

NGK Berylco UK Limited

**Directors' report and financial
statements**

Registered number 2085285

31 March 2014

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2014. The comparative period reflects the 15 month period ended 31 March 2013.

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 and a strategic report. The results for the period are set out on page 5 of these financial statements.

There were no interim dividends paid during the period (2013: £nil). The directors do not recommend the payment of a final dividend (2013: £nil).

Directors

The directors who held office during the period and since the period end were as follows:

SW Emslie (resigned 1 April 2013)
K Yoshioka
H Takahashi
L McNichol (appointed 1 April 2013)
P Coulon (appointed 1 April 2013)

Political and charitable contributions

The Company made no political or charitable contributions during the period (2013: £nil).

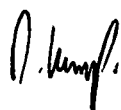
Disclosure of information to auditor

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 they 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.

Auditor

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

By order of the board



DJ Kemp
Secretary

9 July 2014

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 March 2014 set out on pages 5 to 15. 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

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 March 2014 and of its profit for the period 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 period for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of NGK Berylco 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; or
- the directors were not entitled to take advantage of the small companies exemption in not preparing a strategic report.



11 July 2014

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 March 2014

	<i>Note</i>	For the 12 month period ended 31 March 2014 £000	For the 15 month period ended 31 March 2013 £000
Turnover	2	5,399	5,985
Cost of sales		(4,324)	(4,750)
Gross profit		1,075	1,235
Distribution costs		(288)	(381)
Administrative expenses		(163)	(195)
Operating profit	3-5	624	659
Other interest receivable and similar income	6	15	17
Interest payable and similar charges	7	(5)	(6)
Profit on ordinary activities before taxation		634	670
Tax on profit on ordinary activities	8	(146)	(164)
Profit for the financial period		488	506

There are no recognised gains or losses in the current or preceding period other than the profit for the period 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 15 form part of these financial statements.

Balance sheet
at 31 March 2014

	<i>Note</i>	2014 £000	2014 £000	2013 £000	2013 £000
Fixed assets					
Tangible assets	9		48		54
Current assets					
Stocks	10	1,630		1,914	
Debtors	11	948		1,144	
Cash at bank and in hand		3,156		1,973	
		<u>5,734</u>		<u>5,031</u>	
Creditors: amounts falling due within one year	12	<u>(858)</u>		<u>(649)</u>	
Net current assets			<u>4,876</u>		<u>4,382</u>
Total assets less current liabilities			<u>4,924</u>		<u>4,436</u>
Provisions for liabilities	13		<u>(1)</u>		<u>(1)</u>
Net assets			<u>4,923</u>		<u>4,435</u>
Capital and reserves					
Called up share capital	14	500		500	
Profit and loss account	15	4,423		3,935	
Shareholders' funds			<u>4,923</u>		<u>4,435</u>

These financial statements were approved by the board of directors on 9/7/14
 on its behalf by:

2014 and were signed



L McNichol
Director

The notes on page 8 to 15 form part of these financial statements.

Reconciliation of movements in shareholders' funds
for the 12 month period ended 31 March 2014

	For the 12 months ended 31 March 2014 £000	For the 15 months ended 31 March 2013 £000
Profit for the financial period	488	506
	<hr/>	<hr/>
Net addition to shareholders' funds	488	506
Opening shareholders' funds	4,435	3,929
	<hr/>	<hr/>
Closing shareholders' funds	4,923	4,435
	<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

These financial statements have been prepared for the 12 months period ended 31 March 2014. The comparative financial statements are for the 15 months ended 31 March 2013.

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 19.

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 period 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 period. Revenue is recognised on dispatch of goods to customers.

2. Turnover

Analysis of turnover by geographical area:

	For the 12 months ended 31 March 2014 £000	For the 15 months ended 31 March 2013 £000
United Kingdom	4,628	4,982
Rest of World	771	1,003
	<u>5,399</u>	<u>5,985</u>

3. Profit on ordinary activities before taxation

	For the 12 months ended 31 March 2014 £000	For the 15 months ended 31 March 2013 £000
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
<i>Auditor's remuneration:</i>		
Audit of these financial statements	10	9
Other audit related services	20	0
Other services relating to taxation	2	2
Depreciation of owned tangible fixed assets	35	45
Rentals payable under operating leases - land and buildings	37	46
	<u></u>	<u></u>

Notes (continued)

4. Remuneration of directors

	For the 12 months ended 31 March 2014 £000	For the 15 months ended 31 March 2013 £000
Directors' emoluments	69	57
Pension contributions	7	12
	<hr/> 76	<hr/> 69
	<hr/> <hr/>	<hr/> <hr/>

During the period the Company made contributions to a defined contribution pension scheme on behalf of one of the directors (2013: one).

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 period, analysed by category, was as follows:

	Number of employees For the 12 months ended 31 March 2014	Number of employees For the 15 months ended 31 March 2013
Administration	2	2
Sales	4	4
Warehouse	4	4
	<hr/> 10	<hr/> 10
	<hr/> <hr/>	<hr/> <hr/>

The aggregate payroll costs of these persons were as follows:

	For the 12 months ended 31 March 2014 £000	For the 15 months ended 31 March 2013 £000
Wages and salaries	322	395
Social security costs	35	47
Other pension costs (see note 17)	37	43
	<hr/> 394	<hr/> 485
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

6. Other interest receivable and similar income

	For the 12 months ended 31 March 2014 £000	For the 15 months ended 31 March 2013 £000
Bank interest receivable	15	17
	<u>15</u>	<u>17</u>

7. Interest payable and similar charges

	For the 12 months ended 31 March 2014 £000	For the 15 months ended 31 March 2013 £000
Net exchange losses	5	6
	<u>5</u>	<u>6</u>

8. Taxation

Analysis of charge in period

	For the 12 months ended 31 March 2014 £000	For the 15 months ended 31 March 2013 £000
<i>UK corporation tax</i>		
Current tax on income for the period	146	172
<i>Deferred taxation (see note 13)</i>		
Current period credit	-	(8)
	<u>146</u>	<u>164</u>
Tax on profit on ordinary activities	146	164

Notes (continued)

8. Taxation

Factors affecting the tax charge for the current period

The current tax charge for the period is the same as (2013: *higher*) the standard rate of corporation tax in the UK of 23% (2013: 24.4%). The differences are explained below:

	For the 12 months ended 31 March 2014 £000	For the 15 months ended 31 March 2013 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before taxation	634	670
	<hr/>	<hr/>
Current tax at 23% (2013: 24.4%)	146	163
<i>Effects of:</i>		
Expenses not deductible for tax purposes	1	1
Difference between depreciation and capital allowances	(1)	8
	<hr/>	<hr/>
Total current tax charge (see above)	146	172
	<hr/>	<hr/>

Factors affecting the tax charge in future years

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly and will reduce any deferred tax asset or liability.

Notes (continued)

9. Tangible fixed assets

	Plant and machinery £000	Motor vehicles £000	Fixtures, fittings and office equipment £000	Software £000	Total £000
Cost					
As at 31 March 2013	143	46	142	30	361
Additions	24	-	5	-	29
Disposals	(19)	(30)	(62)	-	(111)
As at 31 March 2014	148	16	85	30	279
Depreciation					
As at 31 March 2013	122	33	135	17	307
Disposals	(19)	(30)	(62)	-	(111)
Charge for period	9	13	6	7	35
As at 31 March 2014	112	16	79	24	231
Net book value					
At 31 March 2014	36	-	6	6	48
As at 31 March 2013	21	13	7	13	54

10. Stocks

	2014 £000	2013 £000
Raw materials and consumables	1,630	1,914

11. Debtors

	2014 £000	2013 £000
Trade debtors	882	1,099
Amounts due from group undertakings	11	23
Prepayments and accrued income	55	22
	948	1,144

Notes (continued)

12. Creditors: amounts falling due within one year

	2014 £000	2013 £000
Trade creditors	52	33
Amounts owed to group undertakings	569	383
Corporation tax	56	97
Other taxes and social security	112	64
Accruals and deferred income	69	72
	<u>858</u>	<u>649</u>

13. Deferred Tax

	Deferred Taxation £000
As at 31 March 2013 and 31 March 2014	1

The elements of deferred taxation are as follows:

	2014 £000	2013 £000
Difference between accumulated depreciation and capital allowances	<u>1</u>	<u>1</u>

14. Called up share capital

	2014 £000	2013 £000
<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.

15. Profit and loss account

	2014 £000	2013 £000
As at 31 March 2013	3,935	3,429
Retained profit for the period	488	506
As at 31 March 2014	<u>4,423</u>	<u>3,935</u>

Notes (continued)

16. Commitments

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings 2014 £000	Plant and Machinery 2014 £000	Land and Buildings 2013 £000	Plant and Machinery 2013 £000
Operating leases which expire:				
Within 2-5 years	-	1	-	-
After five years	37	-	37	-
	<u>37</u>	<u>-</u>	<u>37</u>	<u>-</u>

17. Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the fund and amounted to £37,000 (2013: £43,000). There were no outstanding or prepaid contributions at the end of the period.

18. Fair value of assets and liabilities

The company entered into a number of forward contracts during the year which had not been settled at the year end with a total nominal value of £1,454,000 (2013: £955,000). The purpose of these contracts was to hedge future fluctuations in the \$ and € exchange rates and the resultant impact on purchases. Under UK GAAP no entries have been made in the financial statements regarding these forward contracts. Their estimated fair value at 31 March 2014 was a loss of £55,000 (2013: £36,000 gain).

19. 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