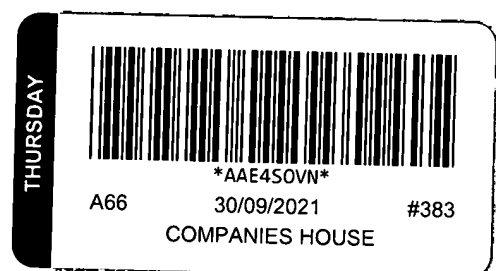


HORIBA UK LIMITED

**Directors' Report and Financial Statements
FOR THE YEAR ENDED 31 DECEMBER 2020**



HORIBA UK LIMITED

COMPANY INFORMATION

Directors

S A Knight
C G Wright
D Drewry (resigned 9 March 2020)
R G Carter
T Fukushima
M Okawa

Company secretary

D J Heskins

Registered number

02242542

Registered office

Kyoto Close
Moulton Park Industrial Estate
Northampton
NN3 6FL

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
Regent House
80 Regent Road
Leicester
LE1 7NH

HORIBA UK LIMITED

CONTENTS

	Page
Strategic Report	1 - 5
Directors' Report	6 - 10
Independent Auditor's Report	11 - 15
Statement of Comprehensive Income	16
Balance Sheet	17
Statement of Changes in Equity	18
Notes to the Financial Statements	19 - 34

HORIBA UK LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Business review

The 2020 year saw challenges to the performance of the business of HORIBA UK Ltd due to the COVID pandemic, and sales for the year amounted to £34.1m which represented an overall decrease of 30.4% compared to 2019. Within this total, the Automotive business recorded a decrease of 54.9% to £11.4m, the reduction being a combination of COVID related customer project delays and the non-repetition of significant revenue arising in 2019 from a key customer Turnkey project. The Semiconductor business remained strong as global demand for technology solutions expanded, but saw a slight sales reduction of 8.6% to £15.4m, although order intake saw growth of 21.6%. The Medical business saw an increase in sales of 18.6% to £2.9m and the Scientific Instruments business, which was significantly impacted by COVID related lockdown of university customer facilities, reduced by 7.3% to £3.1m.

There was a loss for HORIBA UK Ltd for the year after taxation amounting to £526k compared to a profit of £1,820k in 2019. The operating loss for 2020 includes one-off costs of £414k associated with business restructuring undertaken in the period. The profit for 2019 includes a one-off property disposal gain of £756k.

The order intake during the year declined by 7.3% to £39.5m. All businesses apart from Automotive saw increases in order intake in 2020. The Automotive business saw a reduction in order intake of 35.4% as customers delayed their investment project decisions in response to COVID. The order book at the end of 2020 amounted to £19.6m (2019: £14.2m).

In accordance with HORIBA's Group policy on dividends and following review of the current performance of the business and its future prospects, the directors recommended, and the board approved a dividend of £988k which was paid on 31st March 2021.

HORIBA UK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

Principal risks and uncertainties

The management of the business and the nature of the Company's strategy are subject to a number of risks. The directors have set out below the principal risks facing the business:

General economic factors

2020 was a challenging year for the business in respect of the COVID pandemic impact, but while certain segments saw temporary challenges to their markets as described above, the semiconductor and medical segments saw significant market opportunities.

Technology markets globally continue to experience very strong demand, driving further increases in semiconductor output.

COVID has accelerated the trend in technology change in the automotive market, with a significant reduction in planned investment in petroleum emissions test facilities and a significant increase in investment enquiries for hydrogen and electric vehicle test facilities.

Management continues to mitigate the general economic risk by operating in a range of diverse business areas, selling to a wide geographic customer base and by developing products and services which are designed to offer cost effective solutions to the customers.

High proportion of fixed overheads and variable revenues

A large proportion of the Company's costs and overheads are fixed and cannot be varied in the short term. There is a risk that any significant changes in revenue may have a disproportionate effect on profitability. Management closely monitors operating costs and overheads against budget on a monthly basis and exercises tight control over any variances. In particular staff numbers are monitored closely and any recruitment requires high level approval. Cost saving measures are implemented whenever there is an anticipated decline in revenues.

Legislation changes affecting the industry

The Company's automotive business is affected by changes in government legislation both in the EU and worldwide in respect of engine and vehicle exhaust emissions. Future changes in legislation will therefore affect the Company's ability to generate sales in future years.

HORIBA UK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Principal risks and uncertainties (continued)**Volatility in the Semiconductor Industry**

The semiconductor industry continues to be renowned for fluctuating levels of activity, especially in the provision of capital equipment. The markets for photovoltaic and LED manufacturing stagnated during 2015 but the succeeding years have seen market demand for semiconductors - for use in widespread industrial, automotive and consumer electronics applications - expanding significantly, an effect exacerbated further by the digital transformation impact of COVID. The resulting global shortage in semiconductor supply is driving significant increases in manufacturing equipment investment, as noted above in both the Business Review and General Economic factors sections, which in turn is the key driver for demand for HORIBA's mass flow control product. The business has also benefited from expansion of its customer base and from recent product introductions, and it is also successfully broadening the industry sectors using its product technologies.

Research and development

Working in cooperation with other group companies, the Company continues to develop products for its automotive and semiconductor businesses. This is intended to enable the Company to offer an attractive product portfolio which will lead to the future growth of the business.

COVID-19 risk environment and Company response

Following the 2019 year end, in common with many businesses HORIBA UK Ltd has been faced with various additional risks arising specifically as a result of the COVID-19 pandemic. Whilst a number of these have lessened through 2021, many are ongoing.

Management have identified the following key areas of risk, and the response for each of these areas – both during this period and beyond - is detailed below, for:

- Staff safety and welfare
- Customer viability and cash management
- Near term profitability and efficiency levels
- Market places and future 'pipeline' of orders

Staff safety and welfare

With the exception of certain hands on roles in production, stores and service, the initial COVID lockdown in March 2020 was managed capably by most employees being able to work from home. This has been facilitated in particular by the adoption - in mid-2019 - of the Microsoft Teams platform ("Teams"), together with existing paperless processes such as e-signature, which has allowed most staff to work at least as effectively from home as in the office.

A programme of regular, entire Company Meetings was introduced and continues to be held via Teams to ensure that both regular business updates and key issues are communicated directly to all staff. Similarly, regular Management meetings and Executive Management meetings have and are being held to facilitate communication and decision making.

The Company quickly implemented enhanced policies on Safe working, which have been modified as parts of the business has shifted back to regular, non-home based work, but the overarching Company policy has been and remains that staff health and welfare is first priority. Workplace adaptations have been made and are ongoing to permit longer term COVID safe office and factory-based working. Consultation is ongoing with all employees regarding longer term homeworking options, and the Company will implement permanent hybrid office / home working arrangements for the start of 2022.

HORIBA UK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

COVID-19 risk environment and Company response (continued)**Customer viability and cash management**

The Company already operates effective customer credit management practices, both pre quotation and order and for ongoing receipt collection. With the customer base substantially comprising blue chip Auto sector businesses, state backed Medical and University organisations and major Eurozone semiconductor equipment manufacturers, the empirical record of bad debt incidence is already good.

Nevertheless the normal credit management practices, including routine credit checks and overdue reporting and escalation, have been enhanced during the current pandemic to include: increased credit checking of key customers, increased internal reporting of key customer overdue status and Executive level reporting of receipt performance.

As at the date of these financial statements, receipts performance continues to meet target on a monthly basis, and both current and predicted corporate cash and cash equivalents remain healthy.

Short term profitability and efficiency levels

As outlined in the General economic factors paragraph on page 1, the Company operates in a number of different market segments, and this has the effect of reducing single sector impact at the same time as offering a greater range of new business opportunities.

During 2020 the global semiconductor market has remained strong, and the Company has continued to supply at increased volumes to its key Eurozone customers in this sector. The Company's Automotive customers typically have lengthy timescales to their order requirements, and following a short period where physical access to customer facilities was restricted, these orders have continued to be fulfilled, and additionally there has been an ongoing requirement for the Service and maintenance of existing installed equipment.

Market places and future 'pipeline' of orders

As outlined above, the Company operates in a number of different market segments, and has an existing strategy to extend both its product range and the level of cross segment business achieved with its key customers. The Company was already, through automation and process efficiencies, redeploying staff resources from administrative and support activity in to Sales and Marketing. The restructuring referred to above will accelerate this redeployment, and further build on the successes already achieved in 'cross segment' sales and new product introductions.

Conclusion

Taking account of the above risks, and the capabilities and strategies of the Company, together with the resources afforded by the global HORIBA Group and having prepared and reviewed future projections, the Directors are of the opinion that the business not only has adequate resources to meet its current and future obligations but is well placed to deliver further improved performance in the coming years. Accordingly, the Directors are satisfied that the Going Concern assumption is a valid basis for the preparation of these Financial Statements.

Financial key performance indicators

Turnover and gross profit are key measure of the Company's performance. Sales for the year were £34.1m (2019: £49.0m) and the gross profit was £7m (2019: £9.5m).

HORIBA UK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Directors' statement of compliance with duty to promote the success of the Company

The following details how the directors have had regard to the matters set out in section 172(1) (a) to (f) (as highlighted in italics below) when performing their duty under section 172.

- (a) The likely consequences of any decision in the long term – the long-term success of the company is always considered in making strategic decisions and this is aligned with the strategy of the HORIBA group.
- (b) The interests of the company's employees - this is detailed in the employee engagement section above.
- (c) The need to foster the company's business relationships with suppliers, customers and others – stakeholder relationships are a key source of value that helps ensure that the company's success is sustainable in the long term. The company seeks to ensure it manages the relationship with its stakeholders through regular communication.
- (d) The impact of the company's operations on the community and environment – the impact on the community and environment is factored in as part of the company's decision making process. The company seeks where possible to minimize its waste and emissions and this is continually reviewed as further detailed in the Directors Report.
- (e) The desirability of the company maintaining a reputation of high standards of business conduct – this is at the heart of the culture of the company to ensure high standards of business conduct are maintained with all its stakeholders.
- (f) The need to act fairly between members of the group – this is also at the heart of the culture of the company to seek to ensure fairness between members of the wider HORIBA group.

This report was approved by the board on 28 September 2021 and signed on its behalf.



S A Knight
Director

HORIBA UK LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

Company information and principal activity

HORIBA UK Limited is a privately held limited company incorporated in England and Wales.

The Company is principally engaged in the assembly and distribution of analytical instruments and systems for testing engines and vehicles, and in the distribution of fluid control devices, medical diagnostic equipment and scientific instrumentation and related consumables.

Results and dividends

The loss for the year, after taxation, amounted to £525,544 (2019 - profit £1,820,307).

In accordance with HORIBA's Group policy on dividends and following review of the current performance of the business and its future prospects, the directors recommended and the board approved a dividend of £988k which was paid on 31st March 2021 (2019: £Nil).

Directors

The directors who served during the year were:

S A Knight
C G Wright
D Drewry (resigned 9 March 2020)
R G Carter
T Fukushima
M Okawa

HORIBA UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and 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 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Principal risks and uncertainties

The Company uses various financial instruments; these include cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main risks arising from the Company's financial instruments are liquidity risk, interest rate risk, credit risk and currency exchange rate risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Liquidity risk

The Company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs. Our policy has been to have cash available within the bank current account whilst at the same time having funding facilities available to maintain short term flexibility.

Interest rate risk

The Company finances its operations through a mixture of bank and inter-group borrowings. The Company's exposure to interest rate fluctuations on its borrowings is managed by the use of floating facilities and by competition between the banks providing the facilities.

HORIBA UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Credit risk

The Company's principal financial assets are cash and trade debtors.

The principal credit risk lies with trade debtors. In order to manage credit risk the directors set limits for all customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

Currency exchange rate risk

As a business involved in international trade, the Company is exposed to potential currency exchange risks. Management seeks to reduce these risks through a combination of natural hedging and forward purchasing of foreign currency when required.

Environmental matters

As the UK office of a multi-national environmental organisation that develops and supplies test and measurement instrumentation to help protect the global environment, the Company recognises the importance of conducting business and managing environmental issues in a responsible manner. The Company identifies environmental protection as a key area of corporate responsibility and is dedicated to minimising the organisation's adverse environmental impacts and preventing pollution. To support these commitments and guide the organisation's efforts, HORIBA UK Ltd has adopted the following long-term environmental goals:

- To continue to operate an Environmental Management System (EMS) that supports ISO 14001 certification;
- To protect and improve the environment by proactively monitoring changes in legislation and implementing new work programmes to ensure the organisation fulfils its legal and regulatory compliance obligations;
- To monitor the use of energy and natural resources, and identify and implement initiatives that reduce consumption;
- To ensure that processes, resources, and equipment are selected to reduce, and where possible, prevent pollution to the environment;
- To continually increase environmental awareness and regularly promote environmental responsibility among employees.

To accomplish these goals and promote the continual improvement of our environmental performance, Environmental Objectives and Targets are set by the Company's Executive Management Team annually, and disseminated through the organisation to relevant employees. To ensure maximum impact, objectives and targets focus on key areas relevant to the business including travel, packaging, transportation, waste generation, and consumption of electricity, gas and water. Targets are reviewed and adjusted regularly to help ensure a culture of continual improvement. The EMS including the Environmental Policy, internal environmental procedures, and other associated documentation are issued under the authority of the Company's Executive Management Team. These are reviewed and updated regularly to ensure the Company environmental performance continues to improve.

HORIBA UK LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Carbon footprint reporting

In accordance with the requirements of The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, as it exceeds the de-minimis threshold the Company presents below data in respect of the carbon footprint for its own activities.

	Units	December 2020 Kg CO ₂	Units	December 2019 Kg CO ₂	Units	December 2018 Kg CO ₂
Renewable Electricity (KWh)	347,737	80,369				
Total Electricity (KWh)	347,737	80,369	407,154	94,101	437,557	101,128
Renewable Gas (m ³)	8,597	17,378				
Total Gas (m ³)	8,597	17,378	13,464	27,215	10,937	22,108
Vehicle Fuel (litres)	71,249	167,644	134,249	315,878	118,417	278,627
Flights (Km)	169,619	28,194	884,552	151,758	516,677	94,872
Total		310,962		588,952		496,735
Tonnes per £m sales		9.1		12.0		10.0

Land and buildings

A formal valuations of the premises at Kyoto Close, Moulton Park, Northampton was undertaken in November 2015 and December 2015, although this valuation is not incorporated in the financial statements. The directors are of the opinion that the market value is in excess of the book value of the asset.

Qualifying third party indemnity provisions

The Company maintains liability insurance for directors and officers as permitted by section 234 of the Companies Act 2006.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

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

HORIBA UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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



D J Heskins
Secretary

Date: 28 September 2021



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORIBA UK LIMITED

Opinion

We have audited the financial statements of HORIBA UK Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, 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 2020 and of its loss 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 UK, including 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORIBA UK LIMITED (CONTINUED)

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

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 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORIBA UK LIMITED (CONTINUED)

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.

Matter on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

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 for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 7, 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORIBA UK 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.

Explanation as to what extent 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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- we obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006) and the relevant tax compliance regulations in the jurisdiction in which the company operates.
- we enquired of management whether they were aware of any instances of noncompliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- we identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our commercial experience and through discussion with management.
- we assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management and evaluating management's incentives and opportunities for manipulation of the financial statements. We considered the risk of fraud to be higher through the potential for management override of controls.
- audit procedures performed by the engagement team included:
 - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large, profit affecting or relating to unusual transactions;
 - challenging assumptions and judgements made by management;
 - detailed testing around revenue recognition and the recognition of deferred income balances;
 - identifying and testing related party transactions.
- assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training;



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HORIBA UK LIMITED (CONTINUED)

- understanding of the financial reporting framework and the relevant tax compliance regulations specific to the entity.
- we did not identify any matters relating to non-compliance with laws and regulation or fraud.

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.

Grant Thornton UK LLP

Christopher Frostwick
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leicester

28 September 2021

HORIBA UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover	4	34,108,195	49,006,073
Cost of sales		(27,017,056)	(39,463,623)
Gross profit		7,091,139	9,542,450
Administrative expenses		(8,108,920)	(8,129,317)
Profit on disposal	8	-	756,332
Other operating income		451,010	-
Operating (loss)/profit	6	(566,771)	2,169,465
Interest receivable	11	23,839	10,089
Interest payable	12	(3,001)	(2,500)
(Loss)/profit before tax		(545,933)	2,177,054
Tax on (loss)/profit	13	20,389	(356,747)
(Loss)/profit for the financial year		(525,544)	1,820,307

There were no recognised gains and losses for 2020 or 2019 other than those included in the Statement of Comprehensive Income.

The notes on pages 19 to 34 form part of these financial statements.

HORIBA UK LIMITED
REGISTERED NUMBER:02242542

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	14	306,347	440,982
Tangible assets	15	2,261,871	2,362,775
		<u>2,568,218</u>	<u>2,803,757</u>
Current assets			
Stocks	16	11,479,003	6,781,837
Debtors: amounts falling due within one year	17	10,137,003	10,865,037
Cash at bank and in hand	18	4,981,403	3,969,761
		<u>26,597,409</u>	<u>21,616,635</u>
Creditors: amounts falling due within one year	19	(16,970,378)	(11,699,599)
Net current assets		<u>9,627,031</u>	<u>9,917,036</u>
Total assets less current liabilities		<u>12,195,249</u>	<u>12,720,793</u>
Net assets		<u><u>12,195,249</u></u>	<u><u>12,720,793</u></u>
Capital and reserves			
Called up share capital	21	11,012,000	11,012,000
Profit and loss account	20	1,183,249	1,708,793
		<u><u>12,195,249</u></u>	<u><u>12,720,793</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2021.



S A Knight
Director

The notes on pages 19 to 34 form part of these financial statements.

HORIBA UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	11,012,000	1,708,793	12,720,793
Comprehensive income for the year			
Loss for the year	-	(525,544)	(525,544)
Total comprehensive income for the year	-	(525,544)	(525,544)
At 31 December 2020	11,012,000	1,183,249	12,195,249

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	11,012,000	(111,514)	10,900,486
Comprehensive income for the year			
Profit for the year	-	1,820,307	1,820,307
Total comprehensive income for the year	-	1,820,307	1,820,307
At 31 December 2019	11,012,000	1,708,793	12,720,793

The notes on pages 19 to 34 form part of these financial statements.

HORIBA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

Horiba UK Limited is a private company limited by shares & incorporated in England and Wales. Its registered head office is located at Kyoto Close, Moulton Park Industrial Estate, Northampton, NN3 6FL.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom 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 judgement in applying the Company's accounting policies (see note 2).

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b), 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraphs 33.7

This information is included in the consolidated financial statements of HORIBA, Ltd as at 31 December 2020 and these financial statements may be obtained from 2 Miyano Higashi-cho Minami-ku, Kyoto 601-8510, Japan and from the website, www.horiba.com.

2.3 Going concern

The directors have prepared forecasts to the end of 2021 and 2022. In addition, the directors have prepared sensitivity scenarios taking account of pessimistic outcomes for 2022 trading, and in each instance have considered the working capital requirements of the business until the end of 2022.

Additionally, the directors have reaffirmed the capability, and preparedness of, the HORIBA Group to provide support in the event that it might be required. The directors have concluded that the Company has sufficient cash reserves and access to finance in order to be able to meet its liabilities as they fall due. The directors therefore consider that the Company will continue in operational existence for the foreseeable future and accordingly the directors consider it appropriate to prepare the financial statements on a going concern basis.

HORIBA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

There are four principal revenue streams, and the following criteria for each must be met before revenue is recognised:

Service Contracts

Revenue from a contract to provide services is recognised in the period in which those services are provided in accordance with the stage of completion of the contract when the following conditions are satisfied:

- The amount of revenue can be reliably measured
- It is probable that the Company will receive the consideration due under the contract
- The costs incurred and the costs to complete the contract can be measured reliably
- The stage of completion of the contract can be measured reliably

Sale of Goods

Revenue from the sale of goods is recognised by reference to either despatch or delivery, when the following conditions are satisfied:

- The amount of revenue can be reliably measured
- It is probable that the Company will receive the consideration due under the transaction
- The costs incurred or to be incurred in respect of the transaction can be measured reliably
- The Company has transferred the significant risks and rewards of ownership to the buyer
- The Company retains neither continuing managerial involvement, to the degree usually associated with ownership, nor effective control over the goods sold

Installation Projects

Revenue from contracts involving both the sale of goods and related commissioning of those goods is recognised by reference to customer acceptance, when the following conditions are satisfied:

- The amount of revenue can be reliably measured
- It is probable that the Company will receive the consideration due under the contract
- The costs incurred or to be incurred in respect of the contract can be measured reliably
- The Company has transferred the significant risks and rewards of ownership to the buyer
- The Company retains neither continuing managerial involvement, to the degree usually associated with ownership, nor effective control over the goods sold
- There has either been formal customer acceptance of the contract commissioning, or the buyer has obtained beneficial use of the installed equipment.

HORIBA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.4 Revenue (continued)****Turn-key Projects**

Revenue from contracts involving the sale of goods and related commissioning of those goods, together with the provision of significant related civil construction, is recognised by reference to percentage completion of the project costs, when the following conditions are satisfied:

- The amount of revenue can be reliably measured
- It is probable that the Company will receive the consideration due under the contract
- The costs incurred to date and future costs to be incurred in respect of the contract can be measured reliably
- The Company has transferred the significant risks and rewards of ownership to the buyer
- The Company retains neither continuing managerial involvement, to the degree usually associated with ownership, nor effective control over the goods sold
- The overall contract revenue is expected to exceed a threshold of £5m, and the contract duration is expected to exceed twelve months

2.5 Intangible assets**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives are as follows:

Computer Software - 5-10 years

HORIBA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.6 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.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	- 25-50 years straight line
Plant and machinery	- 3-10 years straight line
Motor vehicles	- 25% reducing balance or 25% straight line

2.7 Operating leases: Lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income 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 lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.8 Stocks

Stocks are stated at the lower of standard cost and net realisable value.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. Any impairment loss is recognised immediately in the profit and loss account.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.10 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.

2.11 Creditors

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

2.12 Government grants

Grants relate to furlough income, which are accounted for under the accruals model and are recognised as other operating income in the same period as the related expenditure.

HORIBA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.13 Foreign currency translation****Functional and presentation currency**

The Company's functional and presentational currency is GBP.

Transactions and balances

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 Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.14 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.

2.15 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.

HORIBA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)**2.16 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.

2.17 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.18 Current and deferred taxation

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.

2.19 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

HORIBA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Various amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, have regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation uncertainty is contained in the accounting policies and the notes to the financial statements, and the key areas summarised below:

Judgements in applying accounting policies:

The directors must judge whether all of the conditions required for the turnover to be recognised in profit and loss of the financial year, as set out in note 2.4 above, have been met.

Sources of estimation uncertainty:

The outcomes of long term sales contracts are estimated by management and these estimates are included in the profit and loss of the financial year.

Management makes estimates of the impaired value of slow moving inventory, as set out in note 2.8.

Depreciation and amortisation rates are based on estimates of the useful lives and residual values of the assets involved, as set out in note 2.5 and 2.6.

4. Turnover

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

	2020 £	2019 £
Sale of goods	28,271,469	42,714,344
Rendering of services	5,836,726	6,291,729
	<u>34,108,195</u>	<u>49,006,073</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	20,151,964	33,227,133
Rest of Europe	12,823,326	13,462,365
Rest of the world	1,132,905	2,316,575
	<u>34,108,195</u>	<u>49,006,073</u>

HORIBA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. Other operating income

	2020 £	2019 £
Furlough income	451,010	-
	<u>451,010</u>	<u>-</u>

6. Operating (loss)/profit

The operating profit is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	488,174	534,024
Amortisation of intangible assets	175,008	166,568
Exchange differences	170,231	67,022
Other operating lease rentals	203,185	208,785
	<u> </u>	<u> </u>

7. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	51,000	49,500
	<u> </u>	<u> </u>
Fees payable to the Company's auditor and its associates in respect of:		
Accounting services	2,100	2,000
Tax related services	19,950	22,500
	<u> </u>	<u> </u>

8. Profit on disposal

	2020 £	2019 £
Profit on Stanmore sale	-	756,332
	<u> </u>	<u> </u>

On 18 April 2019, the Company sold its Satellite office in Stanmore, North West London for £1.7m. At the date of sale, the net book value amounted to £0.9m.

HORIBA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Employees

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

	2020 £	2019 £
Wages and salaries	8,271,626	8,214,501
Social security costs	949,837	977,389
Cost of defined contribution pension scheme	902,461	883,657
	<u>10,123,924</u>	<u>10,075,547</u>

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

	2020 No.	2019 No.
Engaged in UK Operations	<u>181</u>	<u>183</u>

10. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	485,410	598,738
Company contributions to defined contribution pension schemes	53,408	87,475
	<u>538,818</u>	<u>686,213</u>

During the year retirement benefits were accruing to 4 directors (2019 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £155,041 (2019 - £163,657).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £23,693 (2019 - £22,806).

11. Interest receivable

	2020 £	2019 £
Other interest receivable	<u>23,839</u>	<u>10,089</u>

HORIBA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Interest payable and similar expenses

	2020	2019
	£	£
Other interest payable	3,001	2,500

13. Taxation

	2020	2019
	£	£
Corporation tax		
Current tax on profits for the year	50,000	356,747
Adjustments in respect of previous periods	(70,389)	-
Total current tax	(20,389)	356,747
Deferred tax		
Total deferred tax	-	-
Taxation on (loss)/profit on ordinary activities	(20,389)	356,747

HORIBA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
(Loss)/profit on ordinary activities before tax	<u>(545,933)</u>	<u>2,177,054</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(103,727)	413,640
Effects of:		
Fixed asset differences	5,501	(160,816)
Expenses not deductible for tax purposes	693	23,047
Income not deductible for tax purposes	-	(39,140)
Chargeable gains/(losses)	-	96,542
Adjustments to tax charge in respect of prior periods	(70,389)	91,252
Adjustments to tax charge in respect of prior periods - deferred tax	(1,321)	(7,134)
Other permanent differences	209	-
R&D expenditure credits	(32,870)	-
Reserve	50,000	-
Deferred tax not recognised	131,515	(60,644)
Total tax charge for the year	<u><u>(20,389)</u></u>	<u><u>356,747</u></u>

HORIBA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Intangible assets

	Computer software £	Goodwill £	Total £
Cost			
At 1 January 2020	1,062,010	6,256,828	7,318,838
Additions	40,373	-	40,373
At 31 December 2020	1,102,383	6,256,828	7,359,211
Amortisation			
At 1 January 2020	621,028	6,256,828	6,877,856
Charge for the year on owned assets	175,008	-	175,008
At 31 December 2020	796,036	6,256,828	7,052,864
Net book value			
At 31 December 2020	306,347	-	306,347
At 31 December 2019	440,982	-	440,982

Amortisation on intangible assets is charged to Cost of sales.

HORIBA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Tangible fixed assets

	Freehold property £	S/Term Leasehold Property £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2020	1,445,332	150,499	4,778,503	143,384	6,517,718
Additions	53,421	-	499,801	-	553,222
Disposals	-	-	(397,578)	(42,627)	(440,205)
At 31 December 2020	<u>1,498,753</u>	<u>150,499</u>	<u>4,880,726</u>	<u>100,757</u>	<u>6,630,735</u>
Depreciation					
At 1 January 2020	267,886	150,499	3,594,494	142,064	4,154,943
Charge for the year on owned assets	55,826	-	431,028	1,320	488,174
Disposals	-	-	(231,626)	(42,627)	(274,253)
At 31 December 2020	<u>323,712</u>	<u>150,499</u>	<u>3,793,896</u>	<u>100,757</u>	<u>4,368,864</u>
Net book value					
At 31 December 2020	<u>1,175,041</u>	<u>-</u>	<u>1,086,830</u>	<u>-</u>	<u>2,261,871</u>
At 31 December 2019	<u>1,177,446</u>	<u>-</u>	<u>1,184,009</u>	<u>1,320</u>	<u>2,362,775</u>

Included within freehold property is land of £400,000 (2019: £400,000), which is not depreciated.

16. Stocks

	2020 £	2019 £
Raw materials and consumables	5,941,556	4,986,641
Work in progress (goods to be sold)	5,537,447	1,795,196
	<u>11,479,003</u>	<u>6,781,837</u>

Stock recognised in cost of sales during the year was £20,157,681 (2019: £31,960,720).

An impairment loss of £2,534 (2019: £37,749) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

HORIBA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

17. Debtors

	2020 £	2019 £
Trade debtors	6,011,909	6,674,469
Amounts owed by group undertakings	3,721,490	3,631,784
Prepayments and accrued income	403,604	558,784
	<u>10,137,003</u>	<u>10,865,037</u>

Included within amounts owed by group undertakings is a loan provided to Horiba UK Finance of £3,000,000, which is repayable within one year.

An impairment loss of £186,000 (2019: £90,000) was recognised against trade debtors.

18. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>4,981,403</u>	<u>3,969,761</u>

19. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	1,960,312	1,956,040
Amounts owed to group undertakings	6,028,248	3,707,317
Corporation tax	31,186	334,046
Other taxation and social security	1,192,974	1,234,189
Accruals and deferred income	7,757,658	4,468,007
	<u>16,970,378</u>	<u>11,699,599</u>

20. Reserves**Profit and loss account**

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

HORIBA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

21. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
11,012,000 (2019 - 11,012,000) Ordinary shares of £1 each	11,012,000	11,012,000

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

22. Contingent liabilities

At 31 December 2020 the Company had bank guarantees totalling £100,000 in favour of H M Revenue & Customs (2019: £100,000) and £1,200,000 in favour of certain customers (2019: £116,000).

23. Commitments**Capital commitments:**

The Company had capital commitments outstanding at the year end totalling £Nil (2019: £Nil).

Pension Scheme:

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 £902,461 (2019: £883,657).

24. Operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	105,758	178,175
Later than 1 year and not later than 5 years	271,276	283,341
Later than 5 years	158,248	213,215
	535,282	674,731

25. Related party transactions

As a 100% owned subsidiary of HORIBA, Ltd the Company is exempt from the requirements of FRS 102 to disclose transactions with other wholly owned members of the group headed by HORIBA, Ltd.

HORIBA UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

26. Controlling party

The parent undertaking of this Company is HORIBA European Holding SAS, which is incorporated in France by virtue of its ownership of 100% of the issued share capital of the Company. The ultimate controlling related party of this Company is HORIBA, Ltd, incorporated in Japan.

Consolidated financial statements incorporating the results of HORIBA UK Limited are prepared by the ultimate parent undertaking and are available from HORIBA Ltd, 2 Miyahigashi-cho, Minami-ku, Kyoto 6018510, Japan and from the website, www.horiba.com.