

Registered number: 04616794

**Daikin Airconditioning UK Limited**

**Annual report and financial statements**

**for the year ended 31 March 2022**



# **Daikin Airconditioning UK Limited**

## **Company information**

<b>Directors</b>	M Dyer B Van Hauwermeiren H Ishikawa W De Schacht
<b>Company secretary</b>	M Vares
<b>Registered number</b>	04616794
<b>Registered office</b>	The Heights Brooklands Weybridge Surrey KT13 0NY
<b>Independent auditor</b>	Deloitte LLP Statutory Auditor One Station Square Cambridge CB1 2GA United Kingdom

# **Daikin Airconditioning UK Limited**

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# **Daikin Airconditioning UK Limited**

## **Strategic report for the year ended 31 March 2022**

The directors present their Strategic report on the company for the year ended 31 March 2022.

### **Review of business**

The company is the primary distributor of the Daikin Heating, Ventilation, Air Conditioning and Refrigeration (HVACR) product range in the UK market with a primary focus on air conditioning units.

Historically, the company has mainly focused on the UK commercial climate control market where it is one of the market leaders. Within this market it sells air conditioning, ventilation and applied products, mainly to professional installers, dealers and wholesalers.

Turnover increased by £59,437,000 from £151,610,000 in the prior year to £211,047,000 in the current year. This performance was largely due to the company recovering following the COVID-19 pandemic and regaining its position with the market after the multiple COVID-19 lockdowns.

No dividends have been paid in the current period (2021: £Nil).

Wages and salaries increased to £18,160,000 in the current year (2021: £13,106,000), a significant increase from the previous year. This is in part explained by the 11% increase in employees during the year to support the company's recovery after the COVID-19 pandemic and the resulting increase in revenue and profitability.

The Daikin group continuously invests in the development of revenue from the domestic heating market, introducing air-to-water heat pumps and hybrid systems as a renewable and alternative heating system to the traditional boiler systems. The development of this market is due to accelerate in the near future as the government is committed to encourage renewable heat with its carbon reduction target to meet carbon net zero by 2050 in the UK.

The company continued to diversify its business, mainly towards renewable heating solutions which, driven by government incentives and legislation which will ban the installation of gas and oil boilers in new homes by 2025, means this is a growing market.

During the year, the company continued to monitor and prevent the effects of the COVID-19 pandemic and the company will continue to follow any future national policies and advice, and will continue operations in the best and safest way possible without jeopardising the health of its people.

With market conditions expected to stay tough over the next few years, the company is dedicated to continue to expand market share and control its operational costs in order to ensure a healthy financial situation. The company has continuous improvement projects which range from optimising its operational set up but also relate to strict follow up of operational expenses.

# **Daikin Airconditioning UK Limited**

## **Strategic report (continued) for the year ended 31 March 2022**

### **Section 172 (1) statement**

The directors of the company must act in accordance with a set of general duties. These duties are detailed in Section 172 of the UK Companies Act 2006 which is summarised as follows:

A director of a company must act in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- The likely consequences of any decisions in the long term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly as between members of the company.

The directors fulfil their duties partly through a governance framework that delegates day-to-day decision making to employees of the company.

### **Overview of how the board performed its duties**

#### ***- Our strategy and consideration of the consequences of decisions for the long term***

The strategic plan is designed to have a long term beneficial impact on the company and to contribute to its success in delivering the most efficient and safe solutions to its customers for their heating, ventilation and climate control needs. The company has a clear strategic plan towards 2025 in order to fully capitalise on market opportunities within the UK market, and the directors are directly involved with discussing the strategic plan within the wider group in order to effectively execute the strategic plan.

#### ***- The interests of the company's employees***

The directors place considerable value on the involvement of the company's employees and have continued to keep them informed on matters affecting them as employees and on the factors affecting the performance of the company. This is achieved through formal and informal meetings and the company newsletter. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests. The health, safety and well-being of employees is at the very core of the company's decision making.

#### ***- Business relationships with customers, suppliers and others***

The company has a commitment based on trust and openness with its customers, colleagues, business partners and communities. The company has a strong drive towards long-term partnerships with its re-sellers and customers. The company keeps its customers informed by regularly sending newsletters and holding online information sessions. Furthermore, the company involves its customer network while developing new products for the market.

#### ***- Community and the environment***

The company is aware of its responsibility to protect the environment and its policies and practices strive to keep environmental sustainability high in its decision making. The company is committed to reducing greenhouse gas emissions of its products by reducing the impact of refrigerants and improving energy efficiency, and to make use of sustainable energy sources. There are many initiatives taken by the company to increase recycling. Most notably the company has started to sell certain product ranges that use 100% recycled refrigerants. This has been achieved by launching new recycling initiatives, such as Recycling with Confidence, where the company collects and recycles refrigerants from old installations. This makes the company a pioneer within its industry.

#### ***- Maintaining a reputation for high standards of business conduct***

The company aims to contribute world leading technologies to society, and to anticipate the future needs of customers. The company is committed to building growth through the initiative and excellence of its employees.

# **Daikin Airconditioning UK Limited**

## **Strategic report (continued) for the year ended 31 March 2022**

### **Principal risks and uncertainties**

The principal risks and uncertainties facing the company include the following:

#### **- Market risk**

The company operates in a highly competitive market but the quality and consistency of the company's product and services minimises the risk of losing sales to its key competitors. The company manages this risk by providing innovative products to its customers, having fast response times to customer enquiries and maintaining strong relationships with its customers.

#### **- Product defect risk and warranty**

The company is exposed to the risk of defective products. The company manages the risk of product defects by holding warranty provisions against sales revenue within the warranty period, which varies from 1 – 7 years, depending on product type and customer status.

#### **- Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. In the event that a loss has been identified or occurred a provision has been made for impairment. The company's management further mitigates the risk by obtaining credit insurance against the majority of its customers. The company has low credit risk, due to the exposure being spread over a large number of customers.

#### **- Liquidity risk**

In order to maintain liquidity to ensure sufficient funds are available for ongoing operations and future developments, the company uses a mixture of its own cash reserves and manages the payment of funds to fellow group companies.

#### **- COVID-19 risk**

The COVID-19 pandemic and resulting measurements taken by various governments to contain the virus has continued to impact the company's business in the year ended 31 March 2022. In addition to the already known effects, the macroeconomic uncertainty causes disruption to construction activities and it is unknown what the longer term impact on the business may be. The company will continue to monitor the potential impact of the pandemic on its operations, especially the impact to the global supply chain due to continuing lock downs around the world, which can cause shipping delays and increased cost.

#### **- Political and economic risk**

The impact of recent political and economic matters, in particular the Russian invasion of Ukraine and rising inflation, on the regional and global economy remains uncertain and is difficult to assess in terms of duration and severity. The effect on markets and cost of living may have an adverse impact on the company including future cash flows, there is uncertainty on foreign investment in the construction market as a result, however the potential impact at this stage is not known. The company will continue to monitor market conditions and to evaluate the potential impact, if any, on its operations going forward and the company will act accordingly to mitigate negative impact on its operations.

## **Daikin Airconditioning UK Limited**

### **Strategic report (continued) for the year ended 31 March 2022**

#### **Key financial performance indicators**

The key performance indicators of the company are stock turn days at 10 days (2021: 11 days) and debtor days at 75 days (2021: 87 days). Stock turn days have decreased slightly but the company is still holding stock to mitigate supply chain issues due to Brexit and COVID-19. Debtor days have decreased due to an increase in sales and improved collection of debts.

#### **Future developments**

The company has a wide range of new solutions lined up for the UK market. All these developments relate to the existing heating, ventilation and airconditioning markets the company is active in. The company continues to invest in a European development centre that will enable the company to develop and launch UK specific products and achieve future growth.

This report was approved by the board and authorised for issue on  
signed on its behalf by:

5 August 2022 and

**H Ishikawa**  
**Director**

The Heights  
Brooklands  
Weybridge  
Surrey  
KT13 0NY



# **Daikin Airconditioning UK Limited**

## **Directors' report for the year ended 31 March 2022**

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

### **Results and dividends**

The profit for the year, after taxation, amounted to £6,365,000 (2021: £3,636,000).

During the year, the company did not propose or pay any dividends (2021: £Nil). No dividends have been declared after the year end.

### **Future developments**

An indication of the likely future developments of the company is provided in the Strategic report on page 4 and forms part of this report by cross reference.

### **Events after the balance sheet date**

There have been no significant events after the balance sheet date.

### **Going concern**

The directors have carried out a review of the company's expected performance in conjunction with budgets and cash flow requirements of the business to assess going concern. Whilst the directors recognise that the company remains exposed to the risk of an uncertain environment as a result of the COVID-19 pandemic, and its impact on the global economy, they have considered a number of impacts on sales, profits and cash flows. This review happens regularly throughout the year by the directors to assess business performance.

The directors have assumed that operations remain open and that the company will continue to be able to sell products to its customers. Irrespective of this, the directors believe there will be sufficient cash reserves to enable the company to meet its obligations as they fall due, and has the ability to take mitigating actions should they be required, for a period not less than 12 months from approval of these financial statements. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

### **Directors**

The directors who held office during the year and up to the date of signing the financial statements, unless otherwise stated, are as follows:

M Dyer	
B Van Hauwermeiren	(appointed 15 September 2021)
H Ishikawa	
A McGinlay	(resigned 1 July 2022)
W De Schacht	
T Tsubouchi	(resigned 1 July 2022)
J Umamoto	(resigned 15 September 2021)

### **Financial risk management objectives and policies**

The discussion of financial risk management objectives and policies has been promoted to the Strategic report within the 'Principal risks and uncertainties' section on page 3 and forms part of this report by cross reference.

### **Engagement with employees**

The company's approach to employee engagement is set out in the Strategic report on page 2 in "The interests of the company's employees" section.



# **Daikin Airconditioning UK Limited**

## **Directors' report (continued) for the year ended 31 March 2022**

### **Disabled employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### **Stakeholder engagement**

The company's approach to stakeholder engagement is set out in the Strategic report on page 2 in the "Business relationships with customers, suppliers and others" section.

### **Political contributions**

There have been no political contributions (2021: £Nil).

### **Energy and Carbon report**

The directors set out below details of emissions sources required under the Companies Act 2006 (Strategic report and Directors' reports) Regulations 2018.

The amounts below represent annual quantities of emissions from the company's operations across the UK for the year ended 31 March 2022.

#### **- Transport**

- 205 (2021: 122) tonnes CO<sub>2</sub>e.
- Calculated from business mileage for company car fleet and grey fleet at an average of 40 miles per gallon of diesel and average of 35 miles of petrol, and average 2021 fleet carbon emissions.

#### **- Electricity**

- 120 (2021: 130) tonnes CO<sub>2</sub>e.
- Calculated from billing meters.

#### **- Gas (heating)**

- 0.3 (2021: 2) tonnes CO<sub>2</sub>e.
- Calculated from billing meters.

#### **- kWh aggregate for transport, electricity and gas**

- The aggregate usage for the year was 1,908,794 (2021: 729,041) kWh.

#### **- Energy efficiency improvements**

- The company continued to invest in hybrid cars in its company fleet.
- Staff are regularly returning to offices in a hybrid arrangement with some home working possible, which has meant less commuting to the office than in pre COVID-19 times.
- Conversion factors are taken from UK Government GHG Conversion Factors for Company Reporting 2021 version 2.0.

#### **- Intensity measurement**

- 1.83 (2021: 1.67) tonnes CO<sub>2</sub>e per £m sales revenue.
- 1.13 (2021: 0.94) tonnes CO<sub>2</sub>e per full time equivalent.

## Daikin Airconditioning UK Limited

### Directors' report (continued) for the year ended 31 March 2022

#### Energy and Carbon report (continued)

##### - Environmental management system

- ISO 14001:2015 certified by Lloyds Register.
- Scope includes procurement, assembly and supply of Daikin air-conditioning equipment plus the provision of associated support, services and customer training.

##### - Reclaim with confidence

- Reclaimed refrigerant gas is analysed, cleaned, rebalanced and separated as required to ensure as much as possible is available for future use.
- This reduces demand for virgin product and extends refrigerant life.

##### - Reasons for change in emissions

The company's reported emissions have increased in the year due to more fuel consumption, mainly due to an increase in travel because COVID-19 government restrictions on people's movements were lifted during the year.

#### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

#### Auditor

Deloitte LLP, have expressed their willingness to continue in office as auditor and a resolution to re-appoint them, will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board and authorised for issue on  
on its behalf by:

5 August

2022 and signed

H Ishikawa  
Director

The Heights  
Brooklands  
Weybridge  
Surrey  
KT13 ONY



## **Daikin Airconditioning UK Limited**

### **Directors' responsibilities statement for the year ended 31 March 2022**

The directors are responsible for preparing the annual report and the financial statements of the company in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements of the company for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), comprising Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102").

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 of the company, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Daikin Airconditioning UK Limited**

### **Independent auditor's report to the members of Daikin Airconditioning UK Limited**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of Daikin Airconditioning UK Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

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

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

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

## **Daikin Airconditioning UK Limited**

### **Independent auditor's report to the members of Daikin Airconditioning UK Limited (continued)**

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Daikin Airconditioning UK Limited**

### **Independent auditor's report to the members of Daikin Airconditioning UK Limited (continued)**

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included General Data Protection Regulation (GDPR), Bribery Act 2010 and Health and Safety Act.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- Revenue recognition pinpointed to cut-off risk
  - we obtained a listing of all sales transactions pre-year end and post-year end. For a sample of transactions, we compared the shipping/delivery date to the invoice and revenue recognition date to verify it had been recorded in the correct period.
  - we obtained a list of credit notes raised post-year end in April 2022 to assess whether they were an indicator of incorrect revenue recognition.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

## **Daikin Airconditioning UK Limited**

### **Independent auditor's report to the members of Daikin Airconditioning UK Limited (continued)**

#### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report or the Directors' report.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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 respect of these matters.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Paul Adkins FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
Cambridge  
United Kingdom

Date: 5 August 2022

## Daikin Airconditioning UK Limited

### Profit and loss account for the year ended 31 March 2022

	Note	2022 £000	2021 £000
Turnover	5	211,047	151,610
Cost of sales		(168,946)	(122,044)
<b>Gross profit</b>		<b>42,101</b>	<b>29,566</b>
Administrative expenses		(34,049)	(25,935)
Other operating income	6	44	812
<b>Operating profit</b>		<b>8,096</b>	<b>4,443</b>
Interest receivable and similar income	10	8	33
<b>Profit before taxation</b>	7	<b>8,104</b>	<b>4,476</b>
Tax on profit	11	(1,739)	(840)
<b>Profit for the financial year</b>		<b>6,365</b>	<b>3,636</b>

The notes on pages 16 to 32 are an integral part of these financial statements.

The company's results are derived from continuing operations.

The company has no other comprehensive income for the current and preceding financial year. Therefore no separate statement of comprehensive income has been presented.



# Daikin Airconditioning UK Limited

Registered number: 04616794

## Balance sheet as at 31 March 2022

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Intangible assets	12	109	9
Tangible assets	13	1,232	1,456
		<u>1,341</u>	<u>1,465</u>
<b>Current assets</b>			
Stocks	14	4,825	3,912
Debtors	15	63,107	50,762
Cash at bank and in hand		406	516
		<u>68,338</u>	<u>55,190</u>
Creditors: amounts falling due within one year	16	(36,121)	(30,202)
<b>Net current assets</b>		<u>32,217</u>	<u>24,988</u>
<b>Total assets less current liabilities</b>		<u>33,558</u>	<u>26,453</u>
Deferred tax	17	(89)	
Provisions for liabilities	18	(3,752)	(3,101)
<b>Net assets</b>		<u>29,717</u>	<u>23,352</u>
<b>Capital and reserves</b>			
Called up share capital	19	11,900	11,900
Profit and loss account		17,817	11,452
<b>Total equity</b>		<u>29,717</u>	<u>23,352</u>

The notes on pages 16 to 32 are an integral part of these financial statements.

The financial statements of the company were approved by the board of directors and authorised for issue on 5 August 2022 and were signed on its behalf by:

H Ishikawa  
Director



## Daikin Airconditioning UK Limited

### Statement of changes in equity for the year ended 31 March 2022

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 April 2021	11,900	11,452	23,352
Profit for the financial year, representing total comprehensive income	-	6,365	6,365
At 31 March 2022	11,900	17,817	29,717

### Statement of changes in equity for the year ended 31 March 2021

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 April 2020	11,900	7,816	19,716
Profit for the financial year, representing total comprehensive income	-	3,636	3,636
At 31 March 2021	11,900	11,452	23,352

The notes on pages 16 to 32 are an integral part of these financial statements.

# **Daikin Airconditioning UK Limited**

## **Notes to the financial statements for the year ended 31 March 2022**

### **1. General information**

The company is the primary distributor of the Daikin Heating, Ventilation, Air Conditioning and Refrigeration (HVACR) product range in the UK market with a primary focus on air conditioning units.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is The Heights, Brooklands, Weybridge, Surrey, KT13 ONY.

### **2. Statement of compliance**

The individual financial statements of the company have been prepared in compliance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102") and the Companies Act 2006.

### **3. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **3.1 Basis of preparation**

These financial statements have been prepared on a going concern basis, under the historical cost convention.

The company's functional and presentational currency is the pound sterling.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

#### **3.2 Going concern**

The directors have carried out a review of the company's expected performance in conjunction with budgets and cash flow requirements of the business to assess going concern. Whilst the directors recognise that the company remains exposed to the risk of an uncertain environment as a result of the COVID-19 pandemic, and its impact on the global economy, they have considered a number of impacts on sales, profits and cash flows. This review happens regularly throughout the year by the directors to assess business performance.

The directors have assumed that operations remain open and that the company will continue to be able to sell products to its customers. Irrespective of this, the directors believe there will be sufficient cash reserves to enable the company to meet its obligations as they fall due, and has the ability to take mitigating actions should they be required, for a period not less than 12 months from approval of these financial statements. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

## **Daikin Airconditioning UK Limited**

### **Notes to the financial statements for the year ended 31 March 2022**

#### **3. Summary of significant accounting policies (continued)**

##### **3.3 Exemptions for qualifying entities under FRS 102**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- preparing a statement of cash flows;
- related party transactions with wholly owned members within the Daikin group;
- disclosure of key management personnel compensation; and
- preparing certain financial instrument disclosures.

The company has taken advantage of these exemptions on the basis that it meets the definition of a qualifying entity and its ultimate parent undertaking, Daikin Industries Limited, includes the related disclosures in its own consolidated financial statements. Details of where those financial statements may be obtained can be found in note 21.

Other than the exemptions taken above, the company has applied the recognition, measurement and disclosure requirements of FRS 102.

##### **3.4 Foreign currency**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period-end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

##### **3.5 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods and services supplied, net of returns, discounts and rebates allowed by the company and value added taxes.

The company recognises product revenue when the goods are physically delivered to the customer. The company recognises service revenue in accordance with the type of contract. Service repair revenue is recognised at the point of customer acceptance. Maintenance contract revenue is recognised over the life of that contract, or by a percentage of completion in a more complicated service contract. Where payments are received from customers in advance of the goods or services being delivered, they are recorded as deferred income and the amounts are included as part of creditors due within one year.

Interest income is recognised using the effective interest rate method.

##### **3.6 Interest payable**

Interest payable is recognised in the profit and loss account in the year in which the interest expense is incurred.

# **Daikin Airconditioning UK Limited**

## **Notes to the financial statements for the year ended 31 March 2022**

### **3. Summary of significant accounting policies (continued)**

#### **3.7 Employee benefits**

The company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

##### **(i) Short term benefits**

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

##### **(ii) Annual bonus plan**

The company operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

##### **(iii) Defined contribution pension scheme**

The company operates a defined contribution scheme for its employees. A defined contribution scheme is a pension scheme under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense in the relevant month. Amounts not paid are shown in accruals in the balance sheet. The assets of the scheme are held separately from the company in independently administered funds.

#### **3.8 Government grants**

Government grants are recognised when there is reasonable assurance that the company will comply with the conditions attaching it to them and the grant will be received.

Government grants are accounted for under the accrual model as permitted by Section 24 of FRS 102.

## **Daikin Airconditioning UK Limited**

### **Notes to the financial statements for the year ended 31 March 2022**

#### **3. Summary of significant accounting policies (continued)**

##### **3.9 Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred tax assets and liabilities are not discounted.

##### **(i) Current tax**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### **(ii) Deferred tax**

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in the tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

##### **3.10 Intangible fixed assets**

Intangible fixed assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method to allocate the depreciable amount of the assets to their residual value over their estimated useful lives as described below.

Computer software is amortised over its estimated useful life, of between three and five years, on a straight-line basis.

# Daikin Airconditioning UK Limited

## Notes to the financial statements for the year ended 31 March 2022

### 3. Summary of significant accounting policies (continued)

#### 3.11 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and provision for future impairment.

Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, on a straight-line basis, by equal annual instalments over their estimated useful economic lives as follows:

Leasehold improvements	-	5 - 8 years
Fixtures, fittings and computer equipment	-	3 - 5 years

#### 3.12 Operating leased assets

Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

#### 3.13 Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the profit and loss account.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

#### 3.14 Stocks

Stock is stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost method. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposals. Provision is made for obsolete, slow-moving or defective items where appropriate.

# **Daikin Airconditioning UK Limited**

## **Notes to the financial statements for the year ended 31 March 2022**

### **3. Summary of significant accounting policies (continued)**

#### **3.15 Cash and cash equivalents**

Cash and cash equivalents includes short term deposits held with banks and bank overdrafts.

Bank overdrafts are shown within current liabilities.

#### **3.16 Provisions**

Provisions for warranties and product liability, lease restoration and legal claims are recognised when: the company has a legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation and; the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are discounted where the time value of money is material.

Where there are a number of similar obligations, for example where a warranty provision has been given, the likelihood that an outflow will be required in settlement is determined by considering the class of the obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

#### **3.17 Financial Instruments**

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### **(i) Financial assets**

Basic financial assets, including trade and other debtors, amounts owed by group undertakings and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss account.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.



# **Daikin Airconditioning UK Limited**

## **Notes to the financial statements for the year ended 31 March 2022**

### **3. Summary of significant accounting policies (continued)**

#### **3.17 Financial instruments (continued)**

##### **(ii) Financial liabilities**

Basic financial liabilities, including trade and other creditors and amounts owed to group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Basic debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

##### **(iii) Offsetting**

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **3.18 Share capital**

Ordinary shares are classified as equity.

#### **3.19 Distributions to equity holders**

Dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders until they are paid. These amounts are recognised in the statement of changes in equity.

# Daikin Airconditioning UK Limited

## Notes to the financial statements for the year ended 31 March 2022

### 4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### (a) Critical judgements in applying the company's accounting policies

At 31 March 2022, the company did not make any critical judgements in applying its accounting policies.

#### (b) Key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

##### (i) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, the company considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 15 for the carrying amount of debtors and the associated impairment provision.

##### (ii) Provisions

Provision is made for warranties and the decommissioning of buildings. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. See note 18 for the carrying amount of provisions.

### 5. Turnover

An analysis of turnover by class of business is as follows:

	2022 £000	2021 £000
Distribution of HVACR Units and Spare Parts	211,047	151,610

A geographical analysis of turnover by destination is as follows:

	2022 £000	2021 £000
United Kingdom	210,886	151,333
Rest of Europe	-	11
Rest of the world	161	266
	211,047	151,610

# Daikin Airconditioning UK Limited

## Notes to the financial statements for the year ended 31 March 2022

### 6. Other operating income

	2022 £000	2021 £000
Government grants	44	805
Other operating income	-	7
	<u>44</u>	<u>812</u>

During the year, the company received an Innovate grant related to Greater Manchester Council work amounting to £44,000.

During the previous year, the company received cash payments in relation to the Government Coronavirus Job Retention Scheme to compensate for employees placed on furlough amounting to £805,000.

### 7. Profit before taxation

Profit before taxation is stated after charging/(crediting):

	2022 £000	2021 £000
Depreciation of tangible fixed assets	534	411
Amortisation of intangible fixed assets	50	16
Fees payable to the company's auditor for the audit of the company's annual financial statements	89	84
Operating lease rentals:		
- plant and machinery	187	181
- vehicles	659	800
- buildings	613	619
(Gain)/loss on foreign exchange	(3)	4
	<u>(3)</u>	<u>4</u>

### 8. Directors' remuneration

	2022 £000	2021 £000
Directors' emoluments	404	419
Company contributions to defined contribution pension schemes	27	25
	<u>431</u>	<u>444</u>

The highest paid director received fees and other emoluments amounting to £193,000 (2021: £208,000) and pension contributions of £14,000 (2021: £13,000).

The remuneration paid to the directors disclosed above is borne by the company. In addition, the directors received from other group companies emoluments of £232,000 (2021: £238,000), which includes pension contributions of £Nil (2021: £Nil), for services as directors of the company.

## Daikin Airconditioning UK Limited

### Notes to the financial statements for the year ended 31 March 2022

#### 9. Employees

Staff costs, including directors' remuneration, were as follows:

	2022 £000	2021 £000
Wages and salaries	18,564	13,106
Social security costs	2,263	1,564
Pension costs	1,550	1,449
	<u>22,377</u>	<u>16,119</u>

Pension contributions charged to the profit and loss account are in respect of amounts paid to a defined contribution scheme operated by the company. At 31 March 2022, there were contributions outstanding of £Nil (2021: £121,000).

The average monthly number of employees, including executive directors, during the year was as follows:

	2022 No.	2021 No.
Management and administration	51	47
Sales and distribution	251	224
	<u>302</u>	<u>271</u>

#### 10. Interest receivable and similar income

	2022 £000	2021 £000
Other interest receivable	<u>8</u>	<u>33</u>

# Daikin Airconditioning UK Limited

## Notes to the financial statements for the year ended 31 March 2022

### 11. Tax on profit

	2022 £000	2021 £000
<b>Corporation tax</b>		
UK corporation tax on profit for the year	1,699	822
Adjustments in respect of prior periods	(80)	14
<b>Total current tax</b>	<b>1,619</b>	<b>836</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	38	91
Adjustments in respect of prior periods	61	(87)
Effects of changes in tax rates	21	-
<b>Total deferred tax</b>	<b>120</b>	<b>4</b>
<b>Tax on profit</b>	<b>1,739</b>	<b>840</b>

### Factors affecting tax charge for the year

The tax assessed for the year is higher (2021: lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £000	2021 £000
Profit before taxation	8,104	4,476
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	1,540	850
<b>Effects of:</b>		
Expenses not deductible for tax purposes	198	99
Effect of group relief	-	(36)
Adjustments in respect of prior periods	(19)	(73)
Non-taxable income	(1)	-
Tax rate changes	21	-
<b>Tax on profit</b>	<b>1,739</b>	<b>840</b>

# Daikin Airconditioning UK Limited

## Notes to the financial statements for the year ended 31 March 2022

### 11. Tax on profit (continued)

#### Factors that may affect future tax charges

Changes to UK corporation tax rates were substantively enacted by the Finance Bill 2021 (on 24 May 2021). These included an increase in the corporation tax rate from 19% to 25% from 1 April 2023. Deferred tax balances have been remeasured accordingly where appropriate.

### 12. Intangible fixed assets

	Computer software £000
<b>Cost</b>	
At 1 April 2021	1,893
Additions	150
At 31 March 2022	2,043
<b>Amortisation</b>	
At 1 April 2021	1,884
Charge for the year	50
At 31 March 2022	1,934
<b>Net book value</b>	
At 31 March 2022	109
At 31 March 2021	9

# Daikin Airconditioning UK Limited

## Notes to the financial statements for the year ended 31 March 2022

### 13. Tangible fixed assets

	Leasehold improvements £000	Fixtures, fittings and computer equipment £000	Total £000
<b>Cost</b>			
At 1 April 2021	2,316	2,306	4,622
Additions	49	261	310
At 31 March 2022	2,365	2,567	4,932
<b>Depreciation</b>			
At 1 April 2021	1,548	1,618	3,166
Charge for the year	173	361	534
At 31 March 2022	1,721	1,979	3,700
<b>Net book value</b>			
At 31 March 2022	644	588	1,232
At 31 March 2021	768	688	1,456

### 14. Stocks

	2022 £000	2021 £000
Finished goods	4,825	3,912

There is no material difference between the balance sheet value of stocks and their replacement value.

Finished goods recognised as cost of sales in the year amounted to £155,335,000 (2021: £118,717,000).

## Daikin Airconditioning UK Limited

### Notes to the financial statements for the year ended 31 March 2022

#### 15. Debtors

	2022 £000	2021 £000
Trade debtors	44,025	37,008
Amounts owed by group undertakings	17,756	12,949
Deferred tax asset (see note 17)	-	31
Other debtors	23	-
Prepayments and accrued income	1,303	774
	<b>63,107</b>	<b>50,762</b>

Trade debtors are stated after provisions for impairment of £164,000 (2021: £160,000).

Amounts owed by group undertakings are repayable on demand and during the period April 2021 to December 2021 incurred interest at GBP ICE LIBOR plus 0.335%. During the period January 2022 to March 2022 amounts owed by group undertakings are repayable on demand and incurred interest at GBP SONIA plus 0.335%.

#### 16. Creditors: amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	2,614	2,700
Amounts owed to group undertakings	20,103	17,673
Corporation tax payable	520	1,423
Taxation and social security	1,376	1,344
Other creditors	8	124
Accruals and deferred income	11,500	6,938
	<b>36,121</b>	<b>30,202</b>

Amounts owed by group undertakings are repayable on demand and during the period April 2021 to December 2021 incurred interest at GBP ICE LIBOR plus 0.335%. During the period January 2022 to March 2022 amounts owed by group undertakings are repayable on demand and incurred interest at GBP SONIA plus 0.335%.



# Daikin Airconditioning UK Limited

## Notes to the financial statements for the year ended 31 March 2022

### 17. Deferred tax

	£000
At 1 April 2021	31
Charged to the profit and loss account	(120)
At 31 March 2022	<u>(89)</u>

The deferred tax balance is made up as follows:

	2022 £000	2021 £000
(Accelerated) / decelerated capital allowances	(90)	8
Other short term timing differences	1	23
	<u>(89)</u>	<u>31</u>

The deferred tax liability expected to reverse in the next 12 months is £Nil.

# Daikin Airconditioning UK Limited

## Notes to the financial statements for the year ended 31 March 2022

### 18. Provisions for liabilities

	Warranty provision £000	Lease restoration provision £000	Total £000
At 1 April 2021	2,350	751	3,101
Charged to the profit and loss account	1,559	-	1,559
Utilised during the year	(908)	-	(908)
	<u>3,001</u>	<u>751</u>	<u>3,752</u>
At 31 March 2022			

#### Warranty provision

Warranty provisions are held against sales revenue within the warranty period, which varies from 1 - 7 years. The provisions are expected to be utilised within this period or released unused as it expires. The provisions are an estimate based on past experience of actual claims, therefore the amount and timing of future utilisation cannot be predicted with certainty.

#### Lease restoration provision

At the inception of the lease by the company of its premises, it was agreed that alterations could be made to the building provided that the building would be returned to its original state at the end of the lease. The lease is currently expected to expire in 2025.

### 19. Called up share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
11,900,000 ordinary shares of £1 each	<u>11,900</u>	<u>11,900</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

## Daikin Airconditioning UK Limited

### Notes to the financial statements for the year ended 31 March 2022

#### 20. Commitments under operating leases

At 31 March 2022, the company had future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2022 £000	2021 £000
Not later than one year	818	585
Later than one year and not later than five years	2,024	2,222
Later than five years	77	169
	<u>2,919</u>	<u>2,976</u>

#### 21. Immediate and ultimate parent undertaking and controlling party

The immediate parent undertaking is Daikin Europe N.V., a company registered in Belgium. Daikin Europe N.V. is the parent undertaking of the smallest group to consolidate these financial statements. Copies of these group financial statements are available from Zandvoordestraat 300, B-8400 Oostende, Belgium, which is also their registered office address.

The ultimate parent undertaking and controlling party is Daikin Industries Limited, a company registered in Japan. Daikin Industries Limited is the parent undertaking of the largest group to consolidate these financial statements. Copies of these group financial statements are available from Umeda Center Bldg., 2-4-12, Nakazaki-Nishi, Kita-ku, Osaka, 530-8323, Japan, which is also their registered office address.

#### 22. Events after the balance sheet date

There have been no significant events after the balance sheet date.