14,032,383

3. Operating profit

This is stated after charging:

	2013	*2012*
	£	*£*
Auditors' remuneration:		
Fees payable to the company's auditor for the audit of the company's financial statements	40,077	36,673
Fees payable to the company's auditor for the audit of the company's subsidiary pursuant to legislation	30,691	30,891
Auditors' remuneration – other taxation services	12,925	12,667
Depreciation of owned fixed assets	197,029	180,913
Amortisation of intangible assets	86,811	86,811
Rentals under operating leases	16,955	19,388

Notes to the financial statements

at 31 December 2013

4. Directors' remuneration

	2013	2012
	£	£
Directors' remuneration	81,480	81,800
Pension costs	3,247	3,192
	84,727	84,992

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2012 – 1).

5. Staff costs

	2013	2012
	£	£
Wages and salaries	2,336,086	2,163,397
Social security costs	233,213	238,001
Pension costs	26,581	27,721
	2,595,880	2,429,119

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

	No.	No.
Administration	11	11
Manufacturing	18	18
Sales and distribution	33	31
	62	60

6. Interest receivable and similar income

	2013	2012
	£	£
Bank interest receivable	16,294	42,605
Other	–	3,050
	16,294	45,655

Notes to the financial statements

at 31 December 2013

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2013 £	2012 £
Current tax:		
UK corporation tax on the profit for the year	38,588	120,906
Adjustment in respect of prior years	(19,441)	(9,611)
Double taxation relief	(18,937)	–
Foreign tax	155,676	114,241
Foreign tax adjustment in respect of prior periods	34,713	–
Total current tax (note 7(b))	190,599	225,536
Deferred tax:		
Timing differences, origination and reversal	(31,132)	2,196
Effect of changes in tax rate on opening balance	(369)	368
Total deferred tax (note 7(c))	(31,501)	2,564
Tax on profit on ordinary activities	159,098	228,100

(b) Factors affecting the current tax charge for the year

The tax assessed for the year differs from the blended rate of corporation tax in the UK of 23.25% (2012 – 24.5%). The differences are explained below:

	2013 £	2012 £
Profit on ordinary activities before tax	454,323	779,298
Profit on ordinary activities multiplied by blended rate of corporation tax in the UK of 23.25% (2012 – 24.5%)	105,630	190,928
Effects of:		
Expenses not deductible for tax purposes/(non-taxable income)	2,892	41,915
Capital allowances in (excess)/arrears of depreciation	29,779	(323)
Overseas tax rates	21,540	2,627
Unrelieved tax losses carried forward	10,826	–
Foreign tax adjustments in respect of previous periods	4,630	–
Adjustments in respect of prior years	15,302	(9,611)
Current tax for the year (note 7(a))	190,599	225,536

Notes to the financial statements

at 31 December 2013

7. Tax (continued)

(c) Deferred tax:

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

	2013	*2012*
	£	*£*
Included in debtors/(provision for liability)	48,066	16,565
At 1 January	16,565	19,129
(Charged) / Credited to the profit and loss account	31,501	(679)
Adjustment in respect of prior year	–	(1,885)
At 31 December	48,066	16,565

Analysis of deferred tax balance:

	2013	*2012*
	£	*£*
Capital allowances in arrears of depreciation	48,066	16,565
	48,066	16,565

8. Dividends

	2013	*2012*
	£	*£*
Declared and paid during the year:		
Final dividend paid	686,000	650,000
Proposed for approval by shareholders at the AGM:		
Final dividend	100,000	686,000

In accordance with FRS 21, dividends proposed by the directors but not approved at the balance sheet date have not been recognised as a liability.

9. Profit attributable to members of parent undertaking

As permitted by Companies Act 2006, the profit and loss account of the parent undertaking is not presented as part of these financial statements. The parent undertaking's profit after taxation for the financial year ended 31 December 2013 amounted to £156,041 (2012 – profit of £128,464).

Notes to the financial statements

at 31 December 2013

10. Intangible fixed assets

Group

	Trademark	*Goodwill*	*Total*
	£	*£*	*£*
Cost:			
At 1 January 2013 and 31 December 2013	1	2,065,244	2,065,245
Amortisation:			
At 1 January 2013	–	1,269,478	1,269,478
Charge for the year	–	86,811	86,811
At 31 December 2013	–	1,356,289	1,356,289
Net book value:			
At 31 December 2013	1	708,955	708,956
At 1 January 2013	1	795,766	795,767

Company

	Trademark
	£
Cost:	
At 1 January 2013 and 31 December 2013	1

Notes to the financial statements

at 31 December 2013

11. Tangible fixed assets

Group	*Freehold property*	*Freehold improvements, furniture, fixtures and fittings*	*Computer equipment*	*Plant and machinery*	*Total*
	£	£	£	£	£
Cost:					
At 1 January 2013	762,036	134,906	103,476	1,565,413	2,565,831
Additions	–	7,125	2,781	167,750	177,656
Disposals	–	–	–	(47,354)	(47,354)
Exchange difference	–	–	–	312	312
At 31 December 2013	762,036	142,031	106,257	1,686,121	2,696,445
Depreciation:					
At 1 January 2013	191,309	81,800	69,223	1,202,375	1,544,707
Charge for the year	15,042	16,162	16,266	149,559	197,029
Disposals	–	–	–	(26,236)	(26,236)
Exchange difference	–	–	–	(2,902)	(2,902)
At 31 December 2013	206,351	97,962	85,489	1,322,796	1,712,598
Net book value:					
At 31 December 2013	555,685	44,069	20,768	363,325	983,847
At 1 January 2013	570,727	53,106	34,253	363,038	1,021,124

The group has not depreciated freehold land which is included at a cost of £381,018 (2012 – £381,018) in freehold property. The group held no fixed assets under finance leases in the current or prior year.

Notes to the financial statements

at 31 December 2013

11. Tangible fixed assets (continued)

Company	*Freehold property* £	*Freehold improvements, furniture, fixtures and fittings* £	*Computer equipment* £	*Total* £
Cost:				
At 1 January 2013	112,036	40,719	74,523	227,278
Additions	–	–	–	–
At 31 December 2013	112,036	40,719	74,523	227,278
Accumulated depreciation:				
At 1 January 2013	53,976	34,180	53,250	141,406
Charge for the year	2,042	1,851	7,707	11,600
At 31 December 2013	56,018	36,031	60,957	153,006
Net book value:				
At 31 December 2013	56,018	4,688	13,566	74,272
At 1 January 2013	58,060	6,539	21,273	85,872

The company has not depreciated freehold land which is included at a cost of £56,018 (2012 – £56,018) in freehold property. The company held no fixed assets under finance leases in the current year.

12. Investments

Company	*Subsidiary undertakings* £
Cost:	
At 1 January 2013 and 31 December 2013	6,094,577
Amounts provided:	
At 1 January 2013 and 31 December 2013	1,048,842
Net book value:	
At 1 January 2013 and 31 December 2013	5,045,735

	Country of incorporation	*Class of shares owned*	*Interest held*
Universal Drilling & Cutting Equipment Limited	UK	Ordinary	100%
Nitto Kohki Deutschland GmbH	Germany	Ordinary	100%

The companies operate principally in their country of incorporation and carry on the business of the importation and sale of machine tools, couplings, air pumps and the manufacturing of machine tools and industrial cutters.

Notes to the financial statements
at 31 December 2013

13. Stocks

		Group		*Company*
	2013	*2012*	*2013*	*2012*
	£	*£*	*£*	*£*
Raw materials	154,413	277,964	–	–
Work in progress	120,307	124,114	–	–
Finished goods	4,648,233	4,961,902	695,598	693,823
	4,922,953	5,363,980	695,598	693,823

14. Debtors

		Group		*Company*
	2013	*2012*	*2013*	*2012*
	£	*£*	*£*	*£*
Trade debtors	1,464,875	1,672,679	226,522	226,645
Amounts owed by group undertakings	–	–	100,452	57,232
Other debtors	136,163	385,658	–	10,161
VAT receivable	65,715	–	–	–
Corporate tax recoverable	42,552	–	–	–
Deferred tax (see note 7)	48,066	16,565	–	–
Prepayments and accrued income	70,502	198,736	16,077	27,698
	1,827,873	2,273,638	343,051	321,736

15. Creditors: amounts falling due within one year

		Group		*Company*
	2013	*2012*	*2013*	*2012*
	£	*£*	*£*	*£*
Trade creditors	505,628	816,883	–	–
Amounts owed to group undertakings	775,141	1,311,496	98,677	76,290
Dividend payable	–	686,000	–	686,000
Corporation tax payable	–	99,307	6,651	2,154
Other creditors	49,164	60,269	27,588	40,205
Other taxes and social security costs	55,122	52,348	1,092	13,305
Accruals and deferred income	269,850	263,189	40,906	31,086
	1,654,905	3,289,492	174,914	849,040

Notes to the financial statements

at 31 December 2013

16. Provisions for liabilities

Company	*Deferred tax*
	£
At 1 January 2013	(4,759)
Arising during the year	2,128
At 31 December 2013	(2,631)

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

Company	*2013*	*2012*
	£	*£*
Included in debtors/(provision for liability)	(2,631)	(4,759)
At 1 January	(4,759)	(1,138)
(Charged) / Credited to the profit and loss account	2,128	(3,621)
At 31 December	(2,631)	(4,759)

Analysis of deferred tax balance:

Company	*2013*	*2012*
	£	*£*
Capital allowances in arrears/(advance) of depreciation	(2,631)	(4,759)
	(2,631)	(4,759)

17. Issued share capital

		2013		*2012*
Allotted, called up and fully paid	*No.*	*£*	*No.*	*£*
Ordinary shares of £1 each	4,730,000	4,730,000	4,730,000	4,730,000

Notes to the financial statements

at 31 December 2013

18. Reconciliation of shareholders' funds and movements on reserves

Group	*Share capital*	*Profit and loss account*	*Total share–holders' funds*
	£	*£*	*£*
At 1 January 2012	4,730,000	5,194,033	9,924,033
Profit for the financial year	–	526,670	526,670
Currency translation differences	–	(14,114)	(14,114)
Dividends	–	(686,000)	(686,000)
At 1 January 2013	4,730,000	5,020,589	9,750,589
Profit for the financial year	–	295,225	295,225
Currency translation differences	–	71,024	71,024
Dividends	–	–	–
At 31 December 2013	4,730,000	5,386,838	10,116,838

Company	*Share capital*	*Profit and loss account*	*Total share-holders' funds*
	£	*£*	*£*
At 1 January 2012	4,730,000	2,691,305	7,421,305
Profit for the financial year	–	128,464	128,464
Dividends	–	(686,000)	(686,000)
At 1 January 2013	4,730,000	2,133,769	6,863,769
Profit for the financial year	–	156,041	156,041
Dividends	–	–	–
At 31 December 2013	4,730,000	2,289,810	7,019,810

19. Other financial commitments

At 31 December 2013 the group had annual commitments under non-cancellable operating leases as set out below:

Group	*2013*	*2012*
	£	*£*
Operating leases which expire:		
Within one year	–	–
In two to five years	14,904	30,829
	14,904	30,829

20. Related party transactions

The company has taken advantage of the exemption granted under section 3(c) of FRS 8 not to disclose transactions with other group companies. There were no other transactions involving related parties.

Notes to the financial statements

at 31 December 2013

21. Ultimate parent undertaking and controlling party

In the opinion of the directors, the ultimate parent undertaking and controlling party is Nitto Kohki Co. Limited, a company incorporated in Japan. Copies of the group financial statements of Nitto Kohki Co. Limited, being the largest and smallest group for which group financial statements are produced, are available from Nitto Kohki Co. Limited, 9-4 Nakaikegami, 2 Chome, Ohta-ku, Tokyo, Japan.