

Registration number: 03672105

LK Group Limited

Strategic Report, Director's Report and Financial Statements
for the Year Ended 31 March 2015

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COMPANIES HOUSE

LK Group Limited

Company Information

Director	Mr H Kosawa
Company secretary	Mr H Sonobe
Registered office	Argosy Road Nottingham East Midlands Airport Castle Donington Derby DE74 2SA
Solicitors	Molesworth Bright Clegg Octagon House 25-27 Yorkshire Street Rochdale OL16 1RH
Auditor	Deloitte LLP Chartered Accountants and Statutory Auditor 1 Woodborough Road Nottingham NG1 3FG

LK Group Limited

Strategic Report for the Year Ended 31 March 2015

The director presents his strategic report and the audited financial statements for the year ended 31 March 2015.

Review of the business

The principal activity of the company is to act as an intermediate holding company.

The company has not traded during the year and the only movements that have arisen relate to the receipt of interest from group undertakings and the liquidation of a subsidiary.

Principal risks and uncertainties

The company does not undertake any transactions external to the Nikon Metrology group and is entirely funded by intergroup borrowings. It is therefore not exposed to any significant risks relating to liquidity, interest rates, foreign currency movements or credit risks.

Going concern

As the director anticipates that the company will not trade for the foreseeable future and intends to liquidate the company, these financial statements are prepared on a basis other than going concern. No adjustments were necessary to the value at which the remaining assets and liabilities are included in these financial statements

The company is dependent on continuing finance being made available by its immediate parent company to enable it to meet its liabilities as they fall due. The immediate parent company, Nikon Metrology NV, has expressed its willingness to provide financial support to LK Group Limited in order to assist the company in meeting its liabilities as and when they fall due, but only to the extent that money is not otherwise available to the company to meet such liabilities.

Future prospects

The director anticipates that the company will be liquidated in the future.

Approved by the director on 06/07/2015



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Mr H Kosawa
Director

LK Group Limited

Director's Report for the Year Ended 31 March 2015

The director presents his report and the audited financial statements for the year ended 31 March 2015.

Director of the company

Mr H Kosawa was appointed as director on 1 July 2014 and held office to the date of this report. The previous director was Mr K Yoshikawa who resigned on 1 July 2014.

Director's liabilities

The company has granted an indemnity to its director against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the director's report


Disclosure of information to the auditor

The director has taken steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information. The director confirms that there is no relevant information that he knows of and which he knows the auditor is unaware of. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Deloitte LLP as auditor of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the director on 06/07/2015


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Mr H Kosawa
Director

LK Group Limited

Statement of Director's Responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Independent Auditor's Report to the Members of LK Group Limited

We have audited the financial statements of LK Group Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 the director and auditor

As explained more fully in the Statement of Director's Responsibilities, the director is 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report to the Members of LK Group Limited

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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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Alistair Pritchard FCA

Alistair Pritchard FCA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Nottingham, United Kingdom

Date *9th July 2015*

LK Group Limited

Profit and Loss Account for the Year Ended 31 March 2015

		Year Ended 31 March 2015	Year Ended 31 March 2014
	Note	£000	£000
Interest receivable and similar income	5	<u>2</u>	<u>2</u>
Profit on ordinary activities before taxation		2	2
Tax on profit on ordinary activities	6	<u>-</u>	<u>-</u>
Profit for the financial year	13, 14	<u><u>2</u></u>	<u><u>2</u></u>

The company has no recognised gains or losses for the current or prior year other than the results above.

The income was derived from discontinued activities.

The notes on pages 9 to 14 form an integral part of these financial statements.

LK Group Limited (Registration number: 03672105)

Balance Sheet at 31 March 2015

	Note	31 March 2015 £000	31 March 2014 £000
Fixed assets			
Investments	7	-	11,431
Current assets			
Investments	8	11,431	-
Debtors	9	<u>105</u>	<u>103</u>
		11,536	103
Creditors: Amounts falling due within one year	10	<u>(16,370)</u>	-
Net current (liabilities)/ assets		(4,834)	11,534
Creditors: Amounts falling due after more than one year	11	<u>-</u>	<u>(16,370)</u>
Net liabilities		<u>(4,834)</u>	<u>(4,836)</u>
Capital and reserves			
Called up share capital	12	12	12
Share premium account	13	16,888	16,888
Profit and loss account	13	<u>(21,734)</u>	<u>(21,736)</u>
Shareholders' deficit	14	<u>(4,834)</u>	<u>(4,836)</u>

These financial statements were approved and authorised for issue by the director on 06/07/2015



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Mr H Kosawa
Director

The notes on pages 9 to 14 form an integral part of these financial statements.

LK Group Limited

Notes to the Financial Statements for the Year ended 31 March 2015

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards. The particular accounting policies are described below and have been applied consistently with the prior period.

Cash flow statement

As the company is a wholly owned subsidiary and its parent publishes consolidated financial statements, the director has taken advantage of the exemption in Financial Reporting Standard No.1 (revised) from including a cash flow statement in the financial statements.

Going concern

As the director anticipates that the company will not trade for the foreseeable future and intends to liquidate the company, these financial statements are prepared on a basis other than going concern. No adjustments were necessary to the value at which the remaining assets and liabilities are included in these financial statements

The company is dependent on continuing finance being made available by its immediate parent company to enable it to meet its liabilities as they fall due. The immediate parent company, Nikon Metrology NV, has expressed its willingness to provide financial support to LK Group Limited in order to assist the company in meeting its liabilities as and when they fall due, but only to the extent that money is not otherwise available to the company to meet such liabilities

Exemption from preparing group financial statements

The company is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

LK Group Limited

Notes to the Financial Statements for the Year ended 31 March 2015

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1 Accounting policies (continued)

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2 Auditor's remuneration

The auditor's remuneration of £4,350 (prior year - £4,000) has been borne by Nikon Metrology UK Limited. No non-audit fees were charged to the company for the year ended 31 March 2015 (2014 - £nil).

3 Particulars of employees

The average number of persons employed by the company (including the director) during the year, analysed by category was as follows:

	Year Ended 31 March 2015	Year Ended 31 March 2014
	No.	No.
Management	<u>1</u>	<u>1</u>

4 Director's remuneration

For the year to 31 March 2015 and the year to 31 March 2014 the director's emoluments have been borne by another group company. The director is also a director or officer of a number of companies within the Nikon Corporation. The director's services to the company do not occupy a significant amount of his time. As such the director does not consider that he has received any remuneration for his incidental services to the company for the period.

LK Group Limited

Notes to the Financial Statements for the Year ended 31 March 2015

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5 Interest receivable and similar income

	Year Ended 31 March 2015	Year Ended 31 March 2014
	£000	£000
Interest on amounts owed from group undertakings	<u>2</u>	<u>2</u>

6 Taxation

Tax on profit on ordinary activities

	Year Ended 31 March 2015	Year Ended 31 March 2014
	£	£
Current tax		
UK Corporation tax	<u>-</u>	<u>-</u>

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 21% (2014 - 23%).

The differences are reconciled below:

	Year Ended 31 March 2015	Year Ended 31 March 2014
	£000	£000
Profit on ordinary activities before taxation	<u>2</u>	<u>2</u>
Corporation tax at standard rate	<u>1</u>	<u>1</u>
Non-taxable income	<u>(1)</u>	<u>(1)</u>
Total current tax	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. This will reduce the Company's future current tax charge accordingly.

As at 31 March 2015 there were £nil (2014 - £nil) deferred tax balances available for recognition.

LK Group Limited

Notes to the Financial Statements for the Year ended 31 March 2015

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7 Investments held as fixed assets

	31 March 2015	31 March 2014
	£000	£000
Shares in group undertakings	-	-
Loans to group undertakings	-	11,431
	<u>-</u>	<u>11,431</u>

Loans to group undertakings

The company has reclassified the loan to a fellow subsidiary from fixed assets to current assets due to the parent company's intention to settle the balance through a restructure of group intercompany balances.

Shares in group undertakings

During the year the company dissolved its subsidiary undertaking, LK Investments Limited.

8 Investments held as current assets

	31 March 2015	31 March 2014
	£000	£000
Loans to group undertakings	<u>11,431</u>	<u>-</u>

The amount owed from group undertakings of £11,431,000 is interest free and repayable upon demand.

9 Debtors: Amounts due within one year

	31 March 2015	31 March 2014
	£000	£000
Amounts owed by group undertakings	<u>105</u>	<u>103</u>

The amount owed to group undertakings of £105,000 (2014 - £103,000) is interest bearing. Interest on this amount is charged at 2.0% above EURIBOR.

LK Group Limited

Notes to the Financial Statements for the Year ended 31 March 2015

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10 Creditors: Amounts falling due within one year

	31 March 2015	31 March 2014
	£000	£000
Amounts owed to group undertakings	16,370	-

The loan owed from the intermediate parent undertaking, Nikon Metrology NV, has no fixed repayment period.

11 Creditors: Amounts falling due after more than one year

	31 March 2015	31 March 2014
	£000	£000
Amounts owed to group undertakings	-	16,370

The company has reclassified the loan owed to group undertakings from long term liabilities to current liabilities due to the parent company's intention to settle the balance through a restructure of group intercompany balances.

12 Share capital

Allotted, called up and fully paid shares

	31 March 2015		31 March 2014	
	No. 000	£000	No. 000	£000
"A" ordinary shares of £0.01 each	144	1	144	1
"B" ordinary shares of £0.01 each	1,100	11	1,100	11
	<u>1,244</u>	<u>12</u>	<u>1,244</u>	<u>12</u>

The different classes of share capital rank equally in all respects.

13 Reserves

	Share premium account	Profit and loss account	Total
	£	£	£
At 1 April 2014	16,888	(21,736)	(4,848)
Profit for the year	-	2	2
At 31 March 2015	<u>16,888</u>	<u>(21,734)</u>	<u>(4,846)</u>

LK Group Limited

Notes to the Financial Statements for the Year ended 31 March 2015

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14 Reconciliation of movement in shareholders' deficit

	Year Ended 31 March 2015	Year Ended 31 March 2014
	£	£
Profit attributable to the members of the company	2	2
Shareholders' deficit at start of the year	(4,836)	(4,838)
Shareholders' deficit at end of year	<u>(4,834)</u>	<u>(4,836)</u>

15 Related party transactions

As a wholly owned subsidiary undertaking of the Nikon Corporation, the company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other wholly owned members of the group headed by the Nikon Corporation.

16 Ultimate parent undertaking and controlling entity

The company is controlled by the Nikon Corporation. On 31 March 2015 the company's immediate parent undertaking was Nikon Metrology NV, the parent company of the Nikon Metrology Group. Nikon Metrology NV is in turn a wholly owned subsidiary of the Nikon Corporation, a listed company incorporated in Japan. In the director's opinion, the Nikon Corporation was the company's ultimate parent undertaking and controlling party at that date.

At the year end the largest and smallest group of which LK Group Limited was a member and for which group financial statements were drawn up was headed by the Nikon Corporation. Copies of the group financial statements, which include those of the company, are available from Shinagawa Intercity Tower C, 2-15-3, Konan Minato-ku, Tokyo 108-6290, Japan.