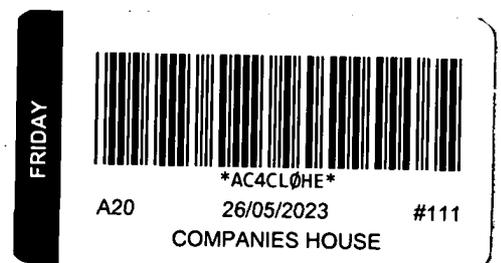


**FUJITEC UK LIMITED**  
**FINANCIAL STATEMENTS**  
**AS AT 31 DECEMBER 2022**

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**COMPANY REGISTRATION NUMBER 01642030**

**FUJITEC UK LIMITED**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2022**



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

**FUJITEC UK LIMITED**  
**FINANCIAL STATEMENTS**  
**AS AT 31 DECEMBER 2022**

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**FUJITEC UK LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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<b>Company registration number</b>	01642030
<b>The board of directors</b>	T Uchiyama - Director – Resigned 2 <sup>nd</sup> May 2023 H Tokuami - Director Y Kimura - Director H Wakabayashi - Director J Brand - Director S Smith - Director A Ginno - Director
<b>Company secretary</b>	T Mishima
<b>Registered office</b>	4 Mulberry Court Bourne Road Crayford Dartford Kent DA1 4BF
<b>Current auditor</b>	Opass Billings Wilson & Honey LLP Chartered Certified Accountants & Statutory Auditor Numeric House 98 Station Road Sidcup Kent DA15 7BY
<b>Bankers</b>	Barclays Bank plc Leicestershire 1 Churchill Place Leicestershire England LE87 2BB

**FUJITEC UK LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present their report and financial statements for the year ended 31 December 2022.

**PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

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

The level of Revenue achieved in 2022 showed an increase when compared with that achieved in 2021. This was in line with expectations given the undertaking of new installation contracts.

The gross profit margin achieved in 2022 has increased when compared to that achieved in 2021. The increase is due to management having implemented measures to control costs.

**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.

**AUDITORS**

Opass Billings Wilson & Honey LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

The directors have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by the board on 24 May 2023  
and signed on its behalf by



J Brand  
Director

**FUJITEC UK LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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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.

# **FUJITEC UK LIMITED**

## **Independent auditor's report to the shareholders of Fujitec UK Limited FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **QUALIFIED OPINION**

We have audited the financial statements of Fujitec UK Limited (the 'company') for the year ended 31 December 2022 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 United Kingdom.

In our opinion, except for the matters described in the Basis for Qualified Opinion section, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit or loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the United Kingdom; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **BASIS FOR QUALIFIED 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.

As described in Note 2 to the Financial Statements, we have identified that there is some uncertainty in connection with the level of margins likely to be achievable on long term contracts. The potential impact has been estimated at £307,000 and this would increase the losses for the year.

### **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 (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **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.

### **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.

## **FUJITEC UK LIMITED**

### **Independent auditor's report to the shareholders of Fujitec UK Limited (continued) FOR THE YEAR ENDED 31 DECEMBER 2022**

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#### **RESPONSIBILITIES OF DIRECTORS (Cont'd)**

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the key risk areas of material misstatement and then design and perform audit procedures in relation to those risks.

Materiality has been calculated based on the turnover and has been assessed at a level of £68,000.

The key risk areas were considered to be going concern and the long-term contracts. Going concern is considered a key risk area due to the need of the continued support from the Parent company, Fujitec Company Ltd, to be able to continue as a going concern. The long-term contracts is a complex area and assurance needs to be obtained that the revenue is being recognised correctly. The appropriate audit approach was considered and applied to each of these areas.

We performed analytical procedures to identify any unusual or unexpected ratios or variances that may indicate risks of material misstatement due to fraud.

We reviewed the financial statement disclosures and assessed compliance with relevant laws and regulations. Laws and regulations include the Companies Act, Building Regulations and Health and Safety legislation.

Irregularities which result from fraud are inherently more difficult to detect than irregularities which result from error, however, there have never been any instances of fraud encountered with the company and there are controls in place through the segregation of duties and regular reviews of management accounts which reduce the risk of fraud through management override.

All audit team members were made aware of the relevant laws & regulations applicable to the company together with potential fraud risks and remained alert to any indications of fraud non-compliance with the laws & regulations throughout the audit.

## **FUJITEC UK LIMITED**

### **Independent auditor's report to the shareholders of Fujitec UK Limited (continued) FOR THE YEAR ENDED 31 DECEMBER 2022**

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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.

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.

## **FUJITEC UK LIMITED**

**Independent auditor's report to the shareholders of Fujitec UK Limited (continued)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

**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

24 May 2023

**FUJITEC UK LIMITED**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Revenue		7,009,471	6,241,892
Cost of sales		(6,520,124)	(6,057,534)
<b>GROSS PROFIT</b>		<b>489,347</b>	<b>184,358</b>
Other operating income		5,492	-
Administrative expenses		(690,402)	(669,818)
<b>OPERATING LOSS</b>	3	<b>(195,563)</b>	<b>(485,460)</b>
Income from investments	5	2,761	279
<b>LOSS BEFORE TAX</b>		<b>(192,802)</b>	<b>(485,181)</b>
Income tax expense	6	-	-
<b>LOSS FOR THE YEAR</b>		<b>(192,802)</b>	<b>(485,181)</b>

The notes on pages 14 to 25 form part of these financial statements.

**FUJITEC UK LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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	<b>Issued capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 1 January 2022	12,516,000	(834,343)	11,681,657
Impairment of investment in subsidiary	-	(6,471,385)	(6,471,385)
Loss for the year	-	(192,802)	(192,802)
	<u>12,516,000</u>	<u>(7,498,530)</u>	<u>5,017,470</u>

	<b>Issued capital</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 1 January 2021	12,516,000	(349,162)	12,166,838
Loss for the year	-	(485,181)	(485,181)
	<u>12,516,000</u>	<u>(834,343)</u>	<u>11,681,657</u>

The notes on pages 14 to 25 form part of these financial statements.

**FUJITEC UK LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	Notes	2022 £	2021 £
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	7	45,142	78,808
Investments in subsidiaries at cost	8	5,588,615	12,060,000
		<u>5,633,757</u>	<u>12,138,808</u>
<b>CURRENT ASSETS</b>			
Inventories	12	135,868	52,821
Trade and other receivables	13	1,366,316	1,465,922
Prepayments	14	13,866	15,881
Cash and cash equivalents	15	1,658,005	422,549
		<u>3,174,055</u>	<u>1,957,173</u>
<b>TOTAL ASSETS</b>		<u><b>8,807,812</b></u>	<u><b>14,095,981</b></u>
<b>EQUITY</b>			
<b>ISSUED CAPITAL AND RESERVES</b>			
Issued share capital	16	12,516,000	12,516,000
Retained profits		(7,498,530)	(834,343)
<b>TOTAL EQUITY</b>		<u><b>5,017,470</b></u>	<u><b>11,681,657</b></u>
<b>NON CURRENT LIABILITIES</b>			
Interest bearing borrowings	17	9,554	22,292
<b>CURRENT LIABILITIES</b>			
Interest bearing borrowings	17	12,739	37,739
Tax payables		44,381	39,511
Trade and other payables	18	3,723,668	2,314,782
		<u>3,780,788</u>	<u>2,392,032</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>8,807,812</b></u>	<u><b>14,095,981</b></u>

Approved by the Board on 24 May 2023 and signed on its behalf by



.....  
J Brand, Director

Company registration number: 01642030

**The notes on pages 14 to 25 form part of these financial statements.**

**FUJITEC UK LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Total operating Profit	(192,802)	(485,181)
<b>ADJUSTMENTS TO RECONCILE TO PROFIT FROM OPERATIONS</b>		
Interest income	(2,761)	(279)
<b>ADJUSTMENTS TO RECONCILE PROFIT FROM OPERATIONS</b>	(195,563)	(485,460)
<b>NON-CASH ADJUSTMENTS</b>		
Depreciation	48,338	68,125
<b>CASH FLOWS BEFORE CHANGES IN WORKING CAPITAL</b>	(147,225)	(417,335)
<b>INCREASE IN WORKING CAPITAL</b>		
Increase in inventories	(83,047)	(393)
Increase in trade and other receivables	99,606	(779,017)
Increase in prepayments	2,015	(1,016)
Increase in trade and other payables	1,413,756	1,111,365
<b>INCREASE IN WORKING CAPITAL</b>	1,432,330	330,939
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	1,285,105	(86,396)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments to acquire property, plant and equipment	(14,672)	(22,321)
Interest received, classified as investing	2,761	279
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	(11,911)	(22,042)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	1,273,194	(108,438)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of obligations under finance leases	(37,738)	(57,959)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	1,235,456	(166,397)
Cash and cash equivalents as at 1 January 2022	422,549	588,946
<b>CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER 2022</b>	<b>1,658,005</b>	<b>422,549</b>

The notes on pages 14 to 25 form part of these financial statements.

**FUJITEC UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT 31 DECEMBER 2022**

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**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 24 May 2023 and the statement of financial position signed on the board's behalf by J Brand. 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.

**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 2023 or later periods, but which the Company has not adopted early.

**IFRS 17 Insurance Contracts and Amendments to IFRS 17 – effective from 1 January 2023**

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

**IAS 18 Definition of Accounting Estimates – effective from 1 January 2023**

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

**IAS1 Disclosure of Accounting Policies – effective from 1 January 2023**

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

**IAS 12 – Amendment to Deferred Tax Assets and Liabilities arising from a Single Transaction – effective from 1 January 2023**

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

**IAS1 - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – effective from 1 January 2024**

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

**IFRS 16 - Lease Liability in a Sale and Leaseback -effective from 1 January 2024**

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

**FUJITEC UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**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.

**Sale of services**

Revenue from services is recognised by reference to the stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be measured reliably, revenue is recognised to the extent of the expenses recognised that are recoverable.

**Interest income**

Interest income is accrued on a time basis and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

**Exceptional items**

Exceptional items are presented in the financial statements where there are material items of income and expense which, because of their nature and the expected rarity of the circumstances which generate them, they should be presented separately to shareholders so as to enhance their judgement of the current year's financial performance and its comparability with prior years.

**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 income statement 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 bases:

- Plant and equipment – 3 years straight line
- Motor vehicles – 3 years straight line
- Leased vehicles – Over the life of the lease
- Leasehold improvements - Over the life of the lease

**FUJITEC UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. ACCOUNTING POLICIES (continued)**

**Financial risk 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 dependant 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 processed during the years ended 31 December 2022 and 31 December 2021.

**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.

**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.

**FUJITEC UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. ACCOUNTING POLICIES (continued)**

**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 2022 are uninvoiced sales of £1,024,744 and sales in advance of £1,695,727.

Provisioning in connection with long term contracts in process during the accounting period and the subsequent accounting period has been based on the margins anticipated for this accounting period. Post year end there is some uncertainty in connection with the level of margin likely to be achievable and the potential impact of this which is estimated at £307,000 has been built into the Management Accounts for 2023. This potential impact which would increase the losses for the year has not been reflected in these Financial Statements.

**FUJITEC UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**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.

**Investments**

Investments in Subsidiaries are accounted for in accordance with the cost model and are recorded at cost less any accumulated impairment losses.

**Consolidation**

The company has taken advantage of the exemption from preparing consolidated financial statements contained in IFRS 10 'Consolidated Financial Statements' in section 4. The company's ultimate parent company is Fujitec Co. Limited, incorporated in Japan. It has included the company and its subsidiary 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.

**FUJITEC UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**3. OPERATING PROFIT**

Operating profit is stated after charging/(crediting) the following:

	2022 £	2021 £
Cost of inventories recognised as an expense	<u>5,695,501</u>	<u>5,363,565</u>
Depreciation of property, plant and equipment	<u>48,338</u>	<u>68,125</u>
Auditor's remuneration - audit services	<u>17,270</u>	<u>16,904</u>
	<u>17,270</u>	<u>16,904</u>
	2022 £	2021 £
<b>Included in cost of sales:</b>		
Raw materials and consumables used	5,695,501	5,363,565
Employee benefits expense	811,884	686,010
Depreciation and amortisation	<u>12,739</u>	<u>7,959</u>
	<u>6,520,124</u>	<u>6,057,534</u>
<b>Included in administrative expenses:</b>		
Employee benefits expense	302,646	279,828
Depreciation and amortisation	<u>35,599</u>	<u>60,166</u>
	<u>338,245</u>	<u>339,994</u>

**4. EMPLOYEE EXPENSES**

	2022 £	2021 £
Wages and salaries	965,294	839,223
Post employment expense for defined contribution plans	12,807	12,330
Social security costs	<u>136,429</u>	<u>114,285</u>
	<u>1,114,530</u>	<u>965,838</u>

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

	2022 No.	2021 No.
Administration	6	6
Distribution	<u>13</u>	<u>11</u>
	<u>19</u>	<u>17</u>

**FUJITEC UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**5. INCOME FROM INVESTMENTS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Interest earned on loans and deposits	<u>2,761</u>	<u>279</u>

**6. INCOME TAX**

**Components of income tax expense**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Current income tax expense</b>		
Current income tax charge	<u>-</u>	<u>-</u>

**7. PROPERTY, PLANT AND EQUIPMENT**

**At 31 December 2022**

	Leasehold improvements £	Plant and equipment £	Motor vehicles £	Leased vehicles £	Total £
<b>Cost</b>					
At 1 January 2022	174,000	182,504	21,230	38,216	415,950
Additions	-	5,273	9,399	-	14,672
Disposals	(174,000)	-	-	-	(174,000)
At 31 December 2022	<u>-</u>	<u>187,777</u>	<u>30,629</u>	<u>38,216</u>	<u>256,622</u>
<b>Depreciation</b>					
At 1 January 2022	(149,000)	(178,887)	(6,070)	(3,185)	(337,142)
Disposals	174,000	-	-	-	174,000
Charge for year	(25,000)	(3,000)	(7,599)	(12,739)	(48,338)
At 31 December 2022	<u>-</u>	<u>(181,887)</u>	<u>(13,669)</u>	<u>(15,924)</u>	<u>(211,480)</u>
<b>Net book value</b>					
At 1 January 2022	<u>25,000</u>	<u>3,617</u>	<u>15,160</u>	<u>35,031</u>	<u>78,808</u>
At 31 December 2022	<u>-</u>	<u>5,890</u>	<u>16,960</u>	<u>22,292</u>	<u>45,142</u>

**FUJITEC UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**7. PROPERTY, PLANT AND EQUIPMENT (continued)**

At 31 December 2021

	Leasehold improvements £	Plant and equipment £	Motor vehicles £	Leased vehicles £	Total £
<b>Cost</b>					
At 1 January 2021	174,000	181,413	-	27,193	382,606
Additions	-	1,091	21,230	38,216	60,537
Disposals	-	-	-	(27,193)	(27,193)
At 31 December 2021	<u>174,000</u>	<u>182,504</u>	<u>21,230</u>	<u>38,216</u>	<u>415,950</u>
<b>Depreciation</b>					
At 1 January 2021	(99,000)	(174,791)	-	(22,419)	(296,210)
Disposals	-	-	-	27,193	27,193
Charge for year	(50,000)	(4,096)	(6,070)	(7,959)	(68,125)
At 31 December 2021	<u>(149,000)</u>	<u>(178,887)</u>	<u>(6,070)</u>	<u>(3,185)</u>	<u>(337,142)</u>
<b>Net book value</b>					
At 1 January 2021	<u>75,000</u>	<u>6,622</u>	<u>-</u>	<u>4,774</u>	<u>86,396</u>
At 31 December 2021	<u>25,000</u>	<u>3,617</u>	<u>15,160</u>	<u>35,031</u>	<u>78,808</u>

**8. INVESTMENTS IN SUBSIDIARIES**

At 31 December 2021

	Investment in Subsidiary £
<b>Cost</b>	
At 1 January and 31 December 2021	<u>12,060,000</u>
<b>Impairment</b>	
At 1 January 2022	-
Impairment during year	6,471,385
At 31 December 2022	<u>6,471,385</u>
<b>Carrying amount</b>	
At 1 January 2022	12,060,000
At 31 December 2022	<u>5,588,615</u>

Name	Country of incorporation	% Ownership interest	% Voting rights
Amalgamated Lifts Limited	England & Wales	100%	100%

**FUJITEC UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**8. INVESTMENTS IN SUBSIDIARIES (continued)**

An impairment loss of £6,471,385 has been recognised during the year on the investment in subsidiary. Management completed an impairment review due to decreasing profit margins of the subsidiary, due to the current economic climate. The recoverable amount of the asset is considered to be £5,588,615 based on the value in use calculation using a discount factor of 13%.

**9. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

**Credit risk**

The company trades 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**

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 risk is through foreign currency exchange rates and interest rates. The company enters into the following derivative transactions:

**Capital Management**

	2022	2021
	£	£
Interest bearing loans and borrowings	22,293	60,031
Less: Cash and short term deposits	<u>(1,658,005)</u>	<u>(422,549)</u>
Net funds	<u>(1,635,712)</u>	<u>(362,518)</u>
Equity	<u>5,210,272</u>	<u>12,166,838</u>
Total capital	<u>5,210,272</u>	<u>12,166,838</u>
<b>Capital and net funds</b>	<u>3,754,560</u>	<u>11,804,320</u>

**FUJITEC UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**10. FINANCIAL INSTRUMENTS**

	<i>Carrying amount</i>		<i>Fair value</i>	
	2022 £	2021 £	2022 £	2021 £
<b>Financial assets</b>				
Cash and cash equivalents	1,658,005	422,549	-	-
Trade and other receivables	1,366,316	1,465,922	-	-
<b>Financial liabilities</b>				
Trade and other payables	(3,378,572)	(2,233,722)	-	-
Finance leases and hire purchase contracts	(22,293)	(60,031)	-	-

**11. RELATED PARTY TRANSACTIONS**

**Immediate and ultimate controlling party**

The Company's parent company is Fujitec Co. Limited. During the year the company purchased goods totalling £29,787. At the year end £3,526 (2021: £1,514) was owed to Fujitec Co. Limited.

During the year the company purchased goods totalling £1,460,091 from Fujitec Korea Co, £2,824 from Huasheng Fujitec Elevator Co Limited, £352,966 from Fujitec Taiwan, £116,096 from Fujitec Trading Co Limited and £114 from Fuji Electric Europe GMBH.

During the year the company sold goods totalling £10,312 to Fujitec Taiwan.

At the year end, £196,629 was owed to Fujitec Taiwan, £764,386 to Fujitec Korea Co and £2,733 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.

**12. INVENTORIES**

	2022 £	2021 £
Raw materials (At cost)	44,436	44,437
Work in progress (At cost)	91,432	8,384
	<b>135,868</b>	<b>52,821</b>

**FUJITEC UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**13. TRADE AND OTHER RECEIVABLES**

	2022 £	2021 £
<b>Non current</b>		
<b>Current</b>		
Receivable from trade customers	1,368,004	1,452,313
Receivable from related parties	(1,688)	134
Other receivables	-	13,475
	<u>1,366,316</u>	<u>1,465,922</u>

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

For terms and conditions of amounts receivable from related parties see (Note 11).

Movements in the provision for impairment of trade and other receivables were as follows:

	2022 £	2021 £
At 1 January 2022	<u>15,454</u>	<u>54,801</u>
Current	<u>15,454</u>	<u>54,801</u>

**14. PREPAYMENTS**

	2022 £	2021 £
<b>Current</b>		
Prepayments	<u>13,866</u>	<u>15,881</u>

**15. CASH AND CASH EQUIVALENTS**

	2022 £	2021 £
Cash at bank	<u>1,658,005</u>	<u>422,549</u>

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at 31 December 2022.

	2022 £	2021 £
Cash at bank	<u>1,658,005</u>	<u>422,549</u>

**FUJITEC UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**16. SHARE CAPITAL**

**Issued share capital**

	No.	2022 £	No.	2021 £
<b>Issued and fully paid</b>				
Ordinary share capital	12,516	12,516,000	12,516	12,516,000

All issued share capital is classified as equity.

**17. FINANCIAL LIABILITIES**

	2022 £	2021 £
<b>Non-current</b>		
Finance leases	9,554	22,292
<b>Current</b>		
Finance leases	12,739	37,739

**18. TRADE AND OTHER PAYABLES**

	2022 £	2021 £
Payable to trade suppliers	3,314,869	2,191,954
Other payables	63,703	41,768
Accrued liabilities	157,423	58,207
Tax payable	187,673	22,853
	<u>3,723,668</u>	<u>2,314,782</u>