

Ricoh Capital Limited
Strategic Report, Directors' Report and
Financial Statements

Registered number 3001351

31 March 2019



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Strategic report

The Directors present their strategic report for the year ended 31 March 2019.

Principal activities

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

Results

The profit for the year of £6.6m (2018: £6.8m) has been transferred to reserves.

Business review

The value of the lease portfolio increased by 3.2% in the year to 31 March 2019 (increased by 15.5% in the year to 31 March 2018).

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:

	2019	2018
Interest cover	23.5	22.3
Return on Leased Assets	3.90%	5.0%
Profit on ordinary activities before tax	£8.1m	£8.2m

Principal risks and uncertainties

The key risks and uncertainties facing the Company are:

Political risk: There are currently no known impacts expected during the financial year arising from Brexit however we recognise that these may arise as the political situation develops and therefore the Group continues to closely monitor developments in the UK political arena, and the external economic environment.

Competitor risk: Failure to compete with competitors on areas including price, product range, quality and service could have an adverse effect on the Group's financial results. Please refer to Future trends and developments section.

People risk: Failure to attract, retain and motivate the best people with the right capabilities at all levels of the operation would be detrimental to the success of the Group.

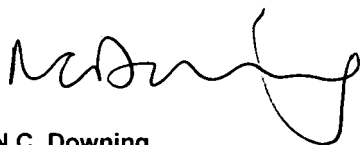
Foreign currency risk: Certain forecasted transactions and assets are exposed to foreign currency risk. The risk is managed through the use of forward and swap contracts to lock in fixed rates, thereby reducing volatility. In the opinion of the directors, our policy for managing FX risk remains appropriate following the trigger of the Brexit process.

Strategic Report (Continued)

Future developments

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

By order of the Board

A handwritten signature in black ink, appearing to read 'N.C. Downing', with a stylized flourish at the end.

N.C. Downing
Company Secretary

10 September 2019

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 2019.

The Company has chosen, in accordance with the Companies Act 2006 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 £6.6m (2018: £6.8m) has been transferred to reserves. The directors do not recommend the payment of a dividend (2018: £nil).

Directors

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

N.C. Downing
D. Kemmitt
T. Stuart – Since 30 April 2018

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

In line with parent company's decision, KPMG LLP ceased to hold office and Deloitte LLP has been appointed auditors for the financial year ending 31 March 2020.

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

10 September 2019

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;
- 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 Ricoh Capital Limited

Opinion

We have audited the financial statements of Ricoh Capital Limited ("the company") for the year ended 31 March 2019 which comprise the Profit and Loss Account, Balance Sheet, and Statement of Changes in Equity and related notes, including the accounting policies in note 3.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit 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.

The Impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and company's future prospects and performance. Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

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").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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 absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

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 the 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.

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.



Heidi Broom-Hirst (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square,
London,
E14 5GL
12 September 2019

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

	Note	2019 £'000	2018 £'000
Turnover	5	15,734	15,232
Cost of sales		(153)	(125)
Gross profit		15,581	15,107
Administrative expenses		(6,852)	(6,555)
Operating profit	7	8,729	8,552
Finance costs	6	(616)	(367)
Profit on ordinary activities before tax		8113	8,185
Taxation	10	(1,553)	(1,429)
Profit and total comprehensive income for the year		6,560	6,756

The results above relate to continuing activities.

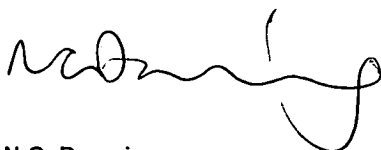
The accompanying notes on pages 10 to 19 form part of the financial statements.

Balance Sheet as at 31 March

	Note	2019 £'000	2018 £'000
Non-Current assets			
Trade and other debtors	11	1,702	2,075
Finance lease receivables	12	105,762	106,158
		107,464	108,233
Current assets			
Trade and other debtors	11	3,421	3,949
Finance lease receivables	12	62,588	56,995
Cash and cash equivalents	14	459	2,148
		66,468	63,092
Total assets		173,932	171,325
Current liabilities			
Loans and borrowings	15	(63,008)	(71,098)
Trade and other creditors	16	(7,893)	(3,756)
		(70,901)	(74,854)
Net current liabilities		(4,433)	(11,762)
Net assets		103,031	96,471
Capital and reserves			
Share capital	18	39,963	39,963
Retained earnings		63,068	56,508
Shareholder's funds		103,031	96,471

The accompanying notes on pages 10 to 19 form part of the financial statements.

These financial statements were approved by the board of directors on 10 September 2019 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 2018	39,963	56,508	96,471
Profit and total comprehensive income for the year	-	6,560	6,560
Balance at 31 March 2019	39,963	63,068	103,031

	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2017	39,963	49,752	89,715
Profit and total comprehensive income for the year	-	6,756	6,756
Balance at 31 March 2018	39,963	56,508	96,471

The accompanying notes on pages 10 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 Changes in significant accounting policies

The Company has initially applied IFRS15 and IFRS9 from 1 April 2018. A number of other new standards are also effective from 1 January 2018 but they do not have a material effect on the Company's financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services.

The company has applied IFRS15 using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under IAS18 and IAS11. The details of accounting policies under IAS18 and IAS11 are disclosed separately if they are different from those under IFRS15 and the impact of changes is disclosed below:

Impacts on financial statements

The impacts of adopting IFRS15 on the Company's statement of financial position as at 31 March 2019 and its statement of profit or loss and OCI for the year and then ended is highly immaterial. No restatement has been made.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments introduces new requirements for classification and measurement, impairment and hedge accounting and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard became effective from 1 January 2018.

Impairment: As at 31 March 2018, financial assets were assessed for impairment using the IAS 39 incurred loss model. Following the adoption of IFRS 9, this was replaced with the expected credit loss model which requires expected credit losses and changes to expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. Financial assets measured at amortised cost or fair value to other comprehensive income ('FVOCI') will be subject to the impairment provisions of IFRS 9. The Company applies the simplified model to recognise lifetime expected credit losses for its trade receivables and other receivables, including those due in greater than 12 months, by making an accounting policy election. The expected loss rate estimated for each ageing period is as follow: Current:3.87%, Overdue 1- 90 days:3.87%, Overdue 91-180 days 20%, Overdue 181-360 days: 40% and Overdue over 360 days:100%.

The quantitative impact of IFRS 9 on the company's retained earnings at 1 April 2018 relating to the increase in provision for trade receivable is £0.11m. The loss allowance at 31 March 2018 was £0.43m.

3 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.

Notes (continued)

3 Significant Accounting policies (continued)

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 4.

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 Company is in net currently liability position as at year end 31 March 2019. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Support will be provided from parent company if necessary to enable the Company to continue as going concern. 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.

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.

Notes (continued)

3 Significant Accounting policies (continued)

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.

4 Accounting estimates and judgements

In the application of the Company's accounting policies, which are described in note 3, 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 10

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.

Provision for bad debt – note 11

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 13

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.

Notes (continued)

5 Turnover

The Company's turnover comprises:

	2019 £'000	2018 £'000
Lease income	15,405	14,888
Asset protection	329	344
Total turnover	15,734	15,232

6 Finance costs

	2019 £'000	2018 £'000
<i>Interest payable and similar charges</i>		
Bank loans and overdrafts	(616)	(367)
Finance costs	(616)	(367)

7 Operating profit

This is stated after charging:

	2019 £'000	2018 £'000
Audit fees payable for the Company's auditor	52	52

8 Staff numbers and costs

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

	Number of employees	
	2019	2018
<i>Areas of employment</i>		
Administration	2	18

The aggregate payroll costs of these persons were as follows:

	2019 £'000	2018 £'000
Wages and salaries	349	707
Social security costs	41	67
Pension costs - defined contribution (note 17)	7	16
	397	790

9 Directors' remuneration

The number of directors at 31 March 2019 amounted to 3 (2018: 3) and of these, 1 (2018: 1) was remunerated directly by the Company and as set out below. The other directors were remunerated within the wider Ricoh Group.

	2019 £'000	2018 £'000
Directors' emoluments	149	142
Pension costs - defined contribution	-	-
	149	142
<i>Highest paid director:</i>		
Directors' emoluments	149	142
Pension costs - defined contribution	-	-
	149	142

Notes (continued)

10 Taxation

Recognised in the income statement

	2019 £'000	2018 £'000
<i>United Kingdom corporation tax</i>		
Corporation tax based on the profit for the year	1,124	1,038
Adjustments in respect of previous years	56	(65)
Total current tax charge	1,180	973
<i>Deferred tax (note 13)</i>		
Origination and reversal of temporary differences	373	456
Total deferred tax charge	373	456
Total income tax expense on profit on ordinary activities	1,553	1,429

Reconciliation of effective tax rate

	2019 £'000	2018 £'000
The total tax expense for the year is higher (2018: lower) than the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below.		
Profit on ordinary activities before tax	8,465	8,185
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	1,541	1,555
Effects of:		
Permanent differences	-	(8)
Effect of tax rate changes	(44)	(53)
Adjustment in respect of prior periods	56	(65)
Total tax expense for the year (see above)	1,553	1,429

Factors affecting the future tax charge

A reduction in the UK corporation tax rate from 19% to 18% (effective 1 April 2020) was substantively enacted on 26 October 2015. A further reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. 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.

11 Trade and other debtors

	2019 £'000	2018 £'000
<i>Amounts falling due within one year</i>		
Trade debtors	3,142	3,575
Prepayments and accrued income	278	347
Other debtors	1	27
	3,421	3,949
<i>Amounts falling due after more than one year</i>		
Deferred taxation (note 13)	1,702	2,075
	1,702	2,075

Notes (continued)

12 Finance lease receivables

	Minimum lease payments	
	2019	2018
	£'000	£'000
<i>Amounts receivable under finance leases</i>		
Within one year	73,851	67,384
In the second to fifth years inclusive	116,840	116,181
After five years	82	106
	190,773	183,671
Less: unearned finance income	(22,423)	(20,518)
Present value of minimum lease payments receivable	168,350	163,153
	Present value of minimum lease payments	
	2019	2018
	£'000	£'000
<i>Present value of minimum lease payment receivables</i>		
Within one year	62,588	56,995
In the second to fifth years inclusive	105,682	106,055
After five years	80	103
Present value of minimum lease payments receivable	168,350	163,153
	2019	2018
	£'000	£'000
<i>Analysed as:</i>		
Non-current finance lease receivables	105,762	106,158
Current finance lease receivables	62,588	56,995

Finance lease receivables with a carrying value of £nil were sold during the year (2018: £nil).

13 Deferred tax asset

Deferred tax

	2019	2018
	Asset	Asset
	£'000	£'000
Accelerated depreciation for tax purposes	1,702	2,075
Deferred tax asset	1,702	2,075

Reconciliation of movements in deferred tax

	March 2018	Recognised in profit and loss	March 2019
	£'000	£'000	£'000
Accelerated depreciation for tax purposes	2,075	(373)	1,702
Deferred tax asset	2,075	(373)	1,702

14 Cash and cash equivalents

	2019	2018
	£'000	£'000
Bank balances	459	2,148
Cash and cash equivalents	459	2,148

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.

Notes (continued)

15 Loans and borrowings

	2019 £'000	2018 £'000
Current liabilities		
Loans payable to group undertakings	63,008	71,098
	63,008	71,098

16 Trade and other creditors

	2019 £'000	2018 £'000
Current		
Trade creditors	509	-
Amount owed to group undertakings	4,166	-
Corporation taxation	2,219	1,770
Other taxation and social security	360	15
Deferred income	160	186
Accrued expenses	166	227
Other creditors	313	1,558
	7,893	3,756

17 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 8 to the financial statements. There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

18 Share Capital

	2019 £'000	2018 £'000
Allotted, called up and fully paid		
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

19 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.

Notes² (continued)

19 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:

	Carrying Amount 2019 £'000	Fair Value 2019 £'000	Level 2 2019 £'000	Carrying Amount 2018 £'000	Fair Value 2018 £'000	Level 2 2018 £'000
IFRS 9 categories of financial Instruments						
Loans and receivables						
Trade and other debtors (note 11)(*)	3,143	3,143	3,143	3,602	3,602	3,602
Finance lease receivables (note 12)	168,350	168,350	168,350	163,153	163,153	163,153
Total loans and receivables	171,493	171,493	171,493	166,755	166,755	166,755
Total financial assets	171,493	171,493	171,493	166,755	166,755	166,755
Financial liabilities measured at amortised cost						
Loans payable to group undertakings (note 15)	(67,174)	(67,174)	(67,174)	(71,098)	(71,098)	(71,098)
Trade and other creditors (note 16) (**)	(5,154)	(5,154)	(5,154)	(3,570)	(3,570)	(3,570)
Total financial liabilities measured at amortised cost	(72,328)	(72,328)	(72,328)	(74,668)	(74,668)	(74,668)
Total financial liability	(72,328)	(72,328)	(72,328)	(74,668)	(74,668)	(74,668)
Total financial instruments	99,165	99,165	99,165	92,087	92,087	92,087

*Trade and other debtors are excluding prepayments

**Trade and other creditors are excluding deferred income, corporation tax and other tax and social security

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:

	2019 £'000	2018 £'000
Trade and other debtors (note 11) (*)	3,143	3,602
Finance lease receivables (note 12)	168,350	163,153
	171,493	166,755

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

Notes (continued)

19 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 2019 £'000	Impairment 2019 £'000	Gross 2018 £'000	Impairment 2018 £'000
Not past due	1,646	64	2,729	7
Past due [0-30 days]	786	29	129	2
Past due [31-120 days]	801	38	1,185	432
More than 120 days	210	169	98	98
	3,443	300	4,141	539

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

	Gross 2019 £'000	Impairment 2019 £'000	Gross 2018 £'000	Impairment 2018 £'000
Not past due	168,350	1,094	163,153	604
Past due [0-30 days]	-	-	-	-
Past due [31-120 days]	-	-	-	-
More than 120 days	-	-	-	-
	168,350	1,094	163,153	604

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:

	2019 £'000	2018 £'000
Balance at 1 April	1,143	973
Movement in allowance	251	170
Balance at 31 March	1,394	1,143

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)

19 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 2019 £'000	Contractual cash flows 2019 £'000	1 year or less 2019 £'000	Carrying amount 2018 £'000	Contractual cash flows 2018 £'000	1 year or less 2018 £'000
Non-derivative financial liabilities						
Loans and receivables						
Loans payable to group undertakings (note 15)	67,174	67,174	67,174	71,098	71,098	71,098
Trade and other creditors (note 16) *	1,339	1,339	1,339	3,570	3,570	3,570
Total loans and receivables	68,513	68,513	68,513	74,668	74,668	74,668

*Trade and other creditors are excluding deferred income, corporation tax and other tax and social security

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.

20 Contingent Liabilities

At 31 March 2019, the Company had no contingent liabilities (2018: £nil) in respect of utilisation of banking facilities.

21 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.

22 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 3-6, Nakamagome 1-chome, Ohta-ku, Tokyo 143-8555 Japan.

23 Subsequent events

There has been no subsequent events after 31 March 2019 to the date of the audit report.