

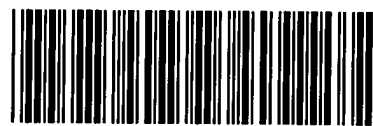
Anritsu Limited

Annual report and financial statements

Registered number 01919347

31 March 2023

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Officers and advisers

Directors

M Lee
R Rossetti

Auditor

Bradshaw Johnson
Croft Chambers
11 Bancroft
Hitchin
SG5 1JQ

Banker

The Sumitomo Mitsui Banking Corporation Europe Limited
Temple Court
99 Queen Victoria Street
London
EC4V 4EH

Solicitor

Howes Percival
Nene House
4 Rushmills
Northampton
NN4 7YB

Registered office

200 Capability Green
Luton
Bedfordshire
LU1 3LU

Strategic report

The directors present their strategic report for the year ended 31 March 2023.

Principal activities

The principal activities of the Company are the provision of design and development services to other parts of the Anritsu group. However, the Company ceased to trade with effect from 1 April 2022.

Business review

With effect from 1 April 2022 the business and net assets of the Company were transferred into the immediate parent company, Anritsu EMEA Limited as part of an overall reorganisation of the Group's activities in Europe. In connection with this process the Company paid a dividend of £7.5m to Anritsu EMEA Limited to offset against the receivable arising on transfer of the net assets. With effect from that date the Company ceased to trade.

Section 172 Statement

Section 172 of the Companies Act 2006 requires each director to act in a way they consider, in good faith, would most likely promote the success of the Company for the benefit of its shareholders. In doing this, the director must have regard, amongst other matters, to:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the company's employees;
- (c) the need to foster the company's business relationships with suppliers, customers and others;
- (d) the impact of the company's operations on the community and the environment;
- (e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly as between members of the company.

The Board of Directors have complied with these requirements either directly or through delegation to senior management.

On behalf of the board



12/12/2023

M Lee
Director

200 Capability Green
Luton
Bedfordshire
LU1 3LU

Directors' report

Directors

The directors who served during the year are as follows:

M Lee
R Rossetti
T Shima

Mr T Shima resigned as director on 1 April 2022.

Proposed dividend

The directors do not recommend the payment of any further dividend for the year (2022: none).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Financial instruments

The directors do not consider any additional disclosure is required under Companies Act 2006, since such information is not material for the assessment of the assets, liabilities, financial position and profit or loss of the Company.

Charitable donations

The Company made nil (2022 nil) charitable donations during the period.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Bradshaw Johnson will therefore continue in office.

On behalf of the board



12/12/2023

M Lee
Director

200 Capability Green
Luton
Bedfordshire
LU1 3LU

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANRITSU LIMITED

Opinion

We have audited the financial statements of Anritsu Limited ("the company") for the year ended 31 March 2023 which comprise the Income statement and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' 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 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.

Emphasis of matter – Financial statements prepared on a basis other than a going concern

We draw attention to note 1 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANRITSU LIMITED (continued)

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

Matters on which we are required to report by exception

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 material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANRITSU LIMITED (continued)

Auditors' 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 a Report of the Auditors 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.

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 the UK Companies Act and 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.

We discussed among the audit engagement team including relevant internal specialists such as tax specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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, reviewing internal audit reports and reviewing correspondence with HMRC.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANRITSU 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 a Report of the Auditors 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.



**Andrew Pearce (Senior Statutory Auditor)
for and on behalf of Bradshaw Johnson**

Chartered Accountants

Croft Chambers

11 Bancroft

Hitchin

Hertfordshire

SG5 1JQ

Date: 13 December 2023

Income Statement
for the year ended 31 March 2023

| | <i>Notes</i> | 2023 £ | 2022 £ |
|---|--------------|-------------------------|-------------------------|
| Turnover | 2 | - | 5,042,711 |
| Cost of sales | | - | (258,159) |
| | | <hr/> | <hr/> |
| Gross profit | | - | 4,784,552 |
| Distribution costs | | - | (1,029,029) |
| Administrative expenses | | - | (3,517,361) |
| | | <hr/> | <hr/> |
| | | - | 238,162 |
| Other operating income | | - | 119,770 |
| | | <hr/> | <hr/> |
| Operating profit | | - | 357,932 |
| Interest receivable and similar income | 6 | - | 75,387 |
| | | <hr/> | <hr/> |
| Profit/loss on ordinary activities before taxation | | - | 433,319 |
| Tax on profit on ordinary activities | 7 | - | 3,000 |
| | | <hr/> | <hr/> |
| Profit for the financial year | | - | 430,319 |
| | | <hr/> <hr/> | <hr/> <hr/> |

The accompanying notes on pages 15 to 25 are an integral part of this profit and loss account and other comprehensive income statement.

Other Comprehensive Income
for the year ended 31 March 2023

| | <i>Notes</i> | 2023 £ | 2022 £ |
|--|--------------|------------------|------------------|
| Profit for the year | | - | 430,319 |
| Other comprehensive income | | | |
| Sale of trade and assets | | - | 3,798,169 |
| Total comprehensive income for the year | | <u>-</u> | <u>4,228,488</u> |

The accompanying notes on pages 15 to 25 are an integral part of this other comprehensive income statement.

Statement of Financial Position
at 31 March 2023

| | Notes | 2023 | 2022 |
|---|-------|-----------|-----------|
| | | £000 | £000 |
| Fixed assets | | | |
| Tangible assets | 9 | - | 908,471 |
| Investments | 10 | - | 75 |
| | | | |
| | | | 908,546 |
| Current assets | | | |
| Debtors | 11 | - | 4,620,096 |
| Cash at bank and in hand | 2 | 2,676,290 | |
| | | | |
| | | 2 | 7,296,386 |
| Creditors: Amounts falling due within one year | 12 | - | (687,518) |
| | | | |
| Net current assets/liabilities | | 2 | 6,608,868 |
| | | | |
| Net assets | | 2 | 7,517,414 |
| | | | |
| Capital and reserves | | | |
| Called up share capital | 15 | 1 | 1 |
| Capital redemption reserve | 16 | - | 20,999 |
| Profit and loss account | 16 | 1 | 7,496,414 |
| | | | |
| Shareholders' funds | | 2 | 7,517,414 |

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

M. Lee
Director



12/12/2023

The notes on pages 15 to 25 form an integral part of these financial statements.

Registered number: 01919347

Statement of Changes in Equity

Year ended 31 March 2023

| | Called up Share capital | Capital Redemption reserve | Share Premium account | Profit and loss account | Total equity |
|---------------------------------|-------------------------------|----------------------------------|-----------------------------|-------------------------------|------------------|
| | £ | £ | £ | £ | £ |
| Balance at 1 April 2021 | 21,000 | - | 3,777,000 | 3,288,925 | 7,086,925 |
| Total comprehensive income | - | 20,999 | - | 4,207,489 | 4,228,488 |
| Issue of share capital | (20,999) 1 | 8,286 | (3,777,000) | 8,287 | (3,797,999) |
| Balance at 31 March 2022 | 1 | 20,999 | - | 7,496,414 | 7,517,414 |

| | Called up Share capital | Capital Redemption reserve | Share Premium account | Profit and loss account | Total equity |
|---------------------------------|-------------------------------|----------------------------------|-----------------------------|-------------------------------|--------------|
| | £ | £ | £ | £ | £ |
| Balance at 1 April 2022 | 1 | 20,999 | - | 7,496,414 | 7,517,414 |
| Cancellation | - | (20,999) | - | 20,999 | - |
| Dividend paid to parent company | - | - | - | (7,496,412) | (7,517,412) |
| Balance at 31 March 2023 | 1 | - | - | 1 | 2 |

The notes on pages 15 to 25 form an integral part of these financial statements.

Notes *(forming part of the financial statements)*

1 Accounting policies

Anritsu Limited is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). Due to the business of the Company largely being transacted in GBP the directors have concluded, as with the prior year, that the presentational currency of the financial statements is GBP. Balances, where relevant, are translated using month end rates published on the Tokyo Stock Exchange.

The Company's ultimate parent undertaking, Anritsu Corporation, includes the Company in its consolidated financial statements. The consolidated financial statements of Anritsu Corporation are prepared in accordance with International Financial Reporting Standards as adopted by the EU, are available to the public and may be obtained from 5-1-1 Onna, Atsugi-shi, Kanagawa, 243-8555, Japan. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Anritsu Corporation include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis. The financial statements have been prepared on a basis other than going concern. There have been no material adjustments arising from the use of a basis other than going concern.

1.2 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.3 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment

Notes (continued)

1 Accounting policies (continued)

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described at 1.10 below.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- | | |
|---|----------|
| • Freehold buildings | 25 years |
| • Machinery and equipment | 5 years |
| • Office fixtures, fittings and equipment | 10 years |
| • Computer equipment | 3 years |
| • Software | 5 years |

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

1.6 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Notes (continued)

1 Accounting policies (continued)

1.6 Impairment excluding stocks and deferred tax assets (continued)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.7 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.8 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Notes (continued)

1 Accounting policies (continued)

1.9 Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Turnover is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Deferred income represents amounts receivable for goods not yet despatched or services not yet provided to customers.

1.10 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Notes (continued)

1 Accounting policies (continued)

1.11 Taxation (continued)

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.14 Accounting estimates and judgements

Key sources of estimation uncertainty

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

Recoverability of trade receivables

Trade receivables are reflected net of an estimated provision for impairment losses. This provision considers the past payment history and length of time that the debt has remained unpaid.

Deferred tax

Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised, with consideration given to the timing and level of future taxable income.

Stocks

In determining the cost of stocks the Directors have to make judgements to arrive at cost and net realisable value. In arriving at any provisions for net realisable value the directors take into account the age, conditioning and quality of the product stocked and the recent trend in sales.

2 Turnover

Analysis of turnover by destination and by geographical market is given below:

| | 2023 £ | 2022 £ |
|-------------------------------|-----------|-----------|
| <i>By geographical market</i> | | |
| Japan | - | 5,042,711 |
| | - | 5,042,711 |

Notes (continued)

3 Expenses and auditor's remuneration

| | 2023 £ | 2022 £ |
|--|-----------|-----------|
| <i>Included in profit are the following:</i> | | |
| Depreciation of owned assets | - | 239,532 |
| | £ | £ |
| Auditor's Remuneration | | |
| - Audit of these Financial statements | - | 12,000 |

4 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

| | 2023 Number | 2022 Number |
|----------------|----------------|----------------|
| Sales | - | 6 |
| Service | - | 5 |
| Administration | - | 23 |
| | - | 34 |

The aggregate payroll costs of these persons were as follows:

| | 2023 £ | 2022 £ |
|-------------------------|-----------|-----------|
| Aggregate payroll costs | - | 2,794,319 |

5 Remuneration of directors

| | 2023 £ | 2022 £ |
|-------------------------|-----------|-----------|
| Directors' remuneration | - | 178,164 |

Notes (continued)

6 Interest receivable and similar income

| | 2023 £ | 2022 £ |
|---------------------------|-----------|---------------|
| Bank interest | - | 50 |
| Other interest receivable | - | 75,337 |
| | <u>-</u> | <u>75,387</u> |
| | <u>-</u> | <u>75,387</u> |

7 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

| | 2023 £ | 2022 £ |
|----------------------------|-----------|--------------|
| Current tax | - | - |
| Deferred tax (see note 14) | - | 3,000 |
| | <u>-</u> | <u>3,000</u> |
| Total tax | <u>-</u> | <u>3,000</u> |

Reconciliation of effective tax rate

| | 2023 £ | 2022 £ |
|--|-----------|---------------|
| Profit/loss on ordinary activities before taxation | - | 433,319 |
| | <u>-</u> | <u>82,331</u> |
| Tax using the UK corporation tax rate of 19% (2022: 19%) | - | 82,331 |
| Effects of: | | |
| Expenses not deductible for tax purposes | - | 157,973 |
| R&D expenditure credit | - | (240,304) |
| Reduction in deferred tax asset | - | 3,000 |
| | <u>-</u> | <u>3,000</u> |
| Total tax included in profit or loss | <u>-</u> | <u>3,000</u> |

Notes (continued)

8 Tangible fixed assets

| | Freehold property | Machinery & equipment | Fixtures & fittings | Computer equipment | Total |
|-------------------------------------|----------------------|--------------------------|------------------------|-----------------------|-------------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 April 2022 | 1,924,409 | 2,056,862 | 1,030,441 | 315,003 | 5,326,715 |
| Transferred to Anritsu EMEA Limited | (1,924,409) | (2,056,862) | (1,030,441) | (315,003) | (5,326,715) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2023 | - | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Depreciation | | | | | |
| At 1 April 2022 | 1,136,723 | 2,021,849 | 974,946 | 284,726 | 4,418,244 |
| Transferred to Anritsu EMEA Limited | (1,136,723) | (2,021,849) | (974,946) | (284,726) | (4,418,244) |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2023 | - | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Net book value | | | | | |
| At 31 March 2023 | - | - | - | - | - |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| At 31 March 2022 | 787,686 | 35,013 | 55,495 | 30,277 | 908,471 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |

9 Fixed asset investments

| | £ |
|-------------------------------------|-------|
| Cost | |
| At 1 April 2022 | 75 |
| Transferred to Anritsu EMEA Limited | (75) |
| | <hr/> |
| At 31 March 2023 | - |
| | <hr/> |
| Depreciation | |
| At 1 April 2022 | - |
| Provided during period | - |
| | <hr/> |
| At 31 March 2023 | - |
| | <hr/> |
| Net book value | |
| At 31 March 2023 | - |
| | <hr/> |
| At 31 March 2022 | 75 |
| | <hr/> |

Notes (continued)

10 Debtors

| | 2023 | 2022 |
|------------------------------------|-------|-----------|
| | £ | £ |
| Amounts owed by group undertakings | - | 4,117,383 |
| Deferred tax asset (see Note 12) | - | 227,000 |
| R&D tax claims | - | 194,646 |
| VAT | - | 34,821 |
| Prepayments | - | 46,246 |
| | <hr/> | <hr/> |
| | - | 4,620,096 |
| | <hr/> | <hr/> |

11 Creditors: amounts falling due within one year

| | 2023 | 2022 |
|---------------------------------------|-------|---------|
| | £ | £ |
| Trade creditors | - | 96,090 |
| Amounts owed to group undertakings | - | 66,899 |
| Other taxes and social security costs | - | 77,174 |
| Accruals and deferred income | - | 447,355 |
| | <hr/> | <hr/> |
| | - | 687,518 |
| | <hr/> | <hr/> |

Notes (continued)

12 Deferred tax asset

The net deferred tax asset is attributable to the following:

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| Differences between accumulated depreciation and capital allowances | - | - |
| Unused tax losses | - | 227,000 |
| | <hr/> | <hr/> |
| | - | 227,000 |
| Unrecognised amounts | - | - |
| | <hr/> | <hr/> |
| Deferred taxation asset | - | 227,000 |
| | <hr/> | <hr/> |
| The movements in the year are as follows: | | |
| | £ | £ |
| Deferred taxation asset at 1 April 2022 | 227,000 | 230,000 |
| Transferred to Anritsu EMEA Limited | (227,000) | - |
| Charge to the profit and loss account | - | (3,000) |
| | <hr/> | <hr/> |
| Deferred taxation asset at 31 March 2023 | - | 227,000 |
| | <hr/> | <hr/> |

13 Employee benefits

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 for the period represents contributions payable by the Company to the scheme and amounted to £nil (2022: £152,767). There were no outstanding or prepaid contributions at 31 March 2023 (2022: none).

14 Share capital

| | 2023 £ | 2022 £ |
|---|-----------|-----------|
| <i>Issued, called up and fully paid</i> | | |
| 1 (2022: 1) Ordinary shares of £1 each | 1 | 1 |
| | <hr/> | <hr/> |

Notes (continued)

15 Reserves

| | Capital redemption reserve £ | Profit and loss account £ |
|--------------------------------|---------------------------------|------------------------------|
| At 1 April 2022 | 20,999 | 7,496,414 |
| Cancellation | (20,999) | 20,999 |
| Dividend to parent undertaking | - | (7,517,412) |
| At 31 March 2023 | - | 1 |

All reserves of the company relate to equity shareholdings.

16 Operating leases

During the year £nil was recognised as an expense in the profit and loss account in respect of operating leases (2022: £4,049).

17 Capital commitments

The Company had no contractual commitments to purchase tangible fixed assets at the year end (2022: none)

18 Related party transactions

The Company has related party relationships with its fellow group companies and with its directors. It has not disclosed transactions between group companies however, as permitted under section 33 of FRS 102.

100% of the voting rights over the Company's shares are controlled within the Group.

The remuneration of the Directors is provided in note 5 - directors' remuneration.

19 Ultimate parent company

The Company is a subsidiary undertaking of Anritsu EMEA Limited which is incorporated in the UK and having its principal place of business at 200 Capability Green, Luton, LU1 3LU.

The largest and smallest group in which the results of the Company are consolidated is that headed by Anritsu Corporation, the ultimate controlling party incorporated in Japan. No other group financial statements include the results of the Company. The consolidated financial statements of this group are available to the public and may be obtained from 5-1-1 Onna, Atsugi-shi, Kanagawa, 243-8555, Japan.