

Company Registration No. 01698487

FUJIFILM Ink Solutions Limited

Report and Financial Statements

31 March 2022



FUJIFILM Ink Solutions Limited

Report and financial statements 2022

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FUJIFILM Ink Solutions Limited

Report and financial statements 2022

Officers and professional advisers

M W Schoeppler
I D Wilkinson
N Hama (resigned 10 October 2022)
H Shimosaka
T Iida
H Taketomi (appointed 10 October 2022)

Secretary

N Denham

Registered office

Patricia Way
Pysons Road Industrial Estate
Broadstairs
Kent CT10 2LE

Auditor

KPMG LLP
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

FUJIFILM Ink Solutions Limited (Company Registration No. 01698487)

Strategic report

The directors present their strategic report for the year ended 31 March 2022.

Principal activity

The principal activity of the company is the holding of investments in subsidiary undertakings. The principal activity of the subsidiary undertakings is the manufacture and sale of printing inks and associated products.

It is the intention of the directors that the above business of the company will continue for the foreseeable future.

Review of the business and future developments

The directors are satisfied with the performance and future prospects of the company. The directors do not anticipate any significant changes to the future activities of the company.

The loss for the year after taxation was £24,642,401 (2021 – £214,644), which, when added to the retained loss brought forward at 1 April 2021 of £7,868,287, gives a total retained loss carried forward at 31 March 2022 of £32,510,688.

Approved by the Board of Directors and signed by order of the Board:



I D Wilkinson
Director
16 December 2022

FUJIFILM Ink Solutions Limited (Company Registration No. 01698487)

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2022.

Going concern

Notwithstanding net current liabilities of £26.6 million and net liabilities of £5.2 million as at 31 March 2022, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

As a holding company, the company has not incurred any cash expenses in the past two financial years and the directors do not expect the company will incur any cash expenditure for a period of 12 months from the date of approval of these financial statements.

This expectation is dependent on fellow group undertaking, Sericol Ink Limited, not seeking repayment of the amounts currently owed by the company, which at 31 March 2022 amounted to £37.2m. Sericol Ink Limited has indicated that it will not seek repayment of the amounts due at the balance sheet date, for at least 12 months from the date of approval of these financial statements. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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.

Dividends

The directors do not propose the payment of a dividend (2021 - £nil).

Directors

The directors of the company throughout the year are listed on page 1.

Auditor

In accordance with section 485 of the Companies Act 2006, a resolution to reappoint KPMG LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Political contributions

Neither the company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

Directors' statement as to disclosure of information to auditor

The directors, having made appropriate enquiries, state that:

- so far as each director is 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 in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic report on page 2.

Approved by the Board of Directors and signed by order of the Board:



I D Wilkinson
Director
16 December 2022
Pysons Road, Broadstairs, Kent, CT10 2LE

FUJIFILM Ink Solutions Limited

Statement of Directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

The directors are responsible for preparing the Strategic report, 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 101 Reduced Disclosure Framework.

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 FUJIFILM Ink Solutions Limited

Opinion

We have audited the financial statements of FUJIFILM Ink Solutions Limited ("the company") for the year ended 31 March 2022 which comprise the Profit and loss account, Balance sheet, Statement of changes in equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; 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.

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 and management as to the company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- 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.

Independent auditor's report to the members of FUJIFILM Ink Solutions Limited (continued)

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the company has no revenue.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted with unusual account pairings.

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 and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

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.

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance 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.

Strategic report and directors' report

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

Our responsibility is to read the strategic report and 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of FUJIFILM Ink Solutions Limited (continued)

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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, 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.



Mark Sheppard (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

16 December 2022

FUJIFILM Ink Solutions Limited

Profit and loss account For the year ended 31 March 2022

| | | Year ended 31 March 2022 £ | Year ended 31 March 2021 £ |
|---|----------|-------------------------------------|-------------------------------------|
| Administrative expenses | | - | - |
| Operating profit | 6 | - | - |
| Interest payable and similar charges | 4 | (238,270) | (214,644) |
| Income from shares in group undertakings | | 662,077 | - |
| Impairment of investment in group undertaking | 7 | (25,000,000) | - |
| Loss before taxation | | (24,576,193) | (214,644) |
| Tax expense | 5 | (66,208) | - |
| Retained loss for the year | | <u>(24,642,401)</u> | <u>(214,644)</u> |

The accompanying notes form an integral part of the financial statements.

There was no other comprehensive income for either period other than the loss for the year, the whole of which has been derived from continuing activities.

FUJIFILM Ink Solutions Limited

Balance sheet As at 31 March 2022

| | Note | 31 March 2022 £ | 31 March 2021 £ |
|---|------|-----------------------|-----------------------|
| Non-current assets | | | |
| Investments | 7 | <u>21,437,799</u> | <u>21,437,799</u> |
| Current assets | | | |
| Debtors: due within one year | 8 | 10,551,158 | 9,956,158 |
| Cash at bank | | <u>869</u> | <u>-</u> |
| | | 10,552,027 | 9,956,158 |
| Creditors: amounts falling due within one year | 9 | <u>(37,200,512)</u> | <u>(36,962,242)</u> |
| Net current liabilities | | <u>(26,648,485)</u> | <u>(27,006,084)</u> |
| Net liabilities | | <u>(5,210,686)</u> | <u>(5,568,285)</u> |
| Capital and reserves | | | |
| Share capital | 10 | 27,300,002 | 2,300,002 |
| Retained losses | | <u>(32,510,688)</u> | <u>(7,868,287)</u> |
| Total equity | | <u>(5,210,686)</u> | <u>(5,568,285)</u> |

These financial statements were approved by the Board of Directors on 16 December 2022.

Signed on behalf of the Board of Directors:



I D Wilkinson
Director
16 December 2022

Company Registration No. 01698487

The accompanying notes form an integral part of the financial statements.

FUJIFILM Ink Solutions Limited

Statement of changes in equity For the year ended 31 March 2022

| | Share capital (Note 10) £ | Retained losses £ | Total £ |
|---|------------------------------------|-------------------------|--------------------|
| Balance at 1 April 2020 | 2,300,002 | (7,653,643) | (5,353,641) |
| Loss for the year | - | (214,644) | (214,644) |
| Other comprehensive income for the year | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total comprehensive income for the year | - | (214,644) | (214,644) |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 March 2021 | 2,300,002 | (7,868,287) | (5,568,285) |
| Loss for the year | - | (24,642,401) | (24,642,401) |
| Other comprehensive income for the year | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Total comprehensive income for the year | - | (24,642,401) | (24,642,401) |
| | <hr/> | <hr/> | <hr/> |
| Issue of shares | 25,000,000 | - | 25,000,000 |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 March 2022 | <u>27,300,002</u> | <u>(32,510,688)</u> | <u>(5,210,686)</u> |

The accompanying notes form an integral part of the financial statements

FUJIFILM Ink Solutions Limited

Notes to the financial statements Year ended 31 March 2022

1. Statutory Information

FUJIFILM Ink Solutions Limited is a company incorporated, domiciled and registered in England in the United Kingdom. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report on page 2.

2. Accounting policies

Basis of accounting

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Accounting Standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The company's ultimate parent undertaking, FUJIFILM Holdings Corporation includes the company in its consolidated financial statements. The consolidated financial statements of FUJIFILM Holdings Corporation are prepared in accordance with US Generally Accepted Accounting Principles and are available to the public and may be obtained as set out in note 12.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of key management personnel.

The company has taken advantage of the exemption under s4010 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of FUJIFILM Holdings Corporation. The results of FUJIFILM Holdings Corporation are included in the consolidated financial statements of FUJIFILM Holdings Corporation which are available from Midtown West, 7-3, Akasaka 9-chome, Minato-ku, Tokyo, 107-0052, Japan.

Measurement convention

The financial statements are prepared on the historical cost basis.

The financial statements are presented in British Pounds (the company's functional currency), with all values rounded to the nearest pound (£'s), except where otherwise indicated. The particular accounting policies adopted are summarised below. Unless otherwise stated, they have all been applied consistently throughout the year and preceding period.

Going Concern

Notwithstanding net current liabilities of £26.6 million and net liabilities of £5.2 million as at 31 March 2022, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

As a holding company, the company has not incurred any cash expenses in the past two financial years and the directors do not expect the company will incur any cash expenditure for a period of 12 months from the date of approval of these financial statements.

FUJIFILM Ink Solutions Limited

Notes to the financial statements Year ended 31 March 2022

2. Accounting policies (continued)

Going Concern (continued)

This expectation is dependent on fellow group undertaking, Sericol Ink Limited, not seeking repayment of the amounts currently owed by the company, which at 31 March 2022 amounted to £37.2m. Sericol Ink Limited has indicated that it will not seek repayment of the amounts due at the balance sheet date, for at least 12 months from the date of approval of these financial statements. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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.

Investments

Investments in subsidiaries are held at historical cost less any applicable provision for impairment.

Impairment of non-financial assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

For assets where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is recognised immediately in the income statement, unless the asset is carried at a revalued amount when it is treated as a revaluation increase.

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

FUJIFILM Ink Solutions Limited

Notes to the financial statements Year ended 31 March 2022

2. Accounting policies (continued)

Taxation (continued)

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Financial instruments

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Critical accounting judgements and key sources of estimation uncertainty

The directors consider that the company has no critical accounting judgements and estimates.

3. Directors and employees

- (a) None of the directors received any fees or remuneration for services as a director of the company during the financial year (2021 - £nil). The directors were remunerated by fellow group companies. The group companies did not recharge the cost to the company as the cost attributable is negligible.
- (b) The average number of employees during the year was nil (2021 - nil).

4. Interest payable and similar charges

| | Year ended 31 March 2022 £ | Year ended 31 March 2021 £ |
|---|---|---|
| Amounts payable to fellow subsidiary undertakings | <u>238,270</u> | <u>214,644</u> |

FUJIFILM Ink Solutions Limited

Notes to the financial statements Year ended 31 March 2022

5. Tax on loss

| | Year ended 31 March 2022 £ | Year ended 31 March 2021 £ |
|--|-------------------------------------|-------------------------------------|
| Analysis of tax expense on loss | | |
| Current tax | | |
| UK corporation tax at 19% | - | - |
| Foreign tax at 10% | 66,208 | - |
| | <hr/> | <hr/> |
| Total tax expense on loss | 66,208 | - |
| | <hr/> | <hr/> |

The company has no deferred tax assets or liabilities at 31 March 2022 (2021 - £nil).

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before taxation are as follows:

| | Year ended 31 March 2022 £ | Year ended 31 March 2021 £ |
|---|-------------------------------------|-------------------------------------|
| Calculation of tax expense on loss | | |
| Loss before tax | (24,576,193) | (214,644) |
| | <hr/> | <hr/> |
| Tax at 19% thereon: | (4,669,477) | (40,782) |
| Effects of: | | |
| Group relief surrendered | 45,271 | 40,782 |
| Expenses not deductible | 4,750,000 | - |
| Lower tax rate on overseas earnings | (59,586) | - |
| | <hr/> | <hr/> |
| Total tax expense | 66,208 | - |
| | <hr/> | <hr/> |

There is an unrecognised deferred tax asset of £152,000 at the year end (2021 - £116,000), in respect of non-trade tax losses carried forward of £608,000 (2021 - £608,000). The company's deferred tax balances are stated based on the tax rates at which the deferred tax balances are expected to reverse.

In the 3 March 2021 Budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023. This will have a consequential effect on the group's future tax charge.

6. Operating profit

Remuneration for audit and tax services is dealt with in the financial statements of a fellow group undertaking in both the current and prior year. No fees were paid to the auditor for other services (2021 - £nil).

FUJIFILM Ink Solutions Limited

Notes to the financial statements Year ended 31 March 2022

7. Fixed asset investments

| | £ |
|-------------------------|------------|
| Cost | |
| At 31 March 2021 | 24,810,313 |
| Additions | 25,000,000 |
| | <hr/> |
| At 31 March 2022 | 49,810,313 |
| | <hr/> |
| Amounts provided | |
| At 31 March 2021 | 3,372,514 |
| Impairment | 25,000,000 |
| | <hr/> |
| At 31 March 2022 | 28,372,514 |
| | <hr/> |
| Net book value | |
| At 31 March 2022 | 21,437,799 |
| | <hr/> |
| At 31 March 2021 | 21,437,799 |
| | <hr/> |

On 15th July 2021 FUJIFILM Ink Solutions Limited subscribed to and were allotted 25,000,000 ordinary shares of £1 each in FUJIFILM Imaging Colorants Limited. This investment was subsequently impaired due to FUJIFILM Imaging Colorants Limited being in a position of net liabilities.

In the opinion of the directors, the value of shares in the company's subsidiary undertakings is not less than the amounts at which they are shown in the balance sheet.

The investments are in wholly owned subsidiary undertakings which are unlisted. The following information details the subsidiary companies, which are held directly by the company.

FUJIFILM Ink Solutions Limited

Notes to the financial statements Year ended 31 March 2022

7. Fixed asset investments (continued)

| Subsidiary undertakings | Registered office and principal business address | Activity | Proportion of ordinary shares held % |
|--|---|---|--------------------------------------|
| FUJIFILM Speciality Ink Systems Limited | Patricia Way Pysons Road Industrial Estate Broadstairs Kent CT10 2LE | Manufacture, distribution and marketing of printing inks and associated products | 100% |
| FUJIFILM Sericol India Private Limited | 10/11 B U Bhanadari Industrial Estate, Sanaswadi, Taluka: Shirur, Pune 412208, India | Manufacture, distribution and marketing of printing inks and associated products | 100% |
| FUJIFILM Sericol de Mexico SA de CV | Av. Ejercito Nacional, 904 Pisos 7 y 12, Los Morales, Polanco, C.P.11510 Mexico | Distribution and marketing of printing inks and associated products | 100% |
| FUJIFILM Sericol Servicios Mexico SA de CV | Av. Ejercito Nacional, 904 Pisos 7 y 12, Los Morales, Polanco, C.P.11510 Mexico | Distribution and marketing of printing inks and associated products | 100% |
| FUJIFILM Imaging Colorants Limited | Patricia Way Pysons Road Industrial Estate Broadstairs Kent CT10 2LE | Development, manufacture and sale of chemical products for use in printing and security marking | 100% |

8. Debtors

| | 31 March 2022 £ | 31 March 2021 £ |
|--|--------------------|--------------------|
| Amounts falling due within one year | | |
| Amounts owed by group undertakings | <u>10,551,158</u> | <u>9,956,158</u> |

FUJIFILM Ink Solutions Limited

Notes to the financial statements Year ended 31 March 2022

9. Creditors: amounts falling due within one year

| | 31 March 2022 £ | 31 March 2021 £ |
|--|-----------------------|-----------------------|
| Amounts owed to fellow subsidiary undertakings | <u>37,200,512</u> | <u>36,962,242</u> |

10. Authorised and issued share capital

| | 31 March 2022 £ | 31 March 2021 £ |
|--|-----------------------|-----------------------|
| Authorised, allotted, called up, and fully paid | | |
| 27,300,002 Ordinary shares of £1 each | <u>27,300,002</u> | <u>2,300,002</u> |

On 15th July 2021 FUJIFILM Sericol Overseas Holdings Limited subscribed to and were allotted 25,000,000 ordinary shares of £1 each in FUJIFILM Ink Solutions Limited. Ordinary shares confer to the holder the right to one vote for every share held.

11. Related party transactions

The company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries. Related party balances as at the year end were split as follows:

| | Receivables outstanding | | Payables outstanding | |
|--------------|-------------------------|-----------------------|-----------------------|-----------------------|
| | 31 March 2022 £ | 31 March 2021 £ | 31 March 2022 £ | 31 March 2021 £ |
| Parent | 2,376,020 | 2,376,020 | - | - |
| Subsidiaries | 8,175,138 | 7,580,138 | 37,200,512 | 36,962,242 |

12. Immediate and ultimate parent undertaking

FUJIFILM Ink Solutions Limited is a wholly owned subsidiary of FUJIFILM Sericol Overseas Holdings Limited, its immediate parent company.

FUJIFILM Holdings Corporation, a company incorporated in Japan, with registration number 0216-01-000123 is the company's ultimate parent undertaking and controlling party. Copies of FUJIFILM Holdings Corporation's financial statements can be obtained from Midtown West, 7-3, Akasaka 9-chome, Minato-ku, Tokyo, 107-0052, Japan. This is the parent undertaking of the largest and smallest group of which the company is a member for which group financial statements are prepared.

13. Commitments

At 31 March 2022, the company had no capital or lease commitments (2021 - £nil).

FUJIFILM Ink Solutions Limited

Notes to the financial statements Year ended 31 March 2022

14. Financial instruments

The Board of Directors reviews and agrees policies for managing credit risk and liquidity risk, which are summarised below.

Fair value of financial assets and liabilities

There is no significant difference between the carrying amount and the fair value of any financial instrument for the company.

The carrying amounts of each class of financial assets and financial liabilities is summarised below:

| | 31 March 2022 | | 31 March 2021 | |
|------------------------------|-------------------------|-----------------|-------------------------|-----------------|
| | Carrying amount £ | Fair value £ | Carrying amount £ | Fair value £ |
| <i>Financial assets</i> | | | | |
| Trade and other receivables | 10,551,158 | 10,551,158 | 9,956,158 | 9,956,158 |
| <i>Financial liabilities</i> | | | | |
| Trade and other payables | 37,200,512 | 37,200,512 | 36,962,242 | 36,962,242 |

The carrying values of short term receivables and payables are assumed to approximate to their fair values where discounting is not material.

Fair value hierarchy

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

At 31 March 2022, the company did not hold any financial instruments measured at fair value (2021: none).

Credit risk

There are no significant concentrations of credit risk within the company unless otherwise disclosed. The maximum credit risk exposure relating to financial assets is represented by the carrying value as at the balance sheet date.

Liquidity risk

The Board of Directors has established an appropriate liquidity risk management framework for the management of the company's short-, medium- and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

FUJIFILM Ink Solutions Limited

Notes to the financial statements Year ended 31 March 2022

14. Financial instruments (continued)

The table below summarises the maturity profile of the company's financial liabilities at 31 March 2022 and 2021 based on contractual undiscounted payments.

| | On demand £ | Less than 3 months £ | 3 to 12 months £ | 1 to 5 years £ | Over 5 years £ | Total £ |
|---|-------------------|----------------------------|------------------------|----------------------|----------------------|------------|
| Year ended 31 March 2022 | | | | | | |
| <i>Non-derivative financial liabilities</i> | | | | | | |
| Trade and other payables | 37,200,512 | - | - | - | - | 37,200,512 |
| Year ended 31 March 2021 | | | | | | |
| <i>Non-derivative financial liabilities</i> | | | | | | |
| Trade and other payables | 36,962,242 | - | - | - | - | 36,962,242 |