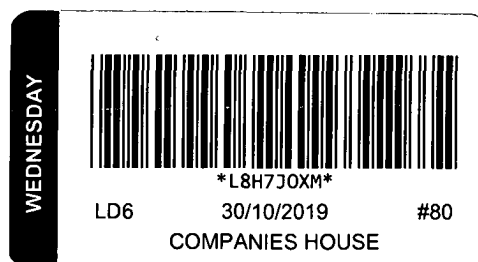


Keyence (UK) Limited

Annual Report and Financial Statements

Registered number 02818080

28 February 2019



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Strategic report

The directors present their Strategic Report for the year ended 28 February 2019.

Principal business objectives and strategies for achieving them

The sale of electronic sensors, measuring instruments and digital microscopes supplied by the parent company in Japan remains the principal activity for Keyence (UK) Ltd.

Key Strategies are:

Direct Sales

Our technically trained sales engineers have extensive product knowledge along with application and industry experience. This experience and specialization allows the most efficient solution to be quickly recommended to customers, saving invaluable time.

Fast delivery

Keyence has established a fast delivery system to ensure that customers get their required products whenever they need them. Products are shipped from our warehouse in the U.K directly to customer sites.

Comprehensive support

Keyence supports customers with extensive on-site manufacturing and automation knowledge. Our sales engineers are ready to provide comprehensive support at every level of business, from the design and research stage, to model selection, line operation with on-site instructions, and after product adoption.

Going concern

The Directors have a reasonable expectation that Keyence (UK) Ltd has adequate resources to continue operation for the foreseeable future.

Review of the business and future developments

During the financial year ending February 2019 turnover increased by 16.59% compared to the prior year. This was a combined result of new products launched, an increased number of sales employees and an expansion of our customer base.

The forecast for year ending February 2020 is positive with Keyence (UK) Ltd continuing to expand business within the UK & Ireland.

Principal risks and uncertainties

Uncertainties within the UK economy are the main variable factor with regards to the ongoing operation of Keyence (UK) Ltd. Currently we have seen no impact following the UK's decision to leave the EU and we do not anticipate this to change, however we continue to monitor the situation closely. No other particular significant risk or uncertainty has been identified or foreseen.

By order of the board



Mr K Owa
Secretary

Directors' report

The directors present their annual report and the audited financial statements for the year ended 28 February 2019.

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.

Various industries within the UK manufacturing sector have continued to improve during 2018. Keyence (UK) Limited has experienced sales growth during this period and expects that this will continue for the new financial year.

KPI's

The profit before tax was £1,821,137 compared to a profit before tax of £1,689,542 in the previous year. Turnover for the year ended 28 February 2019 was £25,222,386 compared to £21,633,858 for the prior year.

Risk and Uncertainties

Uncertainties in the UK economy are 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 (2018: £nil).

Directors

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

A Yamamoto
K Kimura

Charitable and political donations

During the year the Company made no charitable donations (2018: £nil). No contributions were made for political purposes (2018: £nil).

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 auditor is 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 auditor is 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 K Owa
Secretary

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 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 judgements 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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

Opinion

We have audited the financial statements of Keyence (UK) Limited for the year ended 28 February 2019 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet and Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("TSAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of debtors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Independent Auditor's Report to the members of Keyence (UK) Limited (continued)

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's Report to the members of Keyence (UK) Limited (*continued*)

The purpose of our audit work and to whom we owe our responsibilities

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.

C. Anderson

Charlotte Anderson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Altius House
One North Fourth Street
Milton Keynes
MK9 1NE

29.10.19

Profit and Loss account and Other Comprehensive Income
for the year ended 28 February 2019

	Note	2019	2018
		£	£
Turnover	2	25,222,386	21,633,858
Cost of sales		(12,760,907)	(11,362,793)
Gross profit		12,461,479	10,271,065
Distribution costs		(1,670,606)	(1,401,673)
Administrative expenses		(9,020,518)	(7,218,754)
		(10,691,124)	(8,620,427)
Operating profit	3-5	1,770,355	1,650,638
Interest receivable and similar income	6	50,782	38,904
Profit on ordinary activities before tax		1,821,137	1,689,542
Tax on profit on ordinary activities	7	(380,985)	(338,359)
Profit on ordinary activities after tax		1,440,152	1,351,183
Total comprehensive income for the year		1,440,152	1,351,183

All results relate to continuing activities.

The notes on pages 10 to 20 form part of the financial statements.

Balance sheet
at 28 February 2019

	<i>Note</i>	2019	2018
		£	£
Fixed assets			
Tangible assets	8	619,365	508,382
Investments	9	55,600	55,600
Current assets			
Stock	10	1,253,902	1,403,079
Debtors	11	5,784,416	4,993,922
Investments	12	8,491,683	8,127,027
Cash at bank and in hand		1,444,500	1,361,603
		<u>16,974,501</u>	<u>15,885,631</u>
Creditors: amounts falling due within one year	13	(3,437,313)	(3,681,595)
Net current assets		<u>13,537,188</u>	<u>12,204,036</u>
Provisions for liabilities: Other provisions	14	(124,700)	(120,717)
Net assets		<u>14,087,453</u>	<u>12,647,301</u>
Capital and reserves			
Called up share capital	15	300,000	300,000
Profit and loss account		13,787,453	12,347,301
Shareholders' funds		<u>14,087,453</u>	<u>12,647,301</u>

The notes on pages 10 to 20 form part of the financial statements.

These financial statements were approved by the board of directors on *17 October 2019* and were signed on its behalf by:



Mr A Yamamoto
Director

Registered number 02818080

Statement of changes in equity
for the year ended 28 February 2019

	Called up Share Capital	Profit and Loss Account	Total Equity
	£	£	£
Balance at 28 February 2017	300,000	10,996,118	11,296,118
<i>Total comprehensive income for the period</i>			
Profit	-	1,351,183	1,351,183
Balance at 28 February 2018	300,000	12,347,301	12,647,301
	Called up Share Capital	Profit and Loss Account	Total Equity
	£	£	£
Balance at 28 February 2018	300,000	12,347,301	12,647,301
<i>Total comprehensive income for the period</i>			
Profit	-	1,440,152	1,440,152
Balance at 28 February 2019	300,000	13,787,453	14,087,453

The notes on pages 10 to 20 form part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*"). The presentation currency of these financial statements is sterling.

The Company's ultimate parent undertaking, Keyence Corporation includes the Company in its consolidated financial statements. The consolidated financial statements of Keyence Corporation are prepared in accordance with International Financial Reporting Standards as adopted by the BU and are available to the public and may be obtained from 1-3-14 Higashi-Nakajima, Higashi-Yodogara-Ku, Osaka 533-8555, Japan.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes, and
- Key Management Personnel compensation.

Certain disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The company has prepared forecasts which demonstrate that they will be able to operate for the foreseeable future and meet its liabilities as they fall due for payment.

The company has a reasonable expectation that they have adequate resources to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern principle in their financial statements.

1.3 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.

Notes (continued)

1 Accounting policies (continued)

1.4 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5 Basic financial instruments

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.6 Fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

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

1.7 Stocks

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

1.8 Pension costs

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

Notes (continued)

1 Accounting policies (continued)

1.9 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.10 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.

1.11 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar charges include net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Interest income and interest payable are recognised in profit or loss as they accrue.

1.12 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

1.13 Related parties

The company has taken advantage of the exemption available under FRS 102, that transactions with wholly owned subsidiaries do not need to be disclosed.

Notes (continued)

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.

	2019 £	2018 £
Sales of goods	25,222,386	21,633,858

3 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2019 £	2018 £
Depreciation	405,837	277,564
Hire of other assets -- operating leases	404,725	335,515
Hire of plant and machinery -- operating leases	401,621	355,669
Auditor's remuneration:		
- audit of these financial statements	18,870	18,000
- preparation of corporation tax computations	6,500	4,000

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	
	2019	2018
Sales	60	58
Administration, technical support and marketing	23	19
	83	77

The aggregate payroll costs of these persons were as follows:

	2019 £	2018 £
Wages and salaries	4,139,254	3,485,496
Social security costs	528,027	409,833
Other pension costs	212,137	149,393
	4,879,418	4,044,722

Notes (continued)

5 Remuneration of directors

The directors received no emoluments in respect of their services to the company during the year (2018: *£nil*). The directors do not receive compensation from other group companies for their services to Keyence (UK) Limited as the time spent specifically related to the company is negligible.

No directors are members of the group personal pension scheme operated by the company (2018: *none*).

6 Other interest receivable and similar income

	2019	2018
Bank interest	49,734	30,780
Other	1,048	8,124
	<u>50,782</u>	<u>38,904</u>

Notes (continued)

7 Taxation

Analysis of charge in period

	2019		2018	
	£	£	£	£
<i>UK corporation tax</i>				
Current tax on income for the period	363,572		344,165	
Adjustments in respect of prior periods	35,623		(8,390)	
	<hr/>		<hr/>	
Total current tax		399,195		335,775
<i>Deferred tax (see below)</i>				
Origination and reversal of timing differences in the year	(18,210)		2,584	
	<hr/>		<hr/>	
		(18,210)		2,584
		<hr/>		<hr/>
Tax on profit on ordinary activities		380,985		338,359
		<hr/>		<hr/>

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2018: higher) than the standard rate of corporation tax in the UK of 19%, (2018: 19.085%). The differences are explained below:

	2019	2018
	£	£
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	1,821,137	1,689,542
	<hr/>	<hr/>
Current tax at 19% (2017: 19.085%)	346,016	322,449
<i>Effects of:</i>		
(Income)/Expenses not deductible for tax purposes	(654)	24,300
Under/Over provided in prior years	35,623	(8,390)
	<hr/>	<hr/>
Total current tax charge (see above)	380,985	338,359
	<hr/>	<hr/>

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax asset at the balance sheet date has been calculated based on these rates.

Notes (continued)

7 Taxation (continued)

Deferred Tax

	2019 £
At beginning of period	(1,271)
Charge for the period	(18,210)
Deferred tax at end of period	<u>(19,481)</u>

The elements of deferred tax are as follows:

	Year ended 28 February 2019 £	Year ended 28 February 2018 £
<i>Deferred tax</i>		
Arising on difference between accumulated depreciation, capital allowances and short term timing differences	19,481	1,271
Net deferred tax assets	<u>19,481</u>	<u>1,271</u>

Notes (continued)

8 Tangible fixed assets

	Demonstration equipment £	Furniture and office equipment £	Fixtures and fittings £	Total £
<i>Cost</i>				
At beginning of year	782,351	678,964	523,770	1,985,085
Additions	343,646	145,960	39,427	529,033
Disposals	(8,613)	(109,966)	-	(118,579)
At end of year	1,117,384	714,958	563,197	2,395,539
<i>Accumulated depreciation</i>				
At beginning of year	638,895	526,303	311,505	1,476,703
Charge for the year	183,888	155,643	66,306	405,837
Disposals	(5,042)	(101,324)	-	(106,366)
At end of year	817,741	580,622	377,811	1,776,174
<i>Net book value</i>				
At 28 February 2019	299,643	134,336	185,386	619,365
At 28 February 2018	143,456	152,661	212,265	508,382

9 Fixed asset investments

The Company has the following investments in associate:

	Aggregate of capital and reserves €	Profit or loss for the year €	Registered office address	Class of shares held	Ownership 2019 %	Ownership 2018 %	Shares in group undertakings £
Keyence Italy SPA	14,142,309	3,006,948	Via della Moscova 3, 20121 Milan, Italy	Ordinary Shares	10	10	
<i>Cost and net book value</i>							
At the beginning and end of the year							55,600

Notes (continued)

10 Stocks

	2019	2018
	£	£
Goods for resale	1,253,902	1,403,079

Finished goods recognised as cost of sales in the year amounted to £12,485,660 (2018:£11,087,223). The write-down of stocks to net realisable value amounted to £28,593 (2018:£24,790).

11 Debtors

	2019	2018
	£	£
Trade debtors	5,244,222	4,555,535
Other debtors	13,516	16,151
Prepayments and Accrued Income	507,197	420,965
Deferred tax asset	19,481	1,271
	<u>5,784,416</u>	<u>4,993,922</u>
Due within one year	5,770,900	4,977,771
Due after more than 1 year	13,516	16,151
	<u>5,784,416</u>	<u>4,993,922</u>

12 Investments

	2019	2018
	£	£
Cash held on deposit	8,491,683	8,127,027

13 Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	438,475	481,355
Amounts owed to group undertakings	2,092,635	2,406,159
Taxation and social security	358,681	267,899
Accruals	513,175	372,860
Corporation tax	34,347	153,322
	<u>3,437,313</u>	<u>3,681,595</u>

Notes (continued)

14 Provisions for liabilities

	2019 £	2018 £
Other provisions	124,700	120,717
The provisions relate to property liabilities.		

15 Called up share capital

	2019 £	2018 £
<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 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2019 £	2018 £
Less than one year	755,664	688,430
Between one and five years	1,301,756	1,190,993
More than five years	410,231	536,456
	2,467,651	2,415,879

During the year £806,346 was recognised as an expense in the profit and loss account in respect of operating leases (2018: £691,184).

17 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 £212,137 (2018: £149,393).

18 Capital commitments and guarantees

The company has issued a bank guarantee of £100,000 (2018: £100,000) in favour of HM Customs and Excise.

There are capital commitments of £258,989 at the year end (2018: £nil).

Notes (continued)

19 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 533-85555
Japan

20 Related parties

The company has taken advantage of the exemption available under FRS102 that transactions with wholly owned subsidiaries do not need to be disclosed.