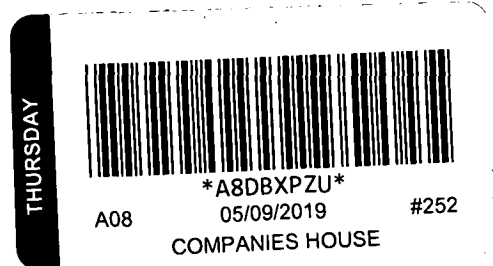

NSK UNITED KINGDOM LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



NSK UNITED KINGDOM LIMITED

COMPANY INFORMATION

Directors	A Breitenbach A Tanaka H Yokoyama
Registered number	06042707
Registered office	100 New Bridge Street London EC4V 6JA
Independent auditor	Hillier Hopkins LLP Chartered Accountants & Statutory Auditor Radius House 51 Clarendon Road Watford Herts WD17 1HP

NSK UNITED KINGDOM LIMITED

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NSK UNITED KINGDOM LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

We aim to present a review of the development of our business during the year and its position at the year end. Our review is consistent with the size and non complex nature of our business and is written in the context of the current market situation.

NSK United Kingdom Limited is involved with wholesale and repair of precision dental equipment and decontamination equipment through an established dealer network in the UK and Republic of Ireland.

Business review

The business has continued to grow during the year as a result of our continued and consistent sales and marketing efforts. The main contributor is our core business and within that the development of sales of more profitable lines as well as the service activities surrounding core whilst making good progress in the decontamination and surgical segments.

Principal risks and uncertainties

The dental market remains highly competitive with margins under continued pressure due to consolidation of manufacturers, suppliers and customers as well as overall economic circumstances with pressure on NHS expenditure and FX fluctuation. The uncertainties surrounding Brexit is making planning and forecasting more difficult with FX becoming more volatile. Because nobody knows what future movement of goods will look like the business has committed to additional floor space and aligned the leases of the two adjoining properties should it become necessary to hold stock in the UK and at the same time provide room for future growth which will see the arrival of new product lines.

Financial key performance indicators

We consider that our key performance indicator is the one that communicates the performance of the company in turnover terms and market share. As a distribution and service organisation our focus is on maximising volume sales.

Sales rose from £6,230,278 in 2017 to £6,863,978 in 2018.

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



.....
A Breitenbach
Director

Date: 25/01/2019

NSK UNITED KINGDOM LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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;
- 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.

PRINCIPAL ACTIVITIES

The company's principal activity during the period was that of selling and offering repair services of precision dental instruments.

Directors

The directors who served during the year were:

A Breitenbach
A Tanaka
H Yokoyama

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 the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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.

NSK UNITED KINGDOM LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Auditor

The auditor, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



A Breitenbach
Director

Date: 25/01/2019

NSK UNITED KINGDOM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NSK UNITED KINGDOM LIMITED

Opinion

We have audited the financial statements of NSK United Kingdom Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 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.

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 United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

NSK UNITED KINGDOM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NSK UNITED KINGDOM LIMITED (CONTINUED)

misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion 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.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 2, 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.

NSK UNITED KINGDOM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NSK UNITED KINGDOM LIMITED
(CONTINUED)

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

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



Alexander Bottom ACA (Senior Statutory Auditor)

for and on behalf of
Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Date:

28th January 2019

NSK UNITED KINGDOM LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Turnover	4	6,863,978	6,230,278
Cost of sales		(4,229,945)	(3,548,324)
Gross profit		2,634,033	2,681,954
Administrative expenses		(2,105,187)	(1,782,322)
Operating profit	5	528,846	899,632
Interest receivable and similar income	9	1,658	403
Interest payable and expenses	10	-	(33)
Profit before tax		530,504	900,002
Tax on profit	11	(97,553)	(177,933)
Profit for the financial year		432,951	722,069

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 10 to 23 form part of these financial statements.

NSK UNITED KINGDOM LIMITED
REGISTERED NUMBER: 06042707

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	13	134,268	132,276
		<u>134,268</u>	<u>132,276</u>
Current assets			
Stocks	14	795,343	623,243
Debtors: amounts falling due within one year	15	937,313	1,037,115
Cash at bank and in hand	16	2,765,954	2,673,389
		<u>4,498,610</u>	<u>4,333,747</u>
Creditors: amounts falling due within one year	17	(2,026,051)	(2,277,665)
Net current assets		<u>2,472,559</u>	<u>2,056,082</u>
Total assets less current liabilities		<u>2,606,827</u>	<u>2,188,358</u>
Provisions for liabilities			
Deferred taxation	19	(6,120)	(5,191)
		<u>(6,120)</u>	<u>(5,191)</u>
Net assets		<u><u>2,600,707</u></u>	<u><u>2,183,167</u></u>
Capital and reserves			
Called up share capital	21	20,000	20,000
Profit and loss account	20	2,580,707	2,163,167
		<u><u>2,600,707</u></u>	<u><u>2,183,167</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



A Breitenbach
 Director

Date: 25/01/2019

The notes on pages 10 to 23 form part of these financial statements.

NSK UNITED KINGDOM LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2018	20,000	2,163,167	2,183,167
Comprehensive income for the year			
Profit for the year	-	432,951	432,951
Total comprehensive income for the year	-	432,951	432,951
Dividends: Equity capital	-	(15,411)	(15,411)
At 31 December 2018	20,000	2,580,707	2,600,707

The notes on pages 10 to 23 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2017	20,000	1,441,098	1,461,098
Comprehensive income for the year			
Profit for the year	-	722,069	722,069
Total comprehensive income for the year	-	722,069	722,069
At 31 December 2017	20,000	2,163,167	2,183,167

The notes on pages 10 to 23 form part of these financial statements.

NSK UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

NSK United Kingdom Limited is a members limited liability company, incorporated in England and Wales. The registered office is 100 New Bridge Street, London, EC4V 6JA.

The company's principal activity during the period was that of selling and offering repair services of precision dental instruments.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Cash flow

The company, being a member of a group where the consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 102.

2.3 Turnover

Turnover comprises revenue recognised by the company in respect of dental instrumentation supplied and maintained during the year, exclusive of Value Added Tax and trade discounts.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NSK UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

L/Term Leasehold Property	- over the period of the lease
Fixtures & fittings	- 3-10 years straight line
Office equipment	- 3-10 years straight line
Computer equipment	- 3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.5 OPERATING LEASES

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period of the lease term.

2.6 Stock

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads and is valued using the moving average method.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.9 Financial instruments (continued)

financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.10 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.12 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.14 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan 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 Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

- The fair value of forward foreign exchange contracts has been re-measured at year end using the market value of the forward foreign exchange contracts as provided by the provider of the derivative.
- The recoverability of trade receivables has been assessed as at the year end and up until the date of signing these financial statements. Management have based the decision to provide for any amounts based on their judgement of all the available information, and their experience of the specific nature of trade receivable in question.
- Stock is included as per the accounting policy set out above. Management have assessed the need to write off or provide against any specific items based on the levels held at year end, and the expected sales of such items in the immediate period post year end.

NSK UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

4. Turnover

The whole of the turnover is attributable to the wholesale and repair of precision dental equipment.

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	6,602,862	5,961,214
Rest of Europe	261,116	269,064
	<u>6,863,978</u>	<u>6,230,278</u>

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	33,573	35,801
Exchange differences	(12,639)	(155,120)
Defined contribution pension cost	31,858	27,109

6. Auditor's remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	9,000	8,750
Fees payable to the Company's auditor and its associates in respect of:		
Other services relating to taxation	1,600	1,500
All other services	3,400	3,250

NSK UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

7. Employees

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

	2018 £	2017 £
Wages and salaries	1,004,808	862,924
Social security costs	109,418	101,253
Cost of defined contribution scheme	31,858	27,109
	<u>1,146,084</u>	<u>991,286</u>

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

	2018 No.	2017 No.
Administration and management	9	8
Sales and servicing	15	14
	<u>24</u>	<u>22</u>

8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	138,920	124,880
Company contributions to defined contribution pension schemes	7,952	8,296
	<u>146,872</u>	<u>133,176</u>

With the exception of the directors, there are no key management personnel remunerated in the year.

9. Interest receivable

	2018 £	2017 £
Other interest receivable	1,658	403
	<u>1,658</u>	<u>403</u>

NSK UNITED KINGDOM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Interest payable and similar expenses

	2018 £	2017 £
Other interest payable	-	33
	<u>-</u>	<u>33</u>
	<u>-</u>	<u>33</u>

11. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	104,462	177,412
Adjustments in respect of previous periods	(7,838)	1,830
	<u>96,624</u>	<u>179,242</u>
Total current tax	<u>96,624</u>	<u>179,242</u>
Deferred tax		
Origination and reversal of timing differences	929	(1,309)
Total deferred tax	<u>929</u>	<u>(1,309)</u>
Taxation on profit on ordinary activities	<u>97,553</u>	<u>177,933</u>

NSK UNITED KINGDOM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>530,504</u>	<u>900,002</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	100,796	173,250
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,616	1,636
Capital allowances for year in excess of depreciation	(252)	2,610
Utilisation of tax losses	-	(23)
Adjustments to tax charge in respect of prior periods	(7,838)	1,830
Deferred tax charge	929	(1,309)
Changes in provisions leading to an increase (decrease) in the tax charge	302	(61)
Total tax charge for the year	<u><u>97,553</u></u>	<u><u>177,933</u></u>

Factors that may affect future tax charges

On 16 March 2016 the Chancellor of the Exchequer announced a reduction in the main rate of UK corporation tax to 17 percent with effect from 1 April 2020. These changes were substantively enacted on 6 September 2016.

12. Dividends

	2018 £	2017 £
Final dividend of 0.77 per share	<u>15,411</u>	-
	<u><u>15,411</u></u>	<u><u>-</u></u>

NSK UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

13. Tangible fixed assets

	L/Term Leasehold Property £	Fixtures & fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2018	137,461	37,185	109,251	175,114	459,011
Additions	2,999	8,937	999	22,630	35,565
At 31 December 2018	140,460	46,122	110,250	197,744	494,576
Depreciation					
At 1 January 2018	33,160	30,635	98,940	164,000	326,735
Charge for the year on owned assets	15,868	4,563	6,186	6,956	33,573
At 31 December 2018	49,028	35,198	105,126	170,956	360,308
Net book value					
At 31 December 2018	91,432	10,924	5,124	26,788	134,268
At 31 December 2017	104,301	6,550	10,311	11,114	132,276

NSK UNITED KINGDOM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. Stocks

	2018 £	2017 £
Finished goods and goods for resale	795,343	623,243
	<u>795,343</u>	<u>623,243</u>

15. Debtors

	2018 £	2017 £
Trade debtors	829,830	868,803
Amounts owed by group undertakings	4,916	-
Other debtors	9,719	15,077
Prepayments and accrued income	68,643	79,655
Financial instruments	24,205	73,580
	<u>937,313</u>	<u>1,037,115</u>

16. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	2,765,954	2,673,389
	<u>2,765,954</u>	<u>2,673,389</u>

17. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	87,250	95,663
Amounts owed to group undertakings	1,373,366	1,494,600
Corporation tax	27,035	95,412
Taxation and social security	228,845	267,340
Other creditors	760	1,687
Accruals and deferred income	308,795	322,963
	<u>2,026,051</u>	<u>2,277,665</u>

NSK UNITED KINGDOM LIMITED

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18. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	2,790,159	2,746,969
Financial assets that are debt instruments measured at amortised cost	844,465	883,880
Financial assets that are equity instruments measured at cost less impairment	-	-
	<u>3,634,624</u>	<u>3,630,849</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(1,769,457)</u>	<u>(1,913,226)</u>

Financial assets measured at fair value through profit or loss comprise of the fair value of forward contracts at the year end rate and cash at bank.

Financial assets measured at amortised cost comprise of trade, group and other debtors.

Financial liabilities measured at amortised cost comprise of trade and group creditors, accruals and deferred income.

19. Deferred taxation

	2018 £
At 1 January 2018	(5,191)
Charged to profit or loss	(929)
At end of year	<u>(6,120)</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(6,120)	(5,191)
	<u>(6,120)</u>	<u>(5,191)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

20. Reserves

Profit & loss account

Profit and loss account includes all current and prior period retained profits and losses.

21. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
20,000 (2017 - 20,000) Ordinary shares of £1.00 each	<u>20,000</u>	<u>20,000</u>

22. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £31,858 (2017 - £27,109). Contributions totalling £nil (2017 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

23. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	144,949	150,805
Later than 1 year and not later than 5 years	452,426	455,550
Later than 5 years	139,018	237,148
	<u>736,393</u>	<u>843,503</u>

24. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 102 from the requirement to disclose transactions with group companies on the grounds that they are all 100% owned by the group.

During the period, total remuneration including employers pension paid to close family of the directors was £44,425 (2017: £51,040).

Directors and key management personnel compensation has been disclosed in note 8.

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25. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and ultimate controlling party at the balance sheet date was NSK Nakanishi Inc., a company incorporated in Japan.

The ultimate parent company's registered office is 700 Shimohinata Kanuma-shi, Tochigi, 322-8666, Japan.