

ARKRAY Factory Ltd.

Abbreviated Financial statements

Year ended 31 October 2015

Registered number 1912532

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COMPANIES HOUSE

ARKRAY Factory Ltd.

Directors and other information

Directors

Yukitoshi Yao (Japan)
Masanori Hatta (Japan)
Kosuke Nakanishi (Japan)

Registered office

W2-03 Columba House
Adastral Park
Martlesham Heath
Ipswich
IP5 3RE

Auditor

KPMG LLP
Chartered Accountants
Botanic House
100 Hills Road
Cambridge
CB2 1AR

Bankers

The Bank of Tokyo-Mitsubishi UFJ Ltd.
Ropemaker Place
25 Ropemaker Street
London
EC2Y 9AN

Bank of Scotland
3/5 Albyn Place
Aberdeen
AB10 1PY
Scotland

Solicitors

Prettys
Elm House
25 Elm Street
Ipswich
Suffolk
IP1 2AD

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Independent auditor's report to Arkray Factory Limited under section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages 3 to 6 together with the financial statements of Arkray Factory Limited for the year ended 31 October 2015 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in such a 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 *The special auditor's report on abbreviated accounts in the United Kingdom* issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered have been properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006 and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

S Beavis

Stephanie Beavis (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Botanic House, 100 Hills Road
Cambridge, CB2 1AR

20 May 2016

Balance sheet
at 31 October 2015

		2015	2015	2014	2014
	Note	£	£	£	£
Fixed assets					
Intangible assets	2	-	-	-	-
Tangible assets	3	-	-	147,479	147,479
			-		
Current assets					
Stocks		390,938		531,270	
Debtors		1,311,437		1,234,849	
Cash at bank and in hand		5,105,067		6,511,745	
		6,807,442		8,277,864	
Creditors: amounts falling due within one year		(426,409)		(508,930)	
Net current assets			6,381,033		7,768,934
Total assets less current liabilities			6,381,033		7,916,413
Pension liability			(405,715)		(2,148,000)
Other Provisions			(280,000)		-
Net assets after pension liability			5,695,318		5,768,413
Capital and reserves					
Called up share capital	4		5,255,383		5,255,383
Profit and loss account			439,935		513,030
Shareholders' funds			5,695,318		5,768,413

The notes on pages 4 to 6 form an integral part of these financial statements.

These accounts have been prepared in accordance with the provisions applicable to companies subject to small companies' regime.

These financial statements were approved by the board of directors on 22 May 2016 and were signed on its behalf by:



Yukitoshi Yao
Director
Arkray Factory Ltd.
Registered number 1912532

Notes to the financial statements

for the year 31 October 2015

1 Accounting policies

(a) Basis of preparation and status of financial statements

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board.

Having considered current forecasts and available funding the directors continue to adopt the going concern basis in preparing the financial statements.

(b) Tangible fixed assets and depreciation

(c) Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated usual economic lives as follows:

Leasehold improvements	over the remaining term of the lease
Plant and machinery	3 to 7 years

(d) Intangible assets

Where events or circumstances are present which indicate that the carrying amount of intangible assets may not be recoverable the Company estimates the recoverable amount based on the present value of future cash flows expected to result from the use of the asset and its eventual disposition. Where this amount is less than the carrying amount of the asset, the Company will recognise an impairment loss.

The cost of patents is amortised over their estimated useful life, which is up to 18 years.

(e) Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling 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. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

(f) Operating leases

Operating leases and rental charges are charged to the profit and loss account as incurred.

(g) Pension costs

The Company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company.

Pension scheme assets are measured using market values. For quoted securities the current bid price is taken as market value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Notes (continued)

1 Accounting policies (continued)

(h) Research and development

Expenditure on all research and development is written off in the year in which it is incurred.

(i) Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes direct expenditure and an appropriate proportion of attributable overheads. Net realisable value is calculated at estimated selling price less estimated selling costs.

(j) Taxation

Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially 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. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the Company's taxable 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.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

(k) Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers during the year together with royalty and licence fees.

(l) Revenue recognition

Non-refundable royalty income and licence fees are credited to the profit and loss account when earned, in accordance with the terms prescribed in each respective licence agreement, and when the Company has no future obligations pursuant to that royalty or licence fee. Refundable royalties and licence fees are treated as deferred income until such time as they are no longer refundable and are not subject to future obligations. Revenue from the sale of medical supplies and equipment is recognised upon shipment.

Notes (continued)

2 Intangible fixed assets

	Patents £
Cost	
At beginning of year	128,850
Written off in year	-
At end of period	128,850
Amortisation	
At beginning of year	128,850
Written off in year	-
At end of year	128,850
Net book value	
At 31 October 2015	-
At 31 October 2014	-

3 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Total £
Cost			
At beginning of year	148,958	585,422	734,380
Additions in year	-	-	-
Disposals in year	-	(112,544)	(112,544)
At end of year	148,958	472,878	621,836
Depreciation			
At beginning of year	142,220	444,681	586,901
Charge for the year	6,738	69,469	76,207
Disposals in year	-	(41,272)	(41,272)
At end of year	148,958	472,878	621,836
Net book value			
At 31 October 2015	-	-	-
At 31 October 2014	6,738	140,741	147,479

4 Called up share capital

	2015 £	2014 £
Authorised		
10,000,000 ordinary shares of £1 each	10,000,000	10,000,000
Allotted, called up and fully paid		
5,255,383 ordinary shares of £1 each	5,255,383	5,255,383

5 Ultimate parent company

The Company's immediate parent is Arkray Europe, B.V., a company incorporated in the Netherlands and the ultimate holding company and controlling party is Arkray, Inc., a company incorporated in Japan.