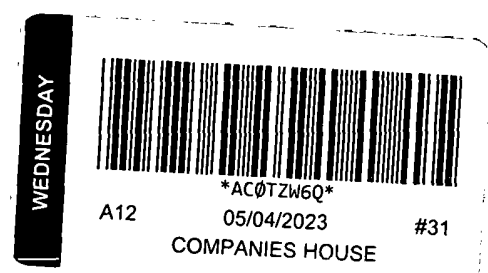


Registered number
02007319

Kawai UK Limited:
Report and Financial Statements
31 December 2022



Kawai UK Limited
Report and accounts
Contents

	Page
Company information	1
Directors' report	2 to 3
Strategic report	4
Independent auditor's report	5 to 7
Profit and loss account	8
Balance sheet	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 to 18

Kawai UK Limited
Company Information

Directors

Mr Takuya Sekine
Mr Ryota Tanaka
Mr Naoki Mori

Auditors

Pocknells Audit Limited
Henry Brake House
46 Hullbridge Road
South Woodham Ferrers
Essex
CM3 5NG

Bankers

Bank of Tokyo Mitsubishi UFJ Limited
Ropemaker Place
London
EC2Y 9AN

Registered office

Unit 8
Dunfermline Court
Maidstone Road
Milton Keynes
MK10 0BY

Registered number

02007319

Kawai UK Limited
Registered number:
Directors' Report

02007319

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

Results and dividends

The profit for the year after taxation amounted to £799,760 (2021 - £805,961). The company has paid dividends amounted to £233,200 (2021 - £nil).

Principal activities

The company's principal activity during the year continued to be the import and distribution of Kawai musical instruments.

Directors

The following persons served as directors during the year:

Mr Takuya Sekine
Mr Ryota Tanaka
Mr Naoki Mori

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing this report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Pocknells Audit Limited as auditors will be put to the members at the Annual General Meeting.

Kawai UK Limited

Registered number:

02007319

Directors' Report

Directors' responsibilities

The directors are responsible for preparing the report and 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 United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 and applicable law). 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;
- 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 FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the group and company financial position and financial performance;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Under applicable law and regulations, the directors are also responsible for preparing a directors' report that complies with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

This report was approved by the board on 31 March 2023 and signed on its behalf.


Mr Ryota Tanaka
Director

Kawai UK Limited
Strategic Report

Review of the business

The Company has increased gross profit and maintained ordinary profit percentages during the 2022 year which can be seen in the performance indicators below.

Key performance indicators

	2022	2021
	£	£
Turnover	10,626,299	10,940,813
Gross Profit	3,152,443	2,881,372
Gross Profit Percentage	29.67%	26.34%
Ordinary Profit	971,293	994,979
Ordinary Profit Percentage	9.14%	9.09%

Financial instrument risk

The company has exposures to the risks listed below. To a lesser extent the company is exposed to obtaining the continuation of work as indicated under future developments.

Liquidity Risk

The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due.

In order to achieve this the company manages its cash and borrowing requirements in order to minimise interest expenses, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Customer Credit Risk


The company may offer credit terms to its customers, which allow payment of the debt after delivery of the products. The company is at risk to the extent that the customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships and by credit controls in place.

Future Developments

The company intends to continue investing in its product development, when necessary, to ensure that its products continue to meet its clients future needs. To further this objective, the company is continually examining feed back from current and potential clients to improve the service given.

The company is also exposed to the risk of potential changes in laws and regulations, changes in costs or staff shortages as a result of ongoing changes within the economy.

This report was approved by the board on 31 March 2023 and signed on its behalf.



Mr Ryota Tanaka
Director

Kawai UK Limited
Independent auditor's report
to the members of Kawai UK Limited

Opinion

We have audited the financial statements of Kawai UK Limited (the 'company') for the year ended 31 December 2022 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion 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 for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Kawai UK Limited
Independent auditor's report
to the members of Kawai UK Limited

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 strategic report or 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.

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.

Kawai UK Limited
Independent auditor's report
to the members of Kawai UK Limited


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 obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom, health and safety regulations and General Data Protection Requirements.
- We understood how Kawai UK Limited is complying with those frameworks by making enquiries of management to understand the process in place to maintain and communicate its policies and procedures in these areas. We corroborated our enquiries through our review of board minutes, correspondence with relevant authorities and supporting documentation, and noted that there was no contradictory evidence.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assuming revenue to be a fraud risk. We tested manual journals, revenue recognition and cut off. We selected and tested specific transactions, including manual journals, agreeing back to source documentation ensuring appropriate authorisation of the transactions.
- Based on this understanding we designed our audit procedures to identify non compliance with such laws and regulations. Our procedures involved:
 - Enquiry of management and those charged with governance as to any fraud identified or suspected in the period, any actual or potential litigation or claims or breaches of significant laws or regulations applicable to the company;
 - Auditing the risk of management override of controls, through selecting and testing a sample of journal entries, meeting certain criteria defined as associated to the risk of management override and other adjustments for appropriateness;
 - Enquiry of management, coupled with testing of journal entries, in order to identify and understand any significant transactions outside the normal course of business;
 - Challenging the judgements made by management through corroborating the basis for those judgements and considering contradicting evidence; and
 - Reading the financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 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.


Jeremy Boyden FCA
(Senior Statutory Auditor)
for and on behalf of
Pocknells Audit Limited
Statutory Auditor
31 March 2023

Henry Brake House
46 Hullbridge Road
South Woodham Ferrers
Essex
CM3 5NG

Kawai UK Limited
Profit and Loss Account
for the year ended 31 December 2022

	Notes	2022 £	2021 £
Turnover	2	10,626,299	10,940,813
Cost of sales		(7,473,856)	(8,059,441)
Gross profit		<u>3,152,443</u>	<u>2,881,372</u>
Distribution costs		(748,306)	(607,425)
Administrative expenses		(1,432,844)	(1,278,968)
Ordinary profit	3	<u>971,293</u>	<u>994,979</u>
Profit on ordinary activities before taxation		<u>971,293</u>	<u>994,979</u>
Tax on profit on ordinary activities	5	(171,533)	(189,018)
Profit for the financial year		<u>799,760</u>	<u>805,961</u>

Kawai UK Limited
Balance Sheet
as at 31 December 2022

	Notes	2022 £	2021 £
Fixed assets			
Tangible assets	6	98,464	35,823
Current assets			
Stocks	7	3,660,943	2,504,539
Debtors	8	1,267,996	978,482
Cash at bank and in hand		2,960,296	4,181,057
		<u>7,889,235</u>	<u>7,664,078</u>
Creditors: amounts falling due within one year	9	(2,361,870)	(2,641,033)
Net current assets		<u>5,527,365</u>	<u>5,023,045</u>
Total assets less current liabilities		<u>5,625,829</u>	<u>5,058,868</u>
Provisions for liabilities			
Other provisions	10	(122,537)	(122,136)
Net assets		<u>5,503,292</u>	<u>4,936,732</u>
Capital and reserves			
Called up share capital	11	2,120,000	2,120,000
Profit and loss account	12	3,383,292	2,816,732
Total equity		<u>5,503,292</u>	<u>4,936,732</u>

The financial statements were approved by the board of directors and approved on its behalf by:



Mr Ryota Tanaka
Director

Approved by the board on 31 March 2023

Kawai UK Limited
Statement of Changes in Equity
for the year ended 31 December 2022

	Share capital £	Profit and loss account £	Total £
At 1 January 2021	2,120,000	2,010,771	4,130,771
Profit for the financial year		805,961	805,961
At 31 December 2021	<u>2,120,000</u>	<u>2,816,732</u>	<u>4,936,732</u>
At 1 January 2022	2,120,000	2,816,732	4,936,732
Profit for the financial year		799,760	799,760
Dividends		(233,200)	(233,200)
At 31 December 2022	<u>2,120,000</u>	<u>3,383,292</u>	<u>5,503,292</u>

Kawai UK Limited
Statement of Cash Flows
for the year ended 31 December 2022

	Notes	2022 £	2021 £
Operating activities			
Profit for the financial year		799,760	805,961
Adjustments for:			
Tax on profit on ordinary activities		171,533	189,018
Depreciation		13,070	9,153
Increase in stocks		(1,156,404)	(267,627)
(Increase)/decrease in debtors		(289,514)	193,443
Decrease in creditors		(257,590)	(111,118)
		<u>(719,145)</u>	<u>818,830</u>
Interest element of finance lease payments		-	-
Corporation tax paid		(192,705)	(266,156)
Cash (used in)/generated by operating activities		<u>(911,850)</u>	<u>552,674</u>
Investing activities			
Payments to acquire tangible fixed assets		(90,193)	(9,970)
Proceeds from sale of tangible fixed assets		14,482	-
Cash used in investing activities		<u>(75,711)</u>	<u>(9,970)</u>
Financing activities			
Equity dividends paid		(233,200)	-
Cash used in financing activities		<u>(233,200)</u>	<u>-</u>
Net cash (used)/generated			
Cash (used in)/generated by operating activities		(911,850)	552,674
Cash used in investing activities		(75,711)	(9,970)
Cash used in financing activities		(233,200)	-
Net cash (used)/generated		<u>(1,220,761)</u>	<u>542,704</u>
Cash and cash equivalents at 1 January		<u>4,181,057</u>	<u>3,638,353</u>
Cash and cash equivalents at 31 December		<u>2,960,296</u>	<u>4,181,057</u>
Cash and cash equivalents comprise:			
Cash at bank		<u>2,960,296</u>	<u>4,181,057</u>

Kawai UK Limited
Notes to the Accounts
for the year ended 31 December 2022

1 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Going concern

In relation to the COVID-19 outbreak, our business continuity plans continue to work well, and despite the various lockdowns, trading remains in line with periods pre-COVID. However, it is difficult to fully assess the magnitude of the impact on the business. The directors have prepared cashflow forecasts covering 12 months from the date of approval of these financial statements. In any negative scenarios such as all our retailers need to remain closed until next year due to COVID-19, the company has sufficient cash to continue operations either from utilizing its existing cash reserve, or from drawing down from its unused loan facilities. Accordingly, the directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future and can continue to adopt the going concern basis of accounting in preparing the financial statements.

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The directors are of the opinion that there are no significant judgements required in the preparation of the financial statements.

Revenue recognition

Revenue is recognised to the extent that the company obtains the rights to consideration in exchange for its performance. Revenue is measured excluding discounts, rebates, VAT and other sales taxes or duty. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on invoice to third parties.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Motor vehicles	10% straight line
Fixtures and fittings	10% straight line / 20% reducing balance
Computer equipment	20% reducing balance

Kawai UK Limited
Notes to the Accounts
for the year ended 31 December 2022

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Provisions

Provisions are made against the future costs arising out of goods supplied under cover of warranty. These provisions are credited to the profit and loss account over the period of warranty provision.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

Kawai UK Limited
Notes to the Accounts
for the year ended 31 December 2022

2 Analysis of turnover	2022	2021
	£	£
Sale of goods	<u>10,626,299</u>	<u>10,940,813</u>
By geographical market:		
UK	9,765,019	10,464,184
Republic of Ireland	<u>861,280</u>	<u>476,629</u>
	<u>10,626,299</u>	<u>10,940,813</u>
3 Operating profit	2022	2021
	£	£
This is stated after charging:		
Depreciation of owned fixed assets	13,070	9,153
Operating lease rentals - plant and machinery	30,916	34,944
Operating lease rentals - land and buildings	<u>81,061</u>	<u>77,216</u>
4 Staff costs	2022	2021
	£	£
Wages and salaries	661,723	543,751
Social security costs	49,097	38,406
Other pension costs	<u>16,545</u>	<u>12,955</u>
	<u>727,365</u>	<u>595,112</u>
Average number of employees during the year	Number	Number
Office and administration	6	5
Manufacturing	4	2
Sales, marketing and distribution	<u>3</u>	<u>2</u>
	<u>13</u>	<u>9</u>

Kawai UK Limited
Notes to the Accounts
for the year ended 31 December 2022

5 Taxation	2022	2021
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	171,533	189,018
Tax on profit on ordinary activities	<u>171,533</u>	<u>189,018</u>

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2022	2021
	£	£
Profit on ordinary activities before tax	<u>971,293</u>	<u>994,979</u>
Standard rate of corporation tax in the UK	19%	19%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	184,546	189,046
Effects of:		
Expenses not deductible for tax purposes	4,707	467
Capital allowances	(17,720)	(495)
Current tax charge for period	<u>171,533</u>	<u>189,018</u>

6 Tangible fixed assets

	Motor vehicles	Fixtures & Fittings	Computer equipment	Total
	<i>At cost</i>	<i>At cost</i>	<i>At cost</i>	
	£	£	£	£
Cost or valuation				
At 1 January 2022	18,310	123,068	51,835	193,213
Additions	-	29,558	60,635	90,193
Disposals	-	(2,301)	(51,835)	(54,136)
At 31 December 2022	<u>18,310</u>	<u>150,325</u>	<u>60,635</u>	<u>229,270</u>
Depreciation				
At 1 January 2022	18,309	103,100	35,981	157,390
Charge for the year	-	8,188	4,882	13,070
On disposals	-	(1,822)	(37,832)	(39,654)
At 31 December 2022	<u>18,309</u>	<u>109,466</u>	<u>3,031</u>	<u>130,806</u>
Carrying amount				
At 31 December 2022	<u>1</u>	<u>40,859</u>	<u>57,604</u>	<u>98,464</u>
At 31 December 2021	<u>1</u>	<u>19,968</u>	<u>15,854</u>	<u>35,823</u>

Kawai UK Limited
Notes to the Accounts
for the year ended 31 December 2022

7 Stocks	2022	2021
	£	£
Finished goods	<u>3,660,943</u>	<u>2,504,539</u>

8 Debtors	2022	2021
	£	£
Trade debtors	1,182,808	911,347
Other debtors	30,316	2,760
Prepayments and accrued income	<u>54,872</u>	<u>64,375</u>
	<u>1,267,996</u>	<u>978,482</u>

9 Creditors: amounts falling due within one year	2022	2021
	£	£
Trade creditors	203,679	260,221
Amounts owed to group undertakings and undertakings in which the company has a participating interest	2,028,998	2,213,637
Corporation tax	75,170	96,342
Other taxes and social security costs	-	41,943
Accruals and deferred income	52,343	27,210
Deferred tax liabilities	<u>1,680</u>	<u>1,680</u>
	<u>2,361,870</u>	<u>2,641,033</u>

10 Provisions for liabilities

	Warranties
	£
At 1 January 2022	122,136
Arising during the year	43,714
Utilised during the year	(66,432)
Released during the year	<u>23,119</u>
At 31 December 2022	<u>122,537</u>

A warranty provision is recognised for expected warranty claims on products sold during five years for grand/upright pianos and two years for digital pianos.

Kawai UK Limited
Notes to the Accounts
for the year ended 31 December 2022

11 Share capital	Nominal value	2022 Number	2022 £	2021 £
Allotted, called up and fully paid: Ordinary shares	£1 each	2,120,000	<u>2,120,000</u>	<u>2,120,000</u>

12 Profit and loss account	2022 £	2021 £
At 1 January	2,816,732	2,010,771
Profit for the financial year	799,760	805,961
Dividends	(233,200)	-
At 31 December	<u>3,383,292</u>	<u>2,816,732</u>

13 Dividends	2022 £	2021 £
Dividends on ordinary shares (note 12)	<u>233,200</u>	<u>-</u>

14 Other financial commitments

Total future minimum lease payments under non-cancellable operating leases are as following:

	Land and buildings 2022 £	Land and buildings 2021 £
Falling due:		
within one year	79,715	79,715
within two to five years	318,900	319,605
in over five years	<u>41,986</u>	<u>121,711</u>
	<u>440,601</u>	<u>521,031</u>

15 Pension commitments

The company operates a defined contribution pension scheme for its UK employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions paid into the scheme during the year amounted to £16,545 (2021 - £12,955). There were no contributions outstanding or prepaid at the balance sheet date.

Kawai UK Limited
Notes to the Accounts
for the year ended 31 December 2022

16 Related party transactions

The company made purchases totalling £8,492,423 from its parent undertaking Kawai Europa GmbH during the year. There was an amount of £2,028,998 (2021: £2,213,638 owing to this company at the balance sheet date.

17 Ultimate parent undertaking and controlling party

The company is a subsidiary undertaking of Kawai Europa GmbH, a company incorporated in Germany.

The ultimate parent undertaking and controlling party is considered by the directors to be Kawai Musical Instruments Manufacturing Company Limited, incorporated in Japan.

Kawai Musical Instruments Manufacturing Company Limited is the parent of both the smallest and largest group of which the company is a member and for which group financial statements are prepared.

The details can be obtained from the address below:

Kawai Musical Instruments Manufacturing Company Limited
200 Terajima-Cho
Naka-ku
Hamamatsu
Japan 430-8665

18 Presentation currency

The financial statements are presented in Sterling.

19 Legal form of entity and country of incorporation

Kawai UK Limited is a private company limited by shares and incorporated in England.

20 Principal place of business

The address of the company's principal place of business and registered office is:

Unit 8
Dunfermline Court
Maidstone Road
Milton Keynes
MK10 0BY