

Ricoh Capital Limited

Strategic Report, Directors' Report and Financial Statements

Registered number 3001351

31 March 2016



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Strategic report

The Directors present their strategic report for the year ended 31 March 2016.

Principal activities

The principal activities of Ricoh Capital Limited ("the Company") are to operate as an in-house leasing business.

Results

The profit for the year of £4.4m (2015: £10.2m) has been transferred to reserves.

Business review

The value of the lease portfolio increased by 27% in the year to 31 March 2016 (increased by 1% in the year to 31 March 2015).

The Company's principal objective over the forthcoming year is to grow the value of the lease portfolio by working closely with the internal sales force to ensure that the Company meets all of its customers' leasing requirements. Credit facilities will continue to be reviewed to ensure that they remain competitive and that funding for these products continues to be available.

Key performance indicators (KPIs)

The Board monitor the Company's progress against its strategic objectives and the financial performance of its operations on a regular basis. Performance is assessed against the strategy, budgets and forecasts using financial and non-financial measures. The most significant KPIs used by the Company are as follows:

	2016	2015
Interest cover	62.3	141.3
Return on Leased Assets	5.1%	13.8%
Profit on ordinary activities before tax	£5.9m	£12.8m

There is a significant change in the profit on ordinary activities before tax following a change in transfer pricing policy for the current financial year for the Ricoh Europe Group.

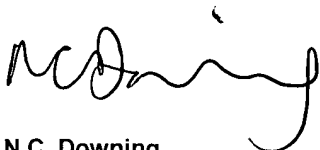
Principal risks and uncertainties

In the current financial environment obtaining secure funding at a competitive price presents a challenge and some risk to Ricoh Capital Limited. Currently the Company participates in the Group cash pooling arrangements and has a overdraft position at 31 March 2016 of £20.9m (2015: cash position of £5.6m). The directors will continue to review funding opportunities as they arise and actively seek new sources of finance. In light of interest rate volatility the directors will continue to review the company's pricing structure to protect margins. The Company is exposed to credit risk to the extent that there is a risk that any one of its customers becomes insolvent.

Future developments

The Company will continue to expand its activities in line with the strategy of Ricoh Company, Ltd.

By order of the Board



N.C. Downing
Company Secretary

16 September 2016

Registered office
20 Triton Street
London NW1 3BF
Registered in England
No. 3001351

Directors' report

The directors present their directors' report and financial statements for the year ended 31 March 2016.

The Company has chosen, in accordance with the Companies Act section 414C (11) to include the disclosure of likely future developments in the Strategic Report.

Accounts and Dividends

The profit for the financial year of £4.4m (2015: £10.2m) has been transferred to reserves. The directors do not recommend the payment of a dividend (2015: £nil).

Directors

The directors of the Company who served during the year, and to date, were:

I.P. Winham
N.C. Downing
D. Kemmitt

There were no contracts existing during, or at the end of the year in which any director is, or was, materially interested which are, or were, significant in relation to the Company's business.

Employees

Ricoh Capital Limited is an equal opportunities employer and all applications are treated on merit, regardless of sex, disability, religious belief, marital status, colour, race or ethnic origins. In the event of members of staff becoming disabled every effort is made to ensure that their employment within the group continues and that appropriate training is arranged. The training, career development and promotion of disabled persons are, as far as possible, consistent with that of other employees.

Financial instruments

The Company is exposed to credit risk to the extent that there is a risk that any one of its customers becomes insolvent.

Post balance sheet events

There were no significant post balance sheet events.

Auditors

Persuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the Board


N.C. Downing
Company Secretary

16 September 2016

Registered office
20 Triton Street
London NW1 3BF
Registered in England
No. 3001351

Statement of directors' responsibilities in respect of the Strategic Report and 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; 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 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 Ricoh Capital Limited

We have audited the financial statements of Ricoh Capital Limited for the year ended 31 March 2016 set out on pages 8 to 19. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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



John Edwards (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square,
London,
E14 5GL

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

	Note	2016 £'000	2015 £'000
Turnover	4	13,018	14,971
Cost of sales		(55)	(7)
Gross profit		12,963	14,964
Administrative expenses		(6,918)	(2,106)
Operating profit		6,045	12,858
Finance costs	5	(97)	(91)
Profit on ordinary activities before tax		5,948	12,767
Taxation	9	(1,530)	(2,527)
Profit and total comprehensive income for the year		4,418	10,240

The results above relate to continuing activities.

The accompanying notes on pages 11 to 19 form part of the financial statements.

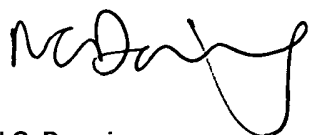
Balance Sheet as at 31 March

		2016	Restated*
	Note	£'000	2015 £'000
Non-Current assets			
Trade and other debtors	10	3,268	4,379
Finance lease receivables	11	75,772	58,331
		79,040	62,710
Current assets			
Trade and other debtors	10	4,460	7,921
Finance lease receivables	11	41,445	34,021
Cash and cash equivalents	13	-	5,618
		45,905	47,560
Total assets		124,945	110,270
Current liabilities			
Loans and borrowings	14	(37,777)	(22,613)
Trade and other creditors	15	(2,967)	(7,874)
		(40,744)	(30,487)
Net current assets		5,161	17,073
Net assets		84,201	79,783
Capital and reserves			
Share capital	17	39,963	39,963
Retained earnings		44,238	39,820
Shareholder's funds		84,201	79,783

The accompanying notes on pages 11 to 19 form part of the financial statements.

* As described in note 15 and 18, the 2015 presentation of certain Trade and other creditors have been restated from Trade and other debtors.

These financial statements were approved by the board of directors on 16 September 2016 and were signed on its behalf by:



N.C. Downing
Director

Company registered number: 3001351

Statement of Changes in Equity

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2015	39,963	39,820	79,783
Profit and total comprehensive income for the year	-	4,418	4,418
Balance at 31 March 2016	39,963	44,238	84,201

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2014	39,963	29,580	69,543
Profit and total comprehensive income for the year	-	10,240	10,240
Balance at 31 March 2015	39,963	39,820	79,783

The accompanying notes on pages 11 to 19 form part of the financial statements.

Notes to the Financial Statements

1 General information

Ricoh Capital Limited ("the Company") is a company incorporated in the United Kingdom under the Companies Act. The address of the Company's registered office is 20 Triton Street, London NW1 3BF.

These financial statements are presented in pounds sterling in thousands.

2 Significant Accounting policies

Ricoh Capital Limited is a company incorporated and domiciled in the UK.

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 Financial Reporting Standards as adopted by the EU ("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 parent undertaking, Ricoh Europe Holdings PLC includes the Company in its consolidated financial statements. The consolidated financial statements of Ricoh Europe Holdings PLC are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 20 Triton Street, London NW1 3BF.

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;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

Basis of preparation

These financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Financial instruments

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

Financial assets

All financial assets, other than cash and cash equivalents, are classified as receivables.

Receivables

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'receivables'. Receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are valued by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Notes (continued)

Significant Accounting policies (continued)

Leasing to customers

The amortised cost, net of provision and unearned finance income, is recorded in the balance sheet as a Finance Lease Receivable and rental income is apportioned between the reduction of this debtor and interest receivable to give a constant periodic rate of return on the net cash investment.

Refinancing of finance leases and other receivables

Finance leases and other receivables are periodically sold to third party finance companies. Where all significant risks and rewards of ownership of such receivables are transferred to a third party, the receivables are treated as sold and removed from the balance sheet.

Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Such assets and liabilities are not recognised on the balance sheet if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3 Accounting estimates and judgements

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 the revision and future periods if the revision affects both current and future periods. Key sources of estimation uncertainty and critical accounting judgements are as follows:

Taxation – note 9

Tax on profits is determined according to complex tax laws and regulations. Where the effect of these laws and regulations is unclear, estimates are used in determining the liability for the tax to be paid on past profits which are recognised in the financial statements.

Notes (continued)

Accounting estimates and judgements (continued)

Provision for bad debt – note 10

In determining the provision for bad debt, the management makes its estimates and assumptions based on aging and specific developments regarding customers (e.g. creditworthiness and market developments). The provision for bad debt is reviewed periodically to assess the adequacy of the provision.

Deferred tax assets – note 12

Deferred tax assets represent management's best estimate in determining the amounts to be recognised. When assessing the extent to which deferred tax assets should be recognised, consideration is given to the timing and level of future taxable income.

4 Turnover

The Company's turnover comprises:

	2016 £'000	2015 £'000
Lease income	12,853	14,950
Asset protection	165	21
Total turnover	13,018	14,971

5 Finance costs

	2016 £'000	2015 £'000
<i>Interest payable and similar charges</i>		
Bank loans and overdrafts	(97)	(91)
Net finance income	(97)	(91)

6 Operating profit

This is stated after charging:

	2016 £'000	2015 £'000
Audit fees payable for the Company's auditor	65	65

7 Staff numbers and costs

The average monthly number of full-time equivalent employees (including directors) was:

	Number of employees	
	2016	2015
<i>Areas of employment</i>		
Administration	25	28

The aggregate payroll costs of these persons were as follows:

	2016 £'000	2015 £'000
Wages and salaries	792	843
Social security costs	77	83
Pension costs - defined contribution (note 16)	27	25
	896	951

Notes (continued)

8 Directors' remuneration

	2016 £'000	2015 £'000
Directors' emoluments	113	123
Pension costs - defined contribution	22	14
	135	137
<i>Highest paid director:</i>		
Directors' emoluments	113	123
Pension costs - defined contribution	22	14
	135	137

9 Taxation

Recognised in the income statement

	2016 £'000	2015 £'000
<i>United Kingdom corporation tax</i>		
Corporation tax based on the profit for the year	368	1,623
Adjustments in respect of previous years	51	(67)
Total current tax charge	419	1,556

Deferred tax (note 12)

Origination and reversal of temporary differences	673	971
Change in tax rate	438	-
Total deferred tax charge	1,111	971
Total income tax expense on profit on ordinary activities	1,530	2,527

Reconciliation of effective tax rate

	2016 £'000	2015 £'000
The total tax expense for the year is higher (2015: lower) than the standard rate of corporation tax in the UK of 20% (2015: 21%). The differences are explained below.		
Profit on ordinary activities before tax	5,948	12,767
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015: 21%)	1,190	2,681
Effects of:		
Permanent differences	(74)	(38)
Effect of tax rate change on deferred tax balances	363	(49)
Adjustment in respect of prior periods	51	(67)
Total tax expense for the year (see above)	1,530	2,527

Factors affecting the future tax charge

The UK corporation tax rate reduction from 21% to 20% (effective 1 April 2015) was enacted in 2013. Further reductions to 19% (effective 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted as part of the Finance (No 2) Act 2015 on 26 October 2015. This will impact the Company's future current tax charge accordingly. Deferred taxes have been measured using appropriate rates substantively enacted at the balance sheet date.

The Chancellor also proposed changes to further reduce the main rate of UK corporation tax from 18% to 17% from 1 April 2020. These changes have not yet been substantively enacted and therefore are not included in the figures above.

Notes (continued)

10 Trade and other debtors

	2016 £'000	Restated* 2015 £'000
<i>Amounts falling due within one year</i>		
Trade debtors	3,809	6,620
Prepayments and accrued income	352	1,072
Other debtors	299	229
	4,460	7,921
<i>Amounts falling due after more than one year</i>		
Deferred taxation (note 12)	3,268	4,379
	3,268	4,379

11 Finance lease receivables

	Minimum lease payments	
	2016 £'000	2015 £'000
<i>Amounts receivable under finance leases</i>		
Within one year	49,197	40,034
In the second to fifth years inclusive	83,462	63,768
After five years	21	5
	132,680	103,807
Less: unearned finance income	(15,463)	(11,455)
Present value of minimum lease payments receivable	117,217	92,352
	Present value of minimum lease payments	
	2016 £'000	2015 £'000
<i>Present value of minimum lease payment receivables</i>		
Within one year	41,445	34,021
In the second to fifth years inclusive	75,751	58,326
After five years	21	5
Present value of minimum lease payments receivable	117,217	92,352
	2016 £'000	2015 £'000
<i>Analysed as:</i>		
Non-current finance lease receivables	75,772	58,331
Current finance lease receivables	41,445	34,021

Finance lease receivables with a carrying value of £11.3m were sold during the year (2015: £43.7m).

Notes (continued)

12 Deferred tax asset

Deferred tax

	2016	2015
	Asset	Asset
	£'000	£'000
Accelerated depreciation for tax purposes	3,268	4,379
Deferred tax asset	3,268	4,379

Reconciliation of movements in deferred tax

	March 2015	Recognised in profit and loss	March 2016
	£'000	£'000	£'000
Accelerated depreciation for tax purposes	4,379	(1,111)	3,268
Deferred tax asset	4,379	(1,111)	3,268

13 Cash and cash equivalents / bank overdrafts

	2016	2015
	£'000	£'000
Bank balances	-	5,618
Bank overdrafts used for cash management purposes	(20,907)	-
Cash and cash equivalents	(20,907)	5,618

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value.

14 Loans and borrowings

	2016	2015
	£'000	£'000
Current liabilities		
Bank overdraft (Note 13)	20,907	-
Loans payable to group undertakings	16,870	22,613
	37,777	22,613

15 Trade and other creditors

	2016	Restated* 2015
	£'000	£'000
Current		
Trade creditors	19	17
Corporation taxation	369	1,624
Other taxation and social security	18	19
Deferred income	324	583
Accrued expenses	169	145
Other creditors	2,068	5,486
	2,967	7,874

* The Directors have reassessed the disclosure of trade and other creditors which was previously classified as a trade debtor. Other creditors of £2,399,000 payable at 31 March 2015 has been restated and disclosed as a current liability. There is no impact on net assets, profit or loss or reserves.

Notes (continued)

16 Employee benefits

The Company operates defined contribution retirement benefit schemes for all qualifying employees. The assets of the schemes are held separately from those of the Company in independently administered funds. The pension charge for the period is shown in note 7 to the financial statements. There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

17 Share Capital

	2016 £'000	2015 £'000
<i>Allotted, called up and fully paid</i>		
5,970,000 Ordinary shares of £1 each	5,970	5,970
33,993,155 Preference shares of £1 each	33,993	33,993
	39,963	39,963

18 Financial instruments

Fair values of financial instruments

The table below analyses financial instruments, into a fair value hierarchy based on the valuation technique used to determine fair value.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The following table show the valuation techniques used for Level 2 fair values. There are no financial instruments that are classified as Level 1 or Level 3.

Loans and receivables

The fair value of trade and other debtors is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date.

Financial liabilities measured at amortised cost

The fair value of loans payable, trade and other creditors is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the balance sheet date.

Notes (continued)

18 Financial instruments (continued)

The fair values of all financial assets and financial liabilities by class together with their carrying amounts shown in the balance sheet are as follows:

IAS 39 categories of financial Instruments	Carrying amount	Fair value	Level 2	Restated***	Fair value	Level 2
	2016	2016	2016	Carrying amount	2015	2015
	£'000	£'000	£'000	£'000	£'000	£'000
Loans and receivables						
Cash and cash receivables	-	-	-	5,618	-	-
Trade and other debtors (note 10)(*)	4,108	4,108	4,108	6,849	6,849	6,849
Finance lease receivables (note 11)	117,217	-	-	92,352	-	-
Total loans and receivables	121,325	-	-	104,819	-	-
Total financial assets	121,325	-	-	104,819	-	-
Financial liabilities measured at amortised cost						
Bank overdraft (note 13)	(20,907)	-	-	-	-	-
Loans payable to group undertakings (note 14)	(16,870)	(16,870)	(16,870)	(22,613)	(22,613)	(22,613)
Trade and other creditors (note 15)	(2,474)	(2,474)	(2,474)	(7,146)	(7,146)	(7,146)
(**)						
Total financial liabilities measured at amortised cost	(40,251)	-	-	(29,759)	-	-
Total financial liability	(40,251)	-	-	(29,759)	-	-
Total financial instruments	81,074	-	-	75,060	-	-

*Trade and other debtors are excluding deferred tax assets, prepayments and accrued income

**Trade and other creditors are excluding deferred income and accrued expenses.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. The Company manages this risk by credit checking each potential customer and assigning it a risk category. Each customer is then given a credit limit.

Exposure to credit risk

The maximum exposure to credit risk at the balance sheet date by class of financial instrument was;

	2016	Restated***
	£'000	2015
	£'000	£'000
Trade and other debtors (note 10) (*)	4,108	6,849
Finance lease receivables (note 11)	117,217	92,352
	121,325	99,201

*Trade and other debtors are excluding deferred tax assets, prepayments and accrued income.

Notes (continued)

18 Financial instruments (continued)

Credit quality of financial assets and impairment losses

The aging of trade and other debtors at the balance sheet date was:

	Gross 2016 £'000	Impairment 2016 £'000	Restated*** Gross 2015 £'000	Impairment 2015 £'000
Not past due	1,880	8	2,588	36
Past due [0-30 days]	706	3	1,421	5
Past due [31-120 days]	1,538	240	1,602	483
More than 120 days	755	520	2,400	638
	4,879	771	8,011	1,162

The aging of finance lease receivables at the balance sheet date was:

	Gross 2016 £'000	Impairment 2016 £'000	Gross 2015 £'000	Impairment 2015 £'000
Not past due	118,072	855	93,563	1,211
Past due [0-30 days]	-	-	-	-
Past due [31-120 days]	-	-	-	-
More than 120 days	-	-	-	-
	118,072	855	93,563	1,211

The Company's impairment policy provides for finance lease receivables that are past due based on their age and the risk profile of the customer.

The movement in the allowance for impairment in respect of trade receivables and finance lease receivables during the year was as follows:

	2016 £'000	2015 £'000
Balance at 1 April	2,373	3,160
Movement in allowance	(747)	(787)
Balance at 31 March	1,626	2,373

The allowance accounts for trade receivables and finance receivables are used to record impairment losses where the Company is uncertain that recovery of the amount owing is possible. At the point that the amounts are considered irrecoverable they are written off against the allowances directly.

Notes (continued)

18 Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company participates in the Group pooling arrangements and this ensures that the liquidity risk is minimised.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

	Carrying amount 2016 £'000	Contractual cash flows 2016 £'000	1 year or less 2016 £'000	Restated*** Carrying amount 2015 £'000	Contractual cash flows 2015 £'000	1 year or less 2015 £'000
Non-derivative financial liabilities						
Loans and receivables						
Bank overdraft (note 13)	20,907	20,907	20,907	-	-	-
Loans payable to group undertakings (note 14)	16,890	16,890	16,890	22,613	22,613	22,613
Trade and other creditors (note 15) *	2,474	2,474	2,474	7,146	7,146	7,146
Total loans and receivables	40,271	40,271	40,271	29,759	29,759	29,759

*Trade and other creditors are excluding deferred income and accrued expenses.

*** The Directors have reassessed the disclosure of trade and other creditors which was previously classified as a trade debtor. Other creditors of £2,399,000 payable at 31 March 2015 has been restated and disclosed as a current liability. There is no impact on net assets, profit or loss or reserves.

Capital Management

Capital availability is controlled at a Group level. If the Company's capital requirements exceed the level of capital available then existing finance lease receivables may be sold to provide capital to fund future business.

19 Contingent Liabilities

At 31 March 2016, the Company had no contingent liabilities (2015: £nil) in respect of utilisation of banking facilities.

20 Related parties

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries.

21 Ultimate parent

The Company's immediate parent is Ricoh Europe Holdings PLC registered in England and Wales and the Company's ultimate parent company is Ricoh Company, Ltd., incorporated in Japan.

The parent undertaking of the smallest group for which consolidated accounts are prepared, and in which the results of the Company are included, is Ricoh Europe Holdings PLC. Copies of these consolidated accounts can be obtained from 20, Triton Street, London, NW1 3BF. The parent undertaking of the largest group is Ricoh Company, Ltd. Copies of the consolidated financial statements can be obtained from Ricoh Building, 8-13-1 Ginza, Chuo-ku, Tokyo 104-8222 Japan.