

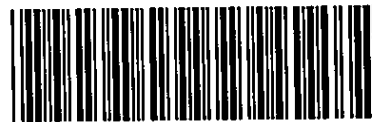
Keyence (UK) Limited

**Directors' report and financial
statements**

Registered number 02818080

29 February 2012

WEDNESDAY



L1K8A1NS

LD2

24/10/2012

#30

COMPANIES HOUSE

Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and the Financial Statements	2
Independent auditors' report to the members of Keyence (UK) Limited	3
Profit and loss account	4
Balance sheet	5
Notes	6

Directors' report

The directors present their annual report and the audited financial statements for the year ended 29 February 2012

Principal activities

The main activity of the company is the sale of electronic sensors, measuring instruments and digital microscope manufactured by its parent company in Japan

The manufacturing sector of the UK economy has improved since mid-2011 for various industries. We have been pursuing food supply and packaging, and pharmaceutical industries and these are blooming out. We expect this will continue through the new financial year.

KPI's

The profit before tax was £681,958 compared to a profit before tax of £669,266 in the previous year. Turnover for the year ended 29 February 2012 was £8,748,862 compared to £7,145,553 for the prior year.

Risk and Uncertainties

Uncertainties in the UK economy would be the biggest issue for the company. No other particular risks and uncertainties are foreseen.

Proposed dividend

The directors do not recommend the payment of a dividend (2011 £nil)

Directors

The directors who held office during the year were as follows:

A Yamamoto (appointed 21 December 2011)

M Sasaki (resigned 21 December 2011)

T Fujita

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to section 487 of the Companies Act 2006, the Auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



Mr H Satoh
Secretary

Avebury House
219-225 Avebury Boulevard
Milton Keynes
MK9 1AU

Statement of Directors' Responsibilities

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 and then apply them consistently,
- make judgments and 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Keyence (UK) Limited

We have audited the financial statements of Keyence (UK) Limited for the year ended 29 February 2012 set out on pages 4 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state 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' Responsibilities Statement set out 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. 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

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 29 February 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with UK 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

 M Matthewman

21/6/12

M Matthewman (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor

Altius House
One North Fourth Street
Milton Keynes, MK9 1NE

Profit and loss account
for the year ended 29 February 2012

	Note	£	2012 £	£	2011 £
Turnover	2		8,748,862		7,145,553
Cost of sales			(4,887,100)		(3,921,648)
			<hr/>		<hr/>
Gross profit			3,861,762		3,223,905
			<hr/>		<hr/>
Distribution costs	3	(332,202)		(168,892)	
Administrative expenses	3	(2,883,150)		(2,425,011)	
			<hr/>	<hr/>	
			(3,215,352)		(2,593,903)
			<hr/>		<hr/>
Operating profit	3-5		646,410		630,002
Interest receivable and similar income	6		36,885		49,461
Interest payable and similar charges	7		(1,337)		(10,197)
			<hr/>		<hr/>
Profit on ordinary activities before taxation			681,958		669,266
Tax on profit on ordinary activities	8		(181,266)		(194,401)
			<hr/>		<hr/>
Profit on ordinary activities after taxation			500,692		474,865
Profit and loss account brought forward			5,927,412		5,452,547
			<hr/>		<hr/>
Profit and loss account carried forward			6,428,104		5,927,412
			<hr/>		<hr/>

All results relate to continuing activities

The company has no recognised gains or losses in the year other than the loss on ordinary activities as set out above

The notes on pages 6 to 12 form part of the financial statements

Balance sheet
at 29 February 2012

	Note	2012		2011	
		£	£	Restated (note 13)	£
Fixed assets					
Tangible assets	9		88,246		31,372
Investments	10		55,600		55,600
Current assets					
Stock	11	559,654		494,760	
Debtors	12	1,859,589		1,776,624	
Investments	13	4,859,054		4,826,049	
Cash at bank and in hand		644,800		264,731	
		<u>7,923,097</u>		<u>7,362,164</u>	
Creditors, amounts falling due within one year	14	(1,338,839)		(1,221,724)	
Net current assets			<u>6,584,258</u>		<u>6,140,440</u>
Net assets			<u>6,728,104</u>		<u>6,227,412</u>
Capital and reserves					
Called up share capital	15	300,000		300,000	
Profit and loss account		6,428,104		5,927,412	
Equity shareholders' funds	16		<u>6,728,104</u>		<u>6,227,412</u>

The notes on pages 6 to 12 form part of the financial statements

These financial statements were approved by the board of directors on
by

and were signed on its behalf

Mr A Yamamoto
Director

Registered number 02818080



12/06/2012

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

Fixed assets and depreciation

Depreciation is provided to write off the cost of assets in equal instalments over the estimated lives of the assets. The estimated lives are as follows

Demonstration equipment	2 years
Furniture and office equipment	3 years
Fixtures and fittings	3-5 years

Stocks

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

Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Leases

Operating lease rentals are charged to income in equal annual amounts over the lease term

Pension costs

The company operates a group personal pension scheme. Contributions to the scheme are charged to the profit and loss account when payable

Related parties

The company has taken advantage of the exemption available under FRS 8, 'Related Parties' from disclosing transactions with entities that are part of the Group, where 100% of the voting rights of these entities are controlled within the Group

Foreign exchange

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

These transactions differences are dealt with in the profit and loss account

2 Turnover

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and Value Added Tax. Turnover is derived from the United Kingdom and Ireland

Notes (continued)

3 Operating Profit/ (Loss)

<i>Operating profit/ (loss) is stated after charging</i>	2012	2011
	£	£
Depreciation	57,380	37,164
Hire of other assets – operating leases	115,674	112,732
Hire of plant and machinery – operating leases	146,258	157,699
Auditors remuneration		
- audit of these financial statements	10,690	11,480
- preparation of corporation tax computations	3,879	3,800
	<u> </u>	<u> </u>

4 Staff numbers and costs

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

	Number of employees	
	2012	2011
Sales	22	18
Administration, technical support and marketing	8	9
	<u> </u>	<u> </u>
	30	27
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows

	2012	2011
	£	£
Wages and salaries	1,504,069	1,199,245
Social security costs	151,456	129,556
Other pension costs	74,122	66,970
	<u> </u>	<u> </u>
	1,729,647	1,395,771
	<u> </u>	<u> </u>

5 Remuneration of directors

No directors emoluments were paid out by the company in 2012

The remuneration of the directors are borne by parent company

No directors are members of the group personal pension scheme operated by the company (2011 none)

6 Other interest receivable and similar income

	2012	2011
	£000	£000
Bank interest	34,306	17,974
Net exchange gains	-	-
Other	2,579	31,487
	<u> </u>	<u> </u>
	36,885	49,461
	<u> </u>	<u> </u>

Notes *(continued)*

7 Other interest payable and similar charges

	2012 £	2011 £
Net exchange loss	(1,337)	(10,197)
	<u>(1,337)</u>	<u>(10,197)</u>

8 Taxation

Analysis of charge in period

	2012 £	£	2011 £	£
<i>UK corporation tax</i>				
Current tax on income for the period	167,261		190,006	
Adjustments in respect of prior periods	-		1 214	
	<u>167,261</u>		<u>191,220</u>	
Total current tax		167,261		191,220
<i>Deferred tax (see below)</i>				
Origination and reversal of timing differences in the year	14,005		3,181	
Origination and reversal of timing differences previously unrecognised	-		-	
	<u>14,005</u>		<u>3,181</u>	
		<u>181,266</u>		<u>194,401</u>
Tax on profit on ordinary activities		181,266		194,401

Notes (continued)

8 Taxation (continued)

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2011 lower) than the standard rate of corporation tax in the UK of 26%, (2011 28%) The differences are explained below

	2012 £	2011 £
<i>Current tax reconciliation</i>		
Profit/(loss) on ordinary activities before tax	681,958	669,266
	<hr/>	<hr/>
Current tax at 26 2% (2011 28 %)	178,673	187,394
	<hr/>	<hr/>
<i>Effects of</i>		
Expenses not deductible for tax purposes	4,992	5,530
Capital allowances for period less than (in excess) of depreciation	(15,780)	(2,917)
Impact of rate change on current year deferred tax credit	(249)	(104)
Other short term timing differences	(375)	103
Adjustments to tax charge in respect of previous periods	-	1,214
Utilisation of tax losses in respect of prior periods	-	-
	<hr/>	<hr/>
Total current tax charge (see above)	167,261	191,220
	<hr/>	<hr/>

On 23 March 2011 the Chancellor announced the reduction in the main rate of UK Corporation Tax to 26% with effect from 1 April 2011. A further reduction to 25% was substantively enacted on 5 July 2011 and received Royal Assent on 19 July 2011. The effect of the rate reduction creates a reduction in the deferred tax asset, which has been included in the figures above.

The Chancellor announced on 21 March 2012 changes to further reduce the main rate of UK Corporation Tax to 24% from 1 April 2012 and to 22% by 1 April 2014 but these changes were not substantively enacted at the balance sheet date and therefore are not included in the figures above.

Deferred Tax

	2012 £
At beginning of period	7,114
Charge for the period	(14,005)
	<hr/>
Deferred tax at end of period	(6,891)
	<hr/>

The elements of deferred tax are as follows

	Year ended 28 February 2012 £	Year ended 29 February 2011 £
<i>Deferred tax</i>		
Arising on difference between accumulated depreciation and capital allowances	(8,321)	5,243
Other short term timing differences	1,430	1,871
	<hr/>	<hr/>
Net deferred tax (liabilities)/asset	(6,891)	7,114
	<hr/>	<hr/>

Notes (continued)

9 Tangible fixed assets

	Demonstration equipment £	Furniture and office equipment £	Fixtures and fittings £	Total £
Cost				
At beginning of year	257,371	210,885	119,442	587,698
Additions	97,376	4,381	8,882	110,639
Disposals	(19,775)	(1,138)	-	(20,913)
At end of year	334,972	214,128	128,324	677,424
Accumulated depreciation				
At beginning of year	233,269	207,563	111,879	552,711
Charge for the year	46,453	1,594	9,333	57,380
Disposals	(19,775)	(1,138)	-	(20,913)
At end of year	259,947	208,019	121,212	589,178
Net book value				
At 28 February 2012	75,025	6,109	7,112	88,246
At 29 February 2011	20,488	3,320	7,564	31,372

10 Fixed asset investments

	Shares in group undertakings £
Cost and net book value	
At the beginning and end of the year	55,600

11 Stocks

	2012 £	2011 £
Goods for resale	559,654	494,760

12 Debtors

	2012 £	2011 £
Trade debtors	1,713,218	1,667,401
Other Debtors	7,556	18,917
Prepayments and Accrued Income	138,815	83,192
Corporation Tax	-	-
Deferred tax asset	-	7,114
	1,859,589	1,776,624

Notes (continued)

13 Investments

	2012	2011
	£	Restated £
Cash held on deposit	4,859,054	4,826,049

Cash held on deposit has been reclassified from cash at bank and in hand

14 Creditors: amounts falling due within one year

	2012	2011
	£	£
Trade creditors	260,614	177,656
Amounts owed to group undertakings	911,174	821,076
Taxation and social security	71,314	103,330
Accruals and deferred income	26,701	22,868
Deferred Tax Liability	6,891	-
Corporation Tax	62,145	96,794
	<u>1,338,839</u>	<u>1,221,724</u>

15 Called up share capital

	2012	2011
	£	£
<i>Authorised</i>		
300,000 ordinary shares of £1 each	300,000	300,000
<i>Allotted, called up and fully paid</i>		
300,000 ordinary shares of £1 each	300,000	300,000

16 Shareholders' funds

	2012	2011
	£	£
Profit/(loss) for the financial year	500,692	474,865
Opening shareholders' funds	6,227,412	5,752,547
Closing shareholders' funds	<u>6,728,104</u>	<u>6,227,412</u>

17 Operating lease commitments

	2012		2011	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire				
Within one year	18,504	18,136	73,524	42,660
In the second to fifth years inclusive	15,960	139,915	34,464	76,401
Over five years	63,888	-	69,068	-
	<u>98,352</u>	<u>158,051</u>	<u>177,056</u>	<u>119,061</u>

Notes *(continued)*

18 Pension scheme

The company operates a group personal pension scheme. The assets of the scheme are held separately from those of the company. The pension cost charged to the profit and loss account represents contributions payable by the company to the scheme and amounted to £74,122 (2011 £66,970).

19 Capital commitments and guarantees

The company has issued a bank guarantee of £100,000 (2011 £50,000) in favour of HM Customs and Excise.

There are no capital commitments at the year end (2011 £nil).

20 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company's ultimate parent company and controlling entity is Keyence Corporation, a company incorporated in Japan, and is the parent undertaking of both the largest and smallest groups which includes the company and for which group accounts are prepared. A copy of the group accounts is available from

1-3-14 Higashi-Nakajima
Higashi-Yodogara-Ku
Osaka 533-8555
Japan