

**NGK Berylco UK Limited**

**Directors' report and financial  
statements**

**Registered number 2085285**

**31 December 2011**

SATURDAY



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2011

### Principal activities

The principal activity of the Company remains dealing in copper beryllium alloy products

### Business review

The Company has met the requirements in Companies Act 2006 to obtain the exemption provided from the presentation of an enhanced business review. The results for the year are set out on page 5 of these financial statements

There were no interim dividends paid during the year (2010 £nil). The directors do not recommend the payment of a final dividend (2010 £nil).

### Directors

The directors who held office during the year were as follows

SW Emslie

K Yoshioka

### Political and charitable contributions

The Company made no political contributions during the year (2010 £nil). Donations to UK charities amounted to £370 (2010 £250).


### Disclosure of information to auditors

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 auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



DJ Kemp  
Secretary

27/6/12

Unit E  
Houston Park  
Montford Street  
Salford  
M50 2RP

## **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

The directors are responsible for preparing 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)

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 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 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 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.



## KPMG LLP

St James' Square  
Manchester  
M2 6DS  
United Kingdom

### **Independent auditor's report to the members of NGK Berylco UK Limited**

We have audited the financial statements of NGK Berylco UK Limited for the year ended 31 December 2011 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 2, 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 (APB's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK 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**

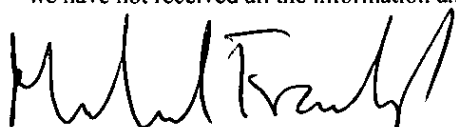
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of NGK Beryleo UK Limited**  
*(continued)*

**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



27/6/12

**Michael Frankish**  
**(Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
**Chartered Accountants**  
St James' Square  
Manchester  
M2 6DS

**Profit and loss account**  
*for the year ended 31 December 2011*

	<i>Note</i>	<b>2011 £000</b>	<b>2010 £000</b>
<b>Turnover</b>	<b>2</b>	<b>4,456</b>	<b>4,168</b>
Cost of sales		(3,459)	(3,281)
<b>Gross profit</b>		<b>997</b>	<b>887</b>
Distribution costs		(438)	(361)
Administrative expenses		(201)	(187)
<b>Operating profit</b>	<b>3-5</b>	<b>358</b>	<b>339</b>
Other interest receivable and similar income	6	13	12
Interest payable and similar charges	7	(1)	(17)
<b>Profit on ordinary activities before taxation</b>		<b>370</b>	<b>334</b>
Tax on profit on ordinary activities	8	(98)	(94)
<b>Profit for the financial year</b>		<b>272</b>	<b>240</b>

There are no recognised gains or losses in the current or preceding year other than the profit for the year and accordingly no separate statement of total recognised gains and losses has been presented

All activities derive from continuing operations

The notes on page 8 to 14 form part of these financial statements

**Balance sheet**  
*at 31 December 2011*

	<i>Note</i>	<b>2011 £000</b>	<b>2011 £000</b>	<b>2010 £000</b>	<b>2010 £000</b>
<b>Fixed assets</b>					
Tangible assets	9		98		101
<b>Current assets</b>					
Stocks	10	1,843		1,214	
Debtors	11	724		714	
Cash at bank and in hand		1,859		2,247	
		<u>4,426</u>		<u>4,175</u>	
<b>Creditors</b> amounts falling due within one year	12	(586)		(609)	
<b>Net current assets</b>			3,840		3,566
<b>Total assets less current liabilities</b>			3,938		3,667
<b>Provisions for liabilities</b>	13		(9)		(10)
<b>Net assets</b>			3,929		3,657
<b>Capital and reserves</b>					
Called up share capital	14		500		500
Profit and loss account	15		3,429		3,157
<b>Shareholders' funds</b>			3,929		3,657

These financial statements were approved by the board of directors on *27 June* 2012 and were signed on its behalf by



**SW Emslie**  
 Director

The notes on page 8 to 14 form part of these financial statements



**Reconciliation of movements in shareholders' funds**  
*for the year ended 31 December 2011*

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
<b>Profit for the financial year</b>	<b>272</b>	<b>240</b>
	<hr/>	<hr/>
<b>Net addition to shareholders' funds</b>	<b>272</b>	<b>240</b>
Opening shareholders' funds	<b>3,657</b>	<b>3,417</b>
	<hr/>	<hr/>
<b>Closing shareholders' funds</b>	<b>3,929</b>	<b>3,657</b>
	<hr/>	<hr/>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that its ultimate parent undertaking includes the Company in its own published consolidated financial statements

As the Company is a wholly owned subsidiary of NGK Insulators Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group

The consolidated financial statements of NGK Insulators Limited within which this Company is included, can be obtained from the address given in note 18

#### *Going Concern*

The directors have considered the future profitability of the Company and its ability to continue as a going concern, and have prepared profit and cash flow forecasts into the future. Based on these projections, the directors are satisfied that, for the foreseeable future, the Company can meet its projected working capital requirements. Consequently, the financial statements have been prepared on a going concern basis

#### *Fixed assets and depreciation*

Depreciation is provided by the Company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Plant and machinery	4 to 10 years
Office equipment	3 to 4 years
Fixtures and fittings	4 to 10 years
Motor vehicles	4 years
Software	3 years

#### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

#### *Leases*

Operating lease rentals are charged to the profit and loss account on a straight line basis over the life of the lease

#### *Pensions*

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 amount charged against profits represents the contributions payable to the scheme in respect of the accounting period

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value

## Notes (continued)

### 1. Accounting policies (continued)

#### Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

In accordance with FRS 19, deferred tax is provided where a taxation liability will arise as a result of transactions or events which have occurred by the balance sheet date. Deferred tax assets are recognised to the extent that it is regarded that they will be recovered. Provision is made at rates expected to be applicable when the liabilities or assets are likely to crystallise

#### Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of copper alloy goods supplied to customers during the year. Revenue is recognised on dispatch of goods to customers

### 2 Turnover

Analysis of turnover by geographical area

	2011 £000	2010 £000
United Kingdom	3,345	3,109
Rest of World	1,111	1,059
	<u>4,456</u>	<u>4,168</u>

### 3. Profit on ordinary activities before taxation

	2011 £000	2010 £000
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
<i>Auditors' remuneration</i>		
Audit of these financial statements	8	8
Other services relating to taxation	7	3
Depreciation of owned tangible fixed assets	37	18
Rentals payable under operating leases - land and buildings	37	37
	<u>82</u>	<u>66</u>

### 4. Remuneration of directors

	2011 £000	2010 £000
Directors' emoluments	103	98
Pension contributions	106	44
	<u>209</u>	<u>142</u>

During the year the Company made contributions to a defined contribution pension scheme on behalf of one of the directors (2010 one)

**Notes (continued)**

**5 Staff numbers and costs**

The average number of persons employed by the Company (excluding directors who perform their duties wholly outside the UK) during the year, analysed by category, was as follows

	Number of employees 2011	Number of employees 2010
Administration	3	3
Sales	4	3
Warehouse	4	4
	<u>11</u>	<u>10</u>

The aggregate payroll costs of these persons were as follows

	2011 £000	2010 £000
Wages and salaries	353	316
Social security costs	39	35
Other pension costs (see note 17)	127	91
	<u>519</u>	<u>442</u>

**6. Other interest receivable and similar income**

	2011 £000	2010 £000
Bank interest receivable	<u>13</u>	<u>12</u>

**7 Interest payable and similar charges**

	2011 £000	2010 £000
Net exchange losses	<u>1</u>	<u>17</u>

## Notes (continued)

### 8 Taxation

#### Analysis of charge in year

	2011 £000	2010 £000
<i>UK corporation tax</i>		
Current tax on income for the year	99	83
<i>Deferred taxation (see note 13)</i>		
Current year (credit)	(1)	11
	<hr/>	<hr/>
Tax on profit on ordinary activities	98	94
	<hr/>	<hr/>

#### Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2010 lower) than the standard rate of corporation tax in the UK of 26.5% (2010 28%). The differences are explained below

	2011 £000	2010 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before taxation	370	334
	<hr/>	<hr/>
Current tax at 26.5% (2010 28%)	98	94
<i>Effects of</i>		
Expenses not deductible for tax purposes	1	-
Capital allowances in excess of depreciation	-	(10)
Other timing differences	-	(1)
	<hr/>	<hr/>
Total current tax charge (see above)	99	83
	<hr/>	<hr/>

#### Factors affecting the tax charge in future years

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012.

This will reduce the Company's future current tax charge accordingly and further reduce the deferred tax liability at 31 December 2011 (which has been calculated based on the rate of 25% substantively enacted at the balance sheet date).

It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the Company's future current tax charge and reduce the company's deferred tax liability accordingly.

**Notes (continued)**

**9. Tangible fixed assets**

	Plant and machinery £000	Motor vehicles £000	Fixtures, fittings and office equipment £000	Software £000	Total £000
<i>Cost</i>					
At beginning of year	137	48	131	30	346
Additions	6	30	10	-	46
Disposals	-	(32)	-	-	(32)
At end of year	143	46	141	30	360
<i>Depreciation</i>					
At beginning of year	105	20	120	-	245
Charge for year	7	14	8	8	37
Disposals	-	(20)	-	-	(20)
At end of year	112	14	128	8	262
<i>Net book value</i>					
At 31 December 2011	31	32	13	22	98
At 31 December 2010	32	28	11	30	101

**10 Stocks**

	2011 £000	2010 £000
Raw materials and consumables	1,843	1,214

**11 Debtors**

	2011 £000	2010 £000
Trade debtors	684	646
Amounts due from group undertakings	9	21
Prepayments and accrued income	31	47
	724	714

**Notes (continued)**

**12 Creditors' amounts falling due within one year**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	62	71
Amounts owed to group undertakings	385	392
Corporation tax	48	24
Other taxes and social security	48	52
Accruals and deferred income	43	70
	<u>586</u>	<u>609</u>

**13 Deferred Tax**

	<b>Deferred Taxation £000</b>
At beginning of year	10
Credit to profit and loss account in the year	(1)
	<u>9</u>
At end of year	<u>9</u>

The elements of deferred taxation are as follows

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Difference between accumulated depreciation and capital allowances	<u>9</u>	<u>10</u>

**14. Called up share capital**

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
<i>Allotted, called up and fully paid</i>		
498 Ordinary shares of £1,000 each	498	498
2,000 Ordinary shares of £1 each	2	2
	<u>500</u>	<u>500</u>

All shares rank pari passu

## Notes (continued)

### 15. Profit and loss account

	2011 £000	2010 £000
At beginning of year	3,157	2,917
Retained profit for the year	272	240
At end of year	<u>3,429</u>	<u>3,157</u>

### 16. Commitments

Annual commitments under non-cancellable operating leases are as follows

	Land and buildings 2011 £000	Land and Buildings 2010 £000
Operating leases which expire After five years	<u>37</u>	<u>37</u>

### 17. Pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the fund and amounted to £127,000 (2010 £91,000). There were no outstanding or prepaid contributions at the end of the year.

### 18. Ultimate parent company and parent undertaking of larger group of which the Company is a member

The Company is a subsidiary undertaking of NGK North America Inc, incorporated in the United States. The ultimate parent Company is NGK Insulators Limited, a Company incorporated in Japan. The smallest and largest group in which the results of the Company are consolidated is that headed by NGK Insulators Limited. 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 NGK Insulators Limited, 2-56, Suda-cho, Mizuho-ku, Nagoya 467-8530, Japan.