

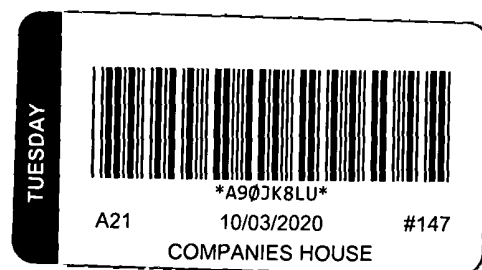
COMPANY REGISTRATION NUMBER 1642030

FUJITEC UK LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2019

OPASS BILLINGS WILSON & HONEY LLP
CHARTERED CERTIFIED ACCOUNTANTS & STATUTORY AUDITOR
NUMERIC HOUSE
98 STATION ROAD
SIDCUP
KENT
DA15 7BY



FUJITEC UK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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FUJITEC UK LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2019

Company registration number	1642030
The board of directors	T Uchiyama - Director H Tokuami - Director
Company secretary	T Mishima
Registered office	Unit 43 The IO Centre Armstrong Road Royal Arsenal Woolwich London SE18 6RS
Current auditor	Opass Billings Wilson & Honey LLP Chartered Certified Accountants & Statutory Auditor Numeric House 98 Station Road Sidcup Kent DA15 7BY

FUJITEC UK LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and financial statements for the year ended 31 December 2019.

Principal activity and review of the business

The company's principal activity during the year continued to be the installation and maintenance of passenger and goods lifts.

Business review

1. Revenue

The level of Revenue achieved in 2019 showed an increase when compared with that achieved in 2018. This was in line with expectations given the completion of existing and new installation contracts.

2. Gross Profit

The level of Gross Profit achieved in 2019 shows an increase when compared with that achieved in 2018. Given the increase in installation contracts and improved controls in place this was anticipated by the management.

Directors

T Uchiyama
H Tokuami

Statement as to disclosure of information to auditors

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

FUJITEC UK LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

Statement of directors' responsibilities

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and applicable law.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the company's financial position, financial performance and cash flows. This requires faithful representation of the effect of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out on the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all situations, a fair presentation will be achieved by complying with all applicable IFRSs. In preparing these financial statements, the directors are also required to:

- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company's financial position and financial performance; 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 proper accounting records that 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 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have prepared this report in accordance with the applicable provisions of the Companies Act 2006.

Approved by the board on.....*2 March*2020
and signed on its behalf by

T Mishima
Secretary



FUJITEC UK LIMITED

Independent auditor's report to the shareholders of Fujitec UK Limited FOR THE YEAR ENDED 31 DECEMBER 2019

Opinion

We have audited the financial statements of Fujitec UK Limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 auditors' 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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit or loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 auditor's 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

FUJITEC UK LIMITED

Independent auditor's report to the shareholders of Fujitec UK Limited FOR THE YEAR ENDED 31 DECEMBER 2019

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

FUJITEC UK LIMITED

Independent auditor's report to the shareholders of Fujitec UK Limited FOR THE YEAR ENDED 31 DECEMBER 2019

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 is 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.

Auditor's 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 an auditor's report 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
-

FUJITEC UK LIMITED

Independent auditor's report to the shareholders of Fujitec UK Limited FOR THE YEAR ENDED 31 DECEMBER 2019

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

P B Woodman FCCA, ACA, CTA (Senior Statutory Auditor)

For and on behalf of:

Opass Billings Wilson & Honey LLP
Chartered Certified Accountants & Statutory Auditor
Numeric House
98 Station Road
Sidcup
Kent
DA15 7BY

2-3-2020

FUJITEC UK LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

Continued Operations

	Notes	2019 £	2018 £
Revenue		2,380,552	2,192,839
Cost of sales		(2,015,425)	(2,043,725)
Gross profit		<u>365,127</u>	<u>149,114</u>
Administrative expenses		(408,740)	(443,958)
Operating (loss)/profit	4	(43,613)	(294,844)
Other non-operating income		209	173
(Loss)/profit before tax		(43,404)	(294,671)
Income tax expense	6	-	-
Loss for the year		<u>(43,404)</u>	<u>(294,671)</u>
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year, attributable to the owners of the company		<u>(43,404)</u>	<u>(294,671)</u>

The notes on pages 12 to 26 form part of these financial statements.

FUJITEC UK LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Issued capital	Retained earnings	Total equity
	£	£	£
Balance at 1 January 2019	456,000	(354,850)	101,150
Loss for the year	-	(43,404)	(43,404)
Balance at 31 December 2019	<u>456,000</u>	<u>(398,254)</u>	<u>57,746</u>

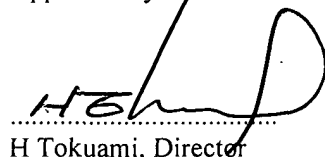
	Issued capital	Retained earnings	Total equity
	£	£	£
Balance at 1 January 2018	456,000	(60,179)	395,821
Loss for the year	-	(294,671)	(294,671)
Balance at 31 December 2018	<u>456,000</u>	<u>(354,850)</u>	<u>101,150</u>

The notes on pages 12 to 26 form part of these financial statements.

FUJITEC UK LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	2019 £	2018 £
Assets			
Non current assets			
Property, plant and equipment	7	5,428	401
Right-of-use assets	8	141,197	-
Current assets			
Inventories	12	67,882	63,096
Trade and other receivables	13	629,678	356,585
Prepayments	14	12,658	15,052
Cash and cash equivalents	15	63,017	115,989
		<u>773,235</u>	<u>550,722</u>
Total assets		<u>919,860</u>	<u>551,123</u>
Equity			
Issued capital and reserves			
Issued share capital	16	456,000	456,000
Retained profits		(398,254)	(354,850)
Total equity		<u>57,746</u>	<u>101,150</u>
Non - current liabilities			
Other payables	17	79,774	-
Current liabilities			
Trade and other payables	18	782,340	449,973
Total liabilities		<u>862,114</u>	<u>101,150</u>
Total equity and liabilities		<u>919,860</u>	<u>551,123</u>

Approved by the Board on 21 MAR/2020 and signed on its behalf by


H Tokuami, Director

Company registration number: 1642030

The notes on pages 12 to 26 form part of these financial statements.

FUJITEC UK LIMITED
STATEMENT OF CASH FLOWS
AS AT 31 DECEMBER 2019

	2019 £	2018 £
Cash flows from operating activities		
Total comprehensive income	(43,404)	(294,671)
Adjustments to reconcile to profit from operations		
Interest income	(209)	(173)
Adjustments to reconcile profit from operations	(43,613)	(294,844)
Non – cash adjustments		
Depreciation on property, plant and equipment	1,767	1,418
Depreciation on right-of-use assets	62,018	-
Cash flows before changes in working capital	20,172	(293,426)
Increase in working capital		
(Increase) in inventories	(4,786)	(19,264)
(Increase)/Decrease in trade and other receivables	(273,093)	260,744
Decrease in prepayments	2,394	6,075
Increase/(Decrease) in trade and other payables	270,944	(33,467)
Decrease in working capital	(4,541)	214,088
Cash flows from operating activities	15,631	(79,338)
Cash flows from investing activities		
Payments to acquire property, plant and equipment	(6,794)	-
Interest received, classified as investing	209	173
Payments for leased assets	(62,018)	-
Net cash flows from investing activities	(68,603)	173
Net cash flows from investing activities	(52,972)	(79,165)
 Cash and cash equivalents as at 1 January 2019	 115,989	 195,154
Cash and cash equivalents as at 31 December 2019	63,017	115,989

The notes on pages 12 to 26 form part of these financial statements.

FUJITEC UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. Authorisation of Financial Statements and Statement of Compliance with IFRS'S

The company's financial statements for the year were authorised for issue on 23.12.2020 and the statement of financial position signed on the board's behalf by H Tokuami. Fujitec UK Limited is a limited company incorporated and domiciled in England & Wales.

The company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006. The principal accounting policies adopted by the company are set out in note 2.

The financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments should this basis not prove to be appropriate.

Impact of initial application of IFRS 16 'Leases'

In the current year, the Company has applied IFRS 16 that is effective for periods that begin on or after 1 January 2019.

IFRS 16 introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets.

The Company has applied IFRS 16 using the modified retrospective approach.

IFRS 16 changes how the Company accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet.

Applying IFRS 16 the Company:

- a) Recognises right-of-use assets and lease liabilities in the Statement of Financial Position, initially measured at the value of the future lease payments;
- b) Recognises depreciation of right-of-use assets on lease liabilities in profit or loss;
- c) Separates the total amount of cash paid (presented within investing activities) in the statement of cash flows.

Accounting standards, interpretations and amendments to standards in issue but not yet effective

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Company's accounting period beginning on or after 1 January 2020 or later periods, but which the Company has not adopted early.

Those relevant to the Company's operations are as follows;

FUJITEC UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

1. Authorisation of Financial Statements and Statement of Compliance with IFRS'S
(continued)

IFRS 3 'Business Combinations' – amendment for Definition of a Business
Periods commencing on or after 1 January 2020

In February 2020 the company purchased the shares in a Company, therefore will be required to apply IFRS 3 and the amendment for the definition of a business.

The company has determined the new subsidiary meets the definition of a business and is currently reviewing the accounting treatment of the acquisition.

IAS 1 & IAS 8 – Amendment for the Definition of Material
Periods commencing on or after 1 January 2020

The amendment has been reviewed and will be considered when preparing the Financial Statements for year ending 31st December 2020.

IAS 1 – Amendment for the Classification of liabilities as current or non-current liabilities
Periods commencing on or after 1 January 2022

The amendment has been reviewed and at this stage it is not considered that there will be any material adjustment required.

2. ACCOUNTING POLICIES

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. All such revenue is reported net of discounts and value added and other sales taxes.

Construction contract revenue is recorded on a percentage of completion basis where the outcome of a construction contract can be estimated reliably. The percentage of construction progress is estimated based on the percentage of the cost incurred to the estimated total cost.

Total construction contract losses are recognised when the estimates indicate that a loss will be incurred on a contract.

Interest revenue is accrued by reference to the principal outstanding and at the effective interest rate applicable.

FUJITEC UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES (continued)

Income tax

Income tax expense represents the sum of the tax currently payable and deferred income tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Property, plant and equipment

Items of property, plant and equipment are stated at cost of acquisition or production cost less accumulated depreciation and impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight line method, on the following basis:

Plant and equipment	10% / 20% / 3 years
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Capital management objectives and policies

The objective of the company's capital management is to ensure that it maintains strong credit ratings and capital ratios. This will ensure that the business is correctly supported, and shareholder value is maximised.

The company manages its capital structure through adjustments that are dependent on economic conditions. In order to maintain or adjust the capital structure, the company may choose to change or amend dividend payments to shareholders or issue new share capital to shareholders. There were no changes to the objectives, policies or processes during the years ended 31 December 2019 and 31 December 2018.

Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are determined on a first in first out basis and comprise purchase cost, cost of direct material and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

FUJITEC UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES (continued)

Trade and other receivables

Trade and other receivables are recognised by the company and carried at original invoice amount less an allowance for any uncollectible or impaired amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when they are identified as being bad.

Other receivables are recognised at fair value.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits. Short term deposits are defined as deposits with an initial maturity of three months or less.

Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historic experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future profits if the revision affects both current and future periods.

The key source of estimation uncertainty is revenue recognition on long term contracts. Profits on long term contracts are accrued evenly over the life of the contract. The estimated factor used in calculating the carrying amounts is the estimated budgeted gross profit percentage on the contracts.

The carrying amounts of the estimated contract values as at 31st December 2019 are amounts recoverable on contracts of £282,616 and sales in advance of £37,133.

FUJITEC UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES (continued)

Leases

The company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The lease liability is initially measured at the fair value of the lease payments that are not paid at the commencement date and is recognised as a separate line in the Statement of Financial Position. Subsequently the liability is measured by increasing the liability by the interest and decreasing the carrying amount to reflect the lease payments made.

The right-of-use asset comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. The asset is presented as a separate line in the Statement of Financial Position.

FUJITEC UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

3. SEGMENT INFORMATION

The company's reportable segments are as follows:

Year ended 31 December 2019

	Sale of parts	Provision of maintenance and repair services	Installations	Total
	£	£	£	£
Revenue				
Sales to external customers	82,775	1,454,826	815,268	2,352,869
Sales to fellow subsidiaries	27,683			27,683
Total revenue				<u>2,380,552</u>

Year ended 31 December 2018

	Sale of parts	Provision of maintenance and repair services	Installations	Total
	£	£	£	£
Revenue				
Sales to external customers	640,209	1,225,259	202,206	2,067,674
Sales to fellow subsidiaries	125,165			125,165
Total revenue				<u>2,192,839</u>

All assets, liabilities, revenue and profit/(loss) before taxation in relation to external customers, originate in the United Kingdom and are related to one segment, being the installation and maintenance of passenger and goods lifts.

FUJITEC UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

4. TOTAL COMPREHENSIVE INCOME

Total comprehensive income is stated after charging/(crediting) the following:

	2019	<i>2018</i>
	£	<i>£</i>
Included in cost of sales:		
Raw materials and consumables used	1,598,726	<i>1,693,217</i>
Changes in inventories	(4,786)	<i>(23,816)</i>
Employee expenses	408,467	<i>374,326</i>
Depreciation	13,018	<i>-</i>
	<u>1,995,425</u>	<u><i>1,842,727</i></u>
	2018	<i>2018</i>
	£	<i>£</i>
Included in administrative expenses:		
Employee expenses	199,641	<i>203,001</i>
Depreciation and amortisation	50,767	<i>1,418</i>
Auditor's remuneration – audit services	7,500	<i>7,500</i>
Auditor's remuneration – non-audit services	7,320	<i>10,400</i>
	<u>265,228</u>	<u><i>222,319</i></u>

FUJITEC UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

5. EMPLOYEE EXPENSES

	2019	<i>2018</i>
	£	<i>£</i>
Wages and salaries	522,466	<i>496,961</i>
Post employment expense for defined contribution plans	9,552	<i>9,587</i>
Social security costs	76,090	<i>70,779</i>
	<u>608,108</u>	<i><u>577,327</u></i>

The average monthly number of employees during the year was made up as follows:

	2019	<i>2018</i>
	No.	<i>No.</i>
Administration	4	<i>4</i>
Distribution	9	<i>7</i>
	<u>13</u>	<i><u>11</u></i>

No director received any emoluments in the current or previous period.

6. INCOME TAX

Components of income tax expense

	2018	<i>2017</i>
	£	<i>£</i>
Current income tax expense		
Current income tax charge	<u>-</u>	<i><u>-</u></i>

At the end of the reporting period the Company had unused tax losses of £14,749,009 (2018: £14,701,442) available for offset against future profits. No deferred tax asset has been recognised in respect of the losses due to the unpredictability of future profit streams. Losses may be carried forward indefinitely.

FUJITEC UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

7. PROPERTY, PLANT AND EQUIPMENT

At 31 December 2019

	Plant and equipment £
Cost	
At 1 January 2019	170,043
Additions	<u>6,794</u>
At 31 December 2019	<u><u>176,837</u></u>
Depreciation	
At 1 January 2019	(169,642)
Charge for year	<u>(1,767)</u>
At 31 December 2019	<u><u>(171,409)</u></u>
Net book value	
At 1 January 2019	<u>401</u>
At 31 December 2019	<u><u>5,428</u></u>

At 31 December 2018

	Plant and equipment £
Cost	
At 31 December 2018	<u><u>170,043</u></u>
Depreciation	
At 1 January 2018	(168,224)
Charge for year	<u>(1,418)</u>
At 31 December 2018	<u><u>(169,642)</u></u>
Net book value	
At 1 January 2018	<u>1,819</u>
At 31 December 2018	<u><u>401</u></u>

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FOR THE YEAR ENDED 31 DECEMBER 2019

8. RIGHT-OF-USE ASSET

At 31 December 2019

	Property £	Vehicles £	Total £
Cost			
At 1 January 2019	-	-	-
Additions	174,000	29,215	203,215
At 31 December 2019	<u>174,000</u>	<u>29,215</u>	<u>203,215</u>
Depreciation			
At 1 January 2019	-	-	-
Charge for year	(49,000)	(13,018)	(62,018)
At 31 December 2019	<u>(49,000)</u>	<u>(13,018)</u>	<u>(62,018)</u>
Net book value			
At 1 January 2019	-	-	-
At 31 December 2019	<u>125,000</u>	<u>16,197</u>	<u>141,197</u>

9. CAPITAL MANAGEMENT OBJECTIVES AND POLICIES

The company considers that it is exposed to the following risks from its use of financial instruments;

- Credit risk
- Liquidity risk
- Market risk

The directors are charged with the overall responsibility of establishing and monitoring the Company's risk management policies and processes. The Company's risk management policies and processes are determined in order to identify, analyse and monitor the risks that are faced by the Company. The Company does not enter into or trade financial instruments for speculative purposes.

Credit risk

Credit risk refers to the risk that a third party will default on its contractual obligations resulting in financial loss to the company.

The company manages its exposure to the risk by trading only with recognised, credit worthy customers. All customers who wish to trade on credit are subject to credit verification checks. Customer balances are checked regularly to ensure that the risk of exposure to bad debts is minimised.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities.

The Company has given responsibility of liquidity risk management to the board who have formulated liquidity management tools to service this requirement. Management of liquidity risk is achieved by monitoring budgets and forecasts and actual cash flows.

Market risk

The Company's main exposure to market risk is through foreign currency exchange rates and interest rates, although the exposure to this risk has increased during the year due to additional trade outside the UK, the overall risk considered to be minimal. The company does not have significant interest bearing liabilities, as such, no sensitivity analysis has been provided.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

10. FINANCIAL INSTRUMENTS

Categories of financial instruments

The Company categorises its financial assets, being its trade and other receivables and cash and cash equivalents, as loans and receivables and its financial liabilities, being its trade and other payables, as financial liabilities measured at amortised cost, in accordance with IAS39 'Financial Instruments: recognition and measurement'.

Credit risk management

Trade receivables consist of a large number of customers. The Company does not therefore have any significant credit risk exposure to any single counterparty or group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Company's maximum exposure to credit risk.

Liquidity risk management

All financial liabilities have contractual maturity dates within one year. All financial assets match the profile of the financial liabilities and are due within one year.

11. RELATED PARTY TRANSACTIONS

Immediate and ultimate controlling party

The Company's parent company is Fujitec Co. Limited. At the end of the reporting period the amount due to the parent company was £nil (2018: £nil). During the year the company sold goods to the parent company totalling £nil and purchased goods totalling £45,411. At the year end £9,476 was owed to Fujitec Co. Limited.

The Company's ultimate parent company is Fujitec Co. Limited, incorporated in Japan. It has included the company in its group accounts, copies of which are available from its registered office: Big Wing, Hikone, Shiga 522-8588, Japan. Fujitec Co. Limited is a public company listed on the Japanese stock exchange and as such has no controlling party.

During the year the company purchased goods totalling £53,715 from Huasheng Fujitec Elevator Co Limited, £4,013 from Fuji Electric Europe GmbH and £157 from Fujitec Taiwan.

During the year the company sold goods totalling £2,594 to Fujitec China, £11,669 to Fujitec Korea Co Ltd and £14,184 to Fujitec Taiwan.

At the year end £12,692 was owed to Huasheng Fujitec Elevator Co Limited. No other amounts were owed from or to related companies. The above named companies are fellow subsidiaries of Fujitec Co. Limited.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

12. INVENTORIES

	2019	2018
	£	£
Raw materials (At cost)	48,503	62,929
Work in progress (At cost)	19,379	167
	<u>67,882</u>	<u>63,096</u>

13. TRADE AND OTHER RECEIVABLES

	2019	2018
	£	£
Receivable from trade customers	616,133	343,024
Other receivables	13,545	13,561
	<u>629,678</u>	<u>356,585</u>

Amounts receivable from trade customers are non-interest bearing and are generally on 30 - 90 day terms.

At 31 December, trade and other receivables that were past due but not impaired were £Nil (2018: £Nil).

The Company does not hold any collateral over these balances.

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

14. PREPAYMENTS

	2019	2018
	£	£
Current Prepayments	<u>12,658</u>	<u>15,052</u>

FUJITEC UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

15. CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at 31 December 2019.

	2019	2018
	£	£
Cash at bank	<u>63,017</u>	<u>115,989</u>

The directors consider that the carrying amount of cash and cash equivalents is approximately equal to their face value.

16. SHARE CAPITAL

Issued share capital

	No.	2019		2018
		£	No.	£
Issued and fully paid				
Ordinary share capital of £100 each				
At 1 January	<u>4,560</u>	<u>456,000</u>	<u>4,560</u>	<u>456,000</u>
At 31 December	<u>4,560</u>	<u>456,000</u>	<u>4,560</u>	<u>456,000</u>

All issued share capital is classified as equity.

FUJITEC UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2019

17. NON CURRENT PAYABLES

	2019	2018
	£	£
Lease liabilities	<u>79,774</u>	<u>-</u>

18. TRADE AND OTHER PAYABLES

	2019	2018
	£	£
Payable to trade suppliers	565,123	320,893
Lease liabilities	61,423	-
Accrued liabilities	43,345	42,601
Tax payable	112,449	86,479
	<u>782,340</u>	<u>449,973</u>

Trade payables and accrued expenses principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 89 days (2018: 82 days). The directors consider that the carrying amount of trade and other payables approximates their fair value.