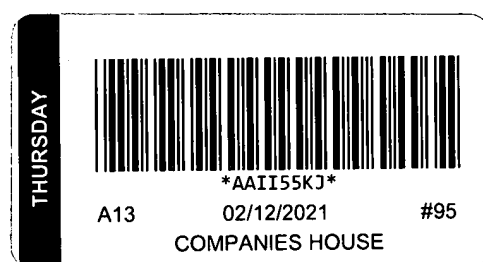


NGK Berylco UK Limited

**Directors' report and financial
statements**

Registered number 2085285

31 March 2021



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2021.

Principal activities

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

Business review

The results for the period are set out on page 8 of these financial statements.

An interim dividend of £nil was paid during the period (2020: £nil). The directors do not recommend the payment of a final dividend (2020: £nil).

Directors

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

L McNichol	(resigned on 1 April 2021)
R Tanii	
Y Natsume	
J Dodds	(appointed 1 April 2021)

Political and charitable contributions

The Company made charitable contributions of £nil during the period (2020: £200). There were no political donations in the current year (2020: £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.

Small company exemption

These financial statements have been prepared and delivered in accordance with certain provisions applicable to companies subject to the small companies' regime.

By order of the board



Justin Dodds
Director

30 November 2021

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), 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 NGK BERYLCO UK LIMITED

Opinion

We have audited the financial statements of NGK Berylco UK Limited ("the company") for the year ended 31 March 2021 which comprise the Profit and Loss Account 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 2021 and of its profit 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NGK BERYLCO UK LIMITED (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management and directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts, and unexpected and unusual postings to deposit levels or loan.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NGK BERYLCO UK LIMITED (continued)

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 from the requirement to prepare a strategic report.

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NGK BERYLCO UK LIMITED (continued)

Directors' responsibilities

As explained more fully in their 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; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Gareth Roberts (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

30 November 2021

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 March 2021

	<i>Note</i>	2021 £000	2020 £000
Turnover	2	3,811	4,069
Cost of sales		(2,813)	(2,910)
		<hr/>	<hr/>
Gross profit		998	1,159
Distribution costs		(403)	(390)
Administrative expenses		(216)	(203)
		<hr/>	<hr/>
Operating profit	3-5	379	566
Other interest receivable and similar income	6	2	56
Interest payable and similar expenses	7	(79)	(8)
		<hr/>	<hr/>
Profit before taxation		302	614
Tax on profit	8	(67)	(109)
		<hr/>	<hr/>
Profit after taxation		235	505
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		235	505
		<hr/>	<hr/>

All activities derive from continuing operations. There are no discontinued operations in the current or prior period.

For 2020 and 2021 there has been no income or expense in other comprehensive income except for the profit for the financial year.

The notes on pages 10 to 19 form part of these financial statements.

Balance sheet
at 31 March 2021

	<i>Note</i>	2021 £000	2021 £000	2020 £000	2020 £000
Fixed assets					
Tangible assets	9		44		58
Current assets					
Stocks	11	2,156		2,167	
Debtors	12	545		697	
Cash at bank and in hand		2,491		2,291	
		<u>5,192</u>		<u>5,155</u>	
Creditors: amounts falling due within one year	13	<u>(657)</u>		<u>(865)</u>	
Net current assets			4,535		4,290
Total assets less current liabilities			4,579		4,348
Provisions for liabilities	15		-		(4)
Net assets			4,579		4,344
Capital and reserves					
Called up share capital	17	500		500	
Profit and loss account		4,079		3,844	
Shareholders' funds			4,579		4,344

These financial statements were approved by the board of directors on 30 November 2021 and were signed on its behalf by:



J. Dodds

Director

Company registered number: 2085285

The notes on pages 10 to 19 form part of these financial statements.

Statement of Changes in Equity30

	Called up Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2019	500	3,339	3,839
Total comprehensive income for the period	-	505	505
Profit for the financial year			
Total comprehensive income for the period	-	505	505
Balance at 31 March 2020	500	3,844	4,344

	Called up Share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2020	500	3,844	4,344
Total comprehensive income for the period	-	235	235
Profit for the financial year			
Total comprehensive income for the period	-	235	235
Balance at 31 March 2021	500	4,079	4,579

The notes on pages 10 to 19 form part of these financial statements.

Notes

(forming part of the financial statements)

1. Accounting policies

NGK Berylco UK Limited (the "Company") is a private company limited by shares and incorporated and domiciled in the UK (England).

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"). The presentation currency of these financial statements is in sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, NGK Insulators Limited includes the Company in its consolidated financial statements. The consolidated financial statements of NGK Insulators Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the address given in note 21. 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 NGK Insulators Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- 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 Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

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 except that the following assets and liabilities are stated at their fair value: financial instruments classified at fair value through the profit or loss.

1.2 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides, the company will have sufficient funds to meet its liabilities as they fall due for that period.

The directors performed an additional review of the cashflow forecast considering the recent Covid-19 outbreak. But as NGK is a dealer of copper beryllium alloy products, the general requirement for our services has not been materially affected. The majority of the Company's costs are variable and as such are only incurred when the Company is trading. Current and future demand remains strong and therefore we do not envisage any material change in the demand for our products due to the Covid-19 pandemic.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Notes (continued)

Accounting policies (Continued)

1.3 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. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5 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.

1.7 Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss.

1.8 Tangible Fixed Assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

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. The estimated useful lives are 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

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.

Notes (continued)

1. Accounting policies (continued)

1.9 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.

1.10 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.

1.11 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.

1.12 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.

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.

1.13 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 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)

1.13 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.

2. Turnover

	2021 £000	2020 £000
Sale of goods	3,811	4,069
	<u>3,811</u>	<u>4,069</u>
By activity		
Sale of copper alloy products	3,811	4,069
	<u>3,811</u>	<u>4,069</u>
By geographical location		
United Kingdom	2,772	3,161
Rest of World	1,039	908
	<u>3,811</u>	<u>4,069</u>

3. Expenses and auditor's remuneration

	2020 £000	2019 £000
<i>Included in profit are the following:</i>		
Impairment of inventories	77	19
Depreciation	14	11
	<u>91</u>	<u>30</u>
<i>Auditor's remuneration:</i>		
Audit of these financial statements	30	30
Other services relating to taxation	3	3
	<u>33</u>	<u>33</u>

4. Remuneration of directors

	2020 £000	2019 £000
Directors' emoluments	102	88
Pension contributions	9	9
	<u>111</u>	<u>97</u>

During the period the Company made contributions to a defined contribution pension scheme on behalf of one of the directors (2020: one). T Motobayashi and R Tani received their remuneration from fellow group entity NGK Insulators Limited during the year.

Notes (continued)

5. Staff numbers and costs

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

	Number of employees	
	2021	2020
Administration	2	2
Sales	4	4
Warehouse	3	3
	<u>9</u>	<u>9</u>

The aggregate payroll costs of these persons were as follows:

	2021 £000	2020 £000
Wages and salaries	343	325
Social security costs	31	37
Contributions to defined contribution plans (<i>see note 16</i>)	29	28
	<u>403</u>	<u>390</u>

6. Other interest receivable and similar income

	2021 £000	2020 £000
Net gain on financial assets measured at fair value through profit and loss	-	48
Bank interest receivable	2	8
Net foreign exchange gains	-	-
	<u>2</u>	<u>56</u>

7. Interest payable and similar expenses

	2021 £000	2020 £000
Net loss on financial assets measured at fair value through profit and loss	(70)	-
Net foreign exchange losses	(9)	(8)
	<u>(79)</u>	<u>(8)</u>

Notes (continued)

8. Taxation

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

	2021 £000	£000	2020 £000	£000
<i>Current tax</i>				
Current tax on income for the period		73		103
Adjustments in respect of prior periods		-		1
Total current tax		73		104
<i>Deferred tax (see note 15)</i>				
Origination and reversal of timing differences	(6)		5	
Total deferred tax		(6)		5
Total tax		67		109

	£000	2021 £000	£000	£000	2020 £000	£000
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in Profit and loss account	73	(6)	67	104	5	109
Total tax	73	(6)	67	104	5	109

Analysis of current tax recognised in profit and loss

	2021 £000	2020 £000
UK corporation tax	73	104
Total current tax recognised in profit and loss	73	104

Reconciliation of effective tax rate

	2021 £000	2020 £000
Profit for the year	235	505
Total tax expense	67	109
Profit excluding taxation	302	614
Tax using the UK corporation tax rate of 19% (2020: 19%)	57	117
Non-deductible expenses	-	(1)
Adjustments in respect of prior periods	10	(7)
Total tax expense included in profit	67	109

Notes (continued)

8. Taxation (continued)

A UK corporation tax rate of 19% (effective 1 April 2020) was substantively enacted on 17 March 2020, reversing the previously enacted reduction in the rate from 19% to 17%. This will increase the company's future current tax charge accordingly. The deferred tax assets and liabilities at 31 March 2021 have been calculated at 19% (2020: 17%).

9. Tangible fixed assets

	Plant and machinery £000	Fixtures, fittings and office equipment £000	Software £000	Total £000
Cost				
As at 1 April 2020	148	127	30	305
As at 31 March 2021	148	127	30	305
Depreciation				
As at 1 April 2020	(141)	(76)	(30)	(247)
Charge for period	(2)	(12)	-	(14)
As at 31 March 2021	(143)	(88)	(30)	(261)
Net book value				
As at 31 March 2021	5	39	-	44
As at 31 March 2020	7	51	-	58

10. Other financial assets

	2021 £000	2020 £000
Other financial assets		
Financial assets designated as fair value through profit or loss	2	48

11. Stock

	2021 £000	2020 £000
Raw materials and consumables	2,156	2,167

Raw materials and consumables recognised as cost of sales in the year amounted to £2,718,432 (2020: £2,867,482). The write down of stocks to net realisable value amounted to £76,689 (2020: £19,558). The write downs are included in cost of sales.

Notes (continued)

12. Debtors

	2021 £000	2020 £000
Trade debtors	460	583
Other Debtors	-	5
Amounts owed by group undertakings	28	-
Deferred tax assets (see note 15)	2	-
Other financial assets (see note 10)	2	48
Prepayments and accrued income	53	61
	<u>545</u>	<u>697</u>

13. Creditors: amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	56	58
Amounts owed to group undertakings	456	607
Taxation and social security	25	42
Accruals and deferred income	95	157
Other financial liabilities (see note 14)	25	1
	<u>657</u>	<u>865</u>

14. Other financial liabilities

	2021 £000	2020 £000
Amounts falling due within one year		
Financial liabilities designated as fair value through profit or loss	25	1
	<u>25</u>	<u>1</u>

15. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2021 £000	2020 £000	Liabilities 2021 £000	2020 £000	Net 2021 £000	2020 £000
Accelerated capital allowances	-	-	(3)	(4)	(3)	(4)
Short term timing differences	5	-	-	-	5	-
	<u>5</u>	<u>-</u>	<u>(3)</u>	<u>(4)</u>	<u>2</u>	<u>(4)</u>
Tax assets / (liabilities)	5	-	(3)	(4)	2	(4)

Deferred income tax is calculated in full on temporary differences on assets and liabilities using a tax rate of 19% (2020: 17%). In the 3 March 2021 Budget it was announced that the UK tax rate will increase to 25% from 1 April 2023. This has been factored into our deferred tax calculation as noted above.

Notes (continued)

16. Employee benefits

Defined contribution plans

The Company operates a defined contribution pension plan.

The total expense relating to these plans in the current year was £28,999 (2020: £28,400).

17. Called up share capital

	2021 £000	2020 £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
	<hr/> 500	<hr/> 500
	<hr/> <hr/>	<hr/> <hr/>

All shares rank pari passu. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

18. Financial instruments

Financial instruments measured at fair value

Derivative financial instruments

The fair value of forward exchange contracts is based on their listed market price, if available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Fair values

The amounts for all financial assets and financial liabilities carried at fair value are as follows:

	Fair value 2021 £000	Fair value 2020 £000
Financial assets designated as fair value through profit or loss	2	48
Financial liabilities designated as fair value through profit or loss	(25)	(1)
	<hr/> (23)	<hr/> 47
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

19. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2021 £000	2020 £000
Less than one year	44	49
Between one and five years	211	213
After five years	91	133
	<hr/> 346	<hr/> 395

During the year £48,237 was recognised as an expense in the profit and loss account in respect of operating leases (2020: £37,742).

20. Related parties

The entity is exempt from disclosing related party transactions on the basis that they are all with wholly owned members of the same group.

21. Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of NGK North America Inc. The ultimate controlling party is NGK Insulators Limited.

The largest group in which the results of the Company are consolidated is that headed by NGK Insulators Ltd, incorporated in country Japan. No other group financial statements include the results of the Company. The consolidated financial statements of these groups are available to the public and may be obtained from NGK Insulators Limited, 2-56, Sudo-cho, Mizuho-ku, Nagoya, 467-8530, Japan.

22. Accounting estimates and judgements

Inventory valuation

Inventory is written down to recoverable amount value on the basis of its age and expected recoverability. If the scrap price were to change by 5% it would yield an increased/decreased provision of £1k.