

Toshiba International Finance (UK) Plc

Report and Financial Statements

31 March 2014

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COMPANIES HOUSE

Registered No. 01947346

Directors

Y. Watanabe

Y. Inoue

Secretary

A Fujishima

Auditors

Ernst & Young LLP

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Strategic report

Principal activities and review of the business

The company is part of a worldwide group of companies, whose parent is Toshiba Corporation. The company's role in the group is that of European treasury centre and its principal activity is to provide a broad range of financial services) and to assist Toshiba Corporation and its subsidiaries and affiliates in raising finance on international markets, to provide relevant financial advisory and investment services, and to provide early settlement to Toshiba Corporation of invoices issued to Toshiba group companies.

The company's key financial and other performance indicators during the year were as follows:

	2014 £	2013 £	Change %
Profit after tax	642,604	671,538	(4.31)
Shareholders' funds	23,946,091	23,907,487	0.16

Profit after tax decreased by 4.31% due to the reduced treasury activities, however a Service Charge was received from Toshiba Corporation for the treasury services provided in 2014. Shareholders' funds increased by 0.16% reflecting the net impact of the profit for the year, less dividend paid.

Principal risks and uncertainties

The directors consider the principal risks and uncertainties facing the company as interest rate, liquidity and foreign currency risk. As the company offers treasury services to group companies, the directors do not consider credit risk to be a concern.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This risk is mitigated by the implementation and maintenance of effective oversight and internal controls, and by expenditure on suitable systems and insurances.

Interest rate risk

The company finances its operations through a mixture of equity, group borrowings, bank loans and overdrafts. The company's policy is to ensure that the interest rate profile of funding is matched to the interest rate profile of the assets to which it relates.

Liquidity risk

With regards to liquidity, the company's policy has throughout the year been that, to ensure continuity of funding, all borrowings are matched to specific related assets which settle on, or approximately on the same date.

Short-term flexibility is achieved by using overdraft facilities.

Foreign currency risk

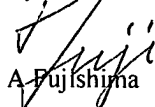
The company's main activities included re-invoicing activities (terminated in the prior year), as described above, and providing finance to group companies, both in the currency requested by the respective group company, however, this has ceased in January 2012.

Forward currency contracts are entered into to manage the currency exposure on any mismatch in the funding and lending currencies.

Subsequent developments

As a result of internal Toshiba restructuring, the directors expect that the business will be transferred to another group company and Toshiba International Finance (UK) Plc will be liquidated by December 2014.

By order of the board



A. Fujishima

Secretary

Date 30 SEPTEMBER 2014

Directors' report

The directors present their report and audited financial statements for the year ended 31 March 2014. The financial statements have been prepared on a break up basis reflecting the anticipated liquidation of the company. The directors expect to liquidate the company and transfer the business to another group company by December 2014. The business will be transferred at book value and accordingly no adjustments have been made to show net amounts due to, or from, creditors and debtors respectively. In addition, no provision has been made for any further liability as no such liabilities are expected to arise.

Results and dividends

The profit for the year after taxation amounted to £642,604 (2013: £671,538) as shown in the profit and loss account. The directors propose an interim dividend of £604,000 (2013: £ 1,188,000). The accumulated surplus, amounting to £18,946,091 after the dividend payment (2013: £18,907,487) was carried forward at 31 March 2014.

Directors and their interests

The directors of the company during the year were as follows:

Y. Watanabe (Appointed 21 June 2013)

J. Otani (Resigned 13 May 2014)

Y. Inoue (Appointed 13 May 2014)

None of the directors had any beneficial interest in the shares of the company or of any other group company incorporated in the United Kingdom during the year.

Payment of suppliers

The company's policy is to pay suppliers on receipt of invoices and within the suppliers' contract terms. The average payment period is 14 days.

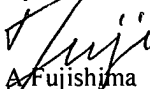
Disclosure of information to Auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the board



A. Fujishima

Secretary

Date 30 SEPTEMBER 2014

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 a break up basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Independent auditors' report

to the members of Toshiba International Finance (UK) Plc

We have audited the financial statements of Toshiba International Finance (UK) Plc for the year ended 31 March 2014 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements have been prepared on a break up basis as disclosed in Note 1.

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditors' report

to the members of Toshiba International Finance (UK) Plc (continued)

Matters on which we are required to report by exception

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

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

Ernst & Young LLP

Kenneth Eglinton (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

Date *30 September 2014*

Profit and loss account

for the year ended 31 March 2014

	Notes	2014 £	2013 £
Revenue		-	-
Administrative expenses		(503,441)	(731,112)
Other operating income	2	322,667	435,985
Interest receivable		1,445,582	2,099,343
Interest payable and similar charges		(537,537)	(939,814)
Profit on ordinary activities before taxation	3	727,271	864,402
Taxation	5	(84,667)	(192,864)
Profit for the financial year	11	642,604	671,538

The results for the years ending 31 March 2014 and 31 March 2013 are derived from discontinued operations.

The directors consider the operating profit to be the same as the profit on ordinary activities before taxation since all interest receivable/interest payable and similar charges are part of the company's operating activities.

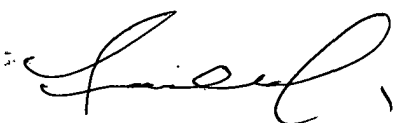
There were no recognised gains or losses other than those shown above.

The annexed notes 1 to 14 form an integral part of these financial statements.

Balance sheet

as at 31 March 2014

	Notes	2014 £	2013 £
Current assets			
Debtors	7	592,552,085	720,532,900
Cash at bank and in hand		1,267,649	16,068,849
		<u>593,819,734</u>	<u>736,601,749</u>
Creditors (amounts falling due within one year)	8	569,873,643	(712,694,262)
Net current assets		<u>23,946,091</u>	<u>23,907,487</u>
Total assets less current liabilities		<u>23,946,091</u>	<u>23,907,487</u>
Capital and reserves			
Called up share capital	10	5,000,000	5,000,000
Profit and loss account	11	18,946,091	18,907,487
Total shareholders' funds		<u>23,946,091</u>	<u>23,907,487</u>



Y. Inoue

Director

Date 30 SEPTEMBER 2014

The annexed notes 1 to 14 form an integral part of these financial statements.

Notes to the financial statements

at 31 March 2014

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historic cost convention and in accordance with applicable UK generally accepted accounting principles.

A significant proportion of the company's funding is derived from within the Toshiba group.

Following enquiries by the board of directors, they expect that as a result of Toshiba internal restructuring, the company will be liquidated and business transferred to another group company by December 2014.

For this reason, the directors are satisfied that adoption of a break up basis is appropriate in preparing the financial report for the accounting period ended 31 March 2014. The business will be transferred at book value and accordingly no adjustments have been made to show net amounts due to, or from, creditors and debtors respectively. In addition, no provision has been made for any further liability as no such liabilities are expected to arise.

The board of directors has reached this conclusion having regard to circumstances it considers likely to affect the company over the next three financial years, starting from 1 April 2014, including forecast information relating to operational profitability and cash flow requirements. The board is satisfied that borrowing requirements can be met from within the group, and that there will be sufficient cash flows generated from operating activities to meet the investing and financing cash flow requirements of the company.

Leasing commitments

Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less tax, except that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward currency contract.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. The company enters into foreign exchange spot and forward contracts in order to fix the rate of exchange and hedge against unfavourable fluctuations in foreign currency rates. Spot contracts are utilised to convert funds required for treasury activities into foreign currency, and foreign exchange forwards are used to fix the translation of future receivable/payable balances.

Differences arising out of translation of foreign currencies are dealt with in the profit and loss account. Interest differentials arising from fully hedged positions are recognised by accruing interest income or expense as appropriate.

Cash flow statement

The voting rights of the company are entirely controlled by the ultimate parent undertaking. As a result, the company has taken advantage of the exemption from preparing a cash flow statement under FRS 1, Cash flow statements.

Notes to the financial statements

at 31 March 2014

2. Revenue

The company receives other income which relates to the service fee charged by Toshiba International Finance (UK) Plc to Toshiba Corporation in respect of administrative services provided.

<i>Other Income</i>	<i>2014</i>	<i>2013</i>
	£	£
Japan	317,602	431,122
Continental Europe	5,065	4,863
	<u>322,667</u>	<u>435,985</u>

3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	<i>2014</i>	<i>2013</i>
	£	£
Interest payable to group undertakings	769,574	1,928,775
Auditors' remuneration - audit services	32,337	41,473
- corporation tax services	14,000	7,800
	<u>815,911</u>	<u>1,978,048</u>

and after crediting:

	<i>2014</i>	<i>2013</i>
	£	£
Foreign exchange gains	232,037	1,011,577
Interest from group undertakings	1,417,876	2,007,107
Other interest receivable from bank deposits	27,706	42,652
Other income from group undertakings	322,667	435,985
	<u>1,999,286</u>	<u>3,507,321</u>

Foreign exchange gains and losses are included within other interest payable and similar charges on the face of the profit and loss account.

4. Directors' emoluments and staff costs

The remuneration of directors is as follows:

	<i>2014</i>	<i>2013</i>
	£	£
Directors' emoluments	<u>230,552</u>	<u>253,821</u>

The emoluments of the highest paid director were £230,552 (2013 - £253,821). None of the directors received contributions to pension schemes (2013 - £Nil).

The Directors emoluments relate to services provided to the Toshiba Group with no basis of allocating remuneration to Toshiba International Finance (UK) Plc.

Notes to the financial statements

at 31 March 2014

4. Directors' emoluments and staff costs – continued

One of the directors was employed and remunerated as an executive of Toshiba Corporation in respect of services to the Group as a whole, and it is therefore considered that there is no appropriate basis to apportion part of his remuneration for his services to the company.

There are no employees employed by Toshiba International Finance (UK) Plc, there are no wages and salaries and social security costs as all employment costs are borne by Toshiba of Europe Ltd

Pension costs amounting to £Nil (2013 - £Nil) relate to the company's contribution towards individual personal pension plans belonging to local staff and are not part of a company scheme.

5. Taxation

The taxation charge, based on the profit for the year is made up as follows:

	2014 £	2013 £
UK Corporation Tax		
UK Corporation tax on profits of the year	167,272	207,456
Adjustments in respect of previous periods	33,647	(14,592)
	<u>200,919</u>	<u>192,864</u>
Double tax relief	(192,192)	-
	<u>8,727</u>	<u>192,864</u>
Foreign Tax		
Current tax on income for the period	75,940	-
	<u>84,667</u>	<u>192,864</u>

Factors affecting the tax charge for the year

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>727,271</u>	<u>864,402</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 24%).	167,272	207,456
Effect of:		
Adjustments in respect of previous periods	33,647	(14,592)
Adjustments in respect of prior periods – Double tax	(116,252)	-
	<u>84,667</u>	<u>192,864</u>

Notes to the financial statements

at 31 March 2014

6. Dividends

Equity dividends on ordinary shares:

	2014	2013
	£	£
Interim Paid	604,000	1,188,000

7. Debtors

	2014	2013
	£	£
Short-term loans to group companies	592,051,238	720,047,295
Other debtors	48,416	55,319
Other amounts owed by group undertakings	111,577	75,952
Corporation tax debtor	152,203	354,334
Prepayments and accrued income	188,651	-
	<u>592,552,085</u>	<u>720,532,900</u>

The fair value of loans to group companies is considered to be equal to book value on the basis that they are short-term. The weighted average fixed interest rates associated with these loans were as follows:

	2014	%	2013	%
	Amount in thousands		Amount in thousands	
US Dollar	798,154	0.25	23,792	0.69
Euro	134,216	0.48	124,900	0.28
Japanese Yen	-	-	85,293,570	0.26
Swiss Franc	2,000	0.24	4,000	0.25

8. Creditors: amounts falling due within one year

	2014	2013
	£	£
Bank overdraft	1,187,621	-
Loans from group undertakings	568,213,291	711,473,694
Corporation tax payable	91,333	104,815
Other amounts owed to group companies	208,252	30
Group relief tax credit owed to group undertakings	108,821	676,907
Accruals and deferred income	64,325	438,816
	<u>569,873,643</u>	<u>712,694,262</u>

The fair values of bank loans and overdrafts, amounts owed to group undertakings and the associated deferred income is considered to be equal to book value.

Notes to the financial statements

at 31 March 2014

The bank loans have a weighted average period of one month for which the interest rate is fixed.

Loans from group undertakings have a weighted average period of three months with a floating interest rate, the benchmark for which is Euribor for Euro denominated liabilities and the relevant Libor for other currency denominated liabilities.

The weighted average floating interest rate of loans from group companies were as follows:

	2014 <i>Amount in thousands</i>	%	2013 <i>Amount in thousands</i>	%
Pound Sterling	91,990	0.48	83,580	0.49
Euro	410,688	0.07	417,800	0.10
US Dollar	222,241	0.10	205,795	0.21
Polish Zloty	-	-	40,000	3.38
Russian Rouble	-	-	600,000	1.10
Swedish Kroner	34,000	0.75	18,000	1.10

9. Obligations under operating leases

There were no annual commitments under non cancellable operating leases at the year end.

The operating lease for the office building is shared with another group company. The rent agreement is under both companies' names. However, the group company bears all risks in the event of any default and ultimate operating lease obligations. The group company provides a monthly charge to Toshiba International Finance (UK) Plc which includes an allocation to cover the rental charge.

10. Called up share capital

	<i>Authorised, issued and fully paid</i>	
	2014 <i>No.</i>	2013 <i>No.</i>
Ordinary shares of £1 each	5,000,000	5,000,000

11. Reconciliation of shareholders' funds and movements on reserves

	<i>Shareholders' share capital</i>	<i>Profit and loss account</i>	<i>Total funds</i>
	£	£	£
At 1 April 2012	5,000,000	19,423,949	24,423,949
Profit for the year	-	671,538	671,538
Dividends	-	(1,188,000)	(1,188,000)
At 31 March 2013	5,000,000	18,907,487	23,907,487
Profit for the year	-	642,604	642,604
Dividends	-	(604,000)	(604,000)
At 31 March 2014	5,000,000	18,946,091	23,946,091

Notes to the financial statements

at 31 March 2014

12. Financial instruments

The company's financial instruments, other than derivatives, include borrowings from group companies, bank loans and overdrafts, cash, loans to group companies and amounts owed by group companies which arose directly from the financing and treasury activities.

The company also enters into derivative transactions (principally forward currency contracts). The purpose of these transactions is to manage the interest rate and currency risks arising from the company's operations and its funding. The company does not trade in financial instruments.

Foreign currency exposure

The table below shows the company's currency exposures; that is, those transactional exposures that give rise to the net currency gains and losses recognised in the profit and loss account. Such exposures comprise the monetary assets and liabilities of the company that are not denominated in the operating (or 'functional') currency of the company. As at 31 March 2014 these exposures were as follows:

Functional currency	Net foreign currency monetary assets/(liabilities)	
	2014	2013
	£	£
Euro	(229,671,004)	684,635,418
US Dollar	347,351,548	253,233,442
Japanese Yen	2,894	1,192,517,812
Swiss Franc	1,355,758	5,548,546
Polish Zloty	16	(10,016,601)
Russian Rouble	-	(20,937,379)
Swedish Kroner	(3,144,749)	(14,554,324)
	<u>115,894,462</u>	<u>214,689,194</u>

Liquidity profile

All the company's financial liabilities are due within one year.

Fair Value of hedge transactions

The aggregate fair value of hedge transactions, which include forward currency contracts at 31 March 2014 showed a value of £353,548,034 (2013 £722,796,550).

The above noted fair values on hedges at 31 March 2014 have been calculated based on interest and currency rates applicable at 31 March 2014.

13. Related parties

The voting rights of the company are entirely controlled by the ultimate parent undertaking. As a result, the company has taken advantage of the exemptions available in Financial Reporting Standard No. 8, Related party disclosures and has not disclosed details of transactions with entities 100% controlled by the ultimate parent undertaking. All income (interest and other income) was with Toshiba group companies.

14. Ultimate parent undertaking

Toshiba International Finance (UK) Plc is a 100% subsidiary of Toshiba Corporation, incorporated in Japan. Toshiba Corporation is the largest undertaking to consolidate the results of the company. Copies of the group financial statements of Toshiba Corporation may be obtained from 1-1, Shibaura 1-Chome, Minato-ku, Tokyo 105-8001, Japan.