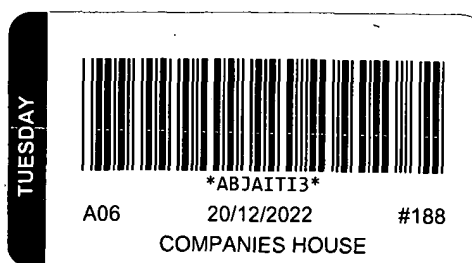


Registered Number: 2936891

NSK Steering Systems Europe Limited
Annual report and financial statements
for the year ended 31 March 2022



NSK Steering Systems Europe Limited

Annual report and financial statements

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NSK Steering Systems Europe Limited

Directors' report for the year ended 31 March 2022

The Directors present their report, the Strategic report and the audited financial statements of the Company for the year ended 31 March 2022.

The following matters are reported upon in the Strategic report: financial risk management, employee involvement, business review, future developments and principal risks and uncertainties.

Principal activities

The Company is a non-trading subsidiary of NSK Steering Systems Co., Limited, an entity incorporated in Japan. The Company holds a cash balance of €16,906 k (2021: €16,855 k), which is available for cash-pooling purposes to a sister company NSK Europe Limited as part of that Group's banking arrangements. These arrangements are further discussed in Note 6 to these Financial Statements.

Financial risk management

Please refer to the strategic report for disclosures regarding financial risk management.

Directors and their interests

The Directors who held office during the year and up to the date of signing this report unless otherwise indicated are as shown below:

T Parker

U Nass

S Suzuki (resigned 5 January 2022)

M. Komaba (appointed 24 August 2022)

Dividends

The directors do not recommend the payment of a dividend (2021: €nil).

Going concern

The company is a non-trading entity and holds a cash balance of €16,906 k (2021: €16,855 k). The net assets as at 31 March 2022 were €16,916 k (2021: €16,881 k).

In assessing whether the going concern basis is appropriate, the directors consider all available information about the future up to 31 December 2023, which is at least 12 months from the date of the approval of these financial statements. Given the company is non-trading and has no ongoing liabilities the Directors are satisfied the company will continue as a going concern throughout the going concern review period to 31 December 2023. On this basis, the directors continue to adopt the going concern basis of accounting in preparing these annual financial statements

Auditors

In accordance with section 487 of the Companies Act 2006, Ernst and Young LLP shall be deemed to be re-appointed as Auditors of the Company.

Change of registered address

On 21 November 2021 the company changed its registered address to:

The Place, Bridge Avenue, Maidenhead, England, SL6 1AF.

NSK Steering Systems Europe Limited

Directors' report for the year ended 31 March 2022 - continued

Statement of disclosure of information to auditors

For each of the persons who were directors at the time this report was prepared, the following applies:

- So far as the directors are aware, there is no relevant audit information (i.e., information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- The directors have taken all the steps that ought to have been taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:


- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

On behalf of the Board

Registered office
The Place
Bridge Avenue
Maidenhead
England
SL6 1AF

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T Parker
Director

Date: 15/12/2022

NSK Steering Systems Europe Limited

Strategic report for the year ended 31 March 2022

Business review and key performance indicators

The results of the Company show a gross profit of €nil (2021: nil) and a profit before income tax of €34 k (2021: €34 k). These are considered the Company's key performance indicators.

The Company is non-trading with income only derived from interest earned on its cash balances (see Note 6).

Future developments

In 2010, the Company ceased to participate in the NSK Pension Scheme and transferred its defined benefit pension liabilities to the principal employer, NSK Europe Limited. At the point of transfer, the Company pledged not to utilise its cash to pay a dividend or to otherwise restructure the Company until such time as the NSK Pension Scheme liabilities disclosed in the Consolidated Financial Statements of NSK Europe Limited have been fully settled.

Employee involvement and disabled persons

There are no employees in the business (2021: nil).

Principal risks and uncertainties

The Company is non-trading and consequently the general business and trading environment is not expected to have an impact on the business. The key uncertainty is the future rate of interest to be earned on the Company's bank balance.

Financial risk management

The Company's financial position expose it to interest rate risk. The Company, in conjunction with the treasury department of its ultimate holding company, will determine if it remains appropriate for the Company to hold the financial asset in its current form. The Company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors, are supported by the treasury department of NSK Europe Limited, which also oversees the cash pooling arrangement in Europe. NSK Steering Systems Limited is part of this cash pooling arrangement.

Liquidity risk

The Company holds a cash balance of €16,906 k (2021: €16,855 k) and is non-trading, consequently liquidity risk is considered to be minimal.

NSK Steering Systems Europe Limited

Strategic report for the year ended 31 March 2022 - continued

Financial risk management - continued

Interest rate cash flow risk

The Company has an interest-bearing asset: a cash balance which earns interest at variable rates. The directors will revisit the appropriateness of this holding, in conjunction with the treasury department of the ultimate holding company, should the Company's circumstances change.

On behalf of the Board
Registered office
The Place
Bridge Avenue
Maidenhead
England
SL6 1AF

DocuSigned by:

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T Parker Date: 15/12/2022

Director

NSK Steering Systems Europe Limited

Independent auditor's report to the members of NSK Steering Systems Europe Limited

Opinion

We have audited the financial statements of NSK Steering Systems Europe Limited for the year ended 31 March 2022 which comprise the Statement of comprehensive income, the Statement of financial position, Statement of changes in equity and the related notes 1 to 9, 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 (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

Conclusions relating to going concern

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.

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 from when the financial statements are authorised for issue until 31 December 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Independent auditor's report to the members of NSK Steering Systems Europe Limited - continued

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

Responsibilities of directors

As explained more fully in the Statement of directors' responsibilities set out on page 4 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 NSK Steering Systems Europe 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.

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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

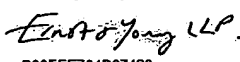
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102, the Companies Act 2006 and Corporation Tax Act 2010) and the relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including General Data Protection Regulation (GDPR).
- We understood how the company is complying with those frameworks by making enquiries of management and those responsible for tax, legal and compliance procedures to understand how the Company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries through our review of Board minutes, as well as consideration of the results of our other audit procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, and use the full population of transactions to address the risk of management override of controls, through testing of journal entries and we obtained corroborating evidence for such entries.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiry with management and those charged with governance. We also read the financial statement disclosures, corroborating to supporting documentation to assess compliance with applicable laws and regulations and evaluated the business rationale of significant transactions outside the normal course of business. We have used the full population of transactions to identify unusual entries that could indicate potential irregularities, agreeing any identified to corroborating evidence.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent auditor's report to the members of NSK Steering Systems Europe Limited - continued

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.

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Daniel Dennett (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading

Date: 16 December 2022

NSK Steering Systems Europe Limited

Statement of Comprehensive Income for the year ended 31 March 2022

	Note	2022 €'000	2021 €'000
Revenue		-	-
Cost of sales		-	-
Gross result		-	-
Administrative expenses		-	-
Operating result		-	-
Finance income	2	35	34
Profit before income tax	3	35	34
Income tax expense	5	-	-
Profit for the financial year		35	34
Other comprehensive income:			
Other comprehensive income		-	-
Total tax on components of other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		35	34

The Company's activities all relate to continuing operations.

NSK Steering Systems Europe Limited

Statement of Financial Position as at 31 March 2022

	Note	2022 €'000	2021 €'000
Current assets			
Cash and cash equivalents	6	16,906	16,855
Trade and other receivables	7	10	26
Net current assets		<u>16,916</u>	<u>16,881</u>
Total assets less current liabilities		<u>16,916</u>	<u>16,881</u>
Capital and reserves			
Called up share Capital	8	73,424	73,424
Accumulated losses		(56,508)	(56,543)
Total shareholder's funds		<u>16,916</u>	<u>16,881</u>

The financial statements on pages 11 to 20 were approved by the board of directors and were signed on its behalf by:

DocuSigned by:

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T Parker

Director

Date: 15/12/2022

NSK Steering Systems Europe Limited

Registered number: 2936891

NSK Steering Systems Europe Limited

Statement of changes in equity for the year ended 31 March 2022

	Called up share capital	Accumulated Losses	Total shareholder's funds
	€'000	€'000	€'000
Balance as at 31 March 2020	73,424	(56,577)	16,847
Profit for the financial year and total comprehensive income	-	34	34
Balance as at 31 March 2021	73,424	(56,543)	16,881
Profit for the financial year and total comprehensive income	-	35	35
Balance as at 31 March 2022	73,424	(56,508)	16,916

NSK Steering Systems Europe Limited

Notes to the financial statements for the year ended 31 March 2022

1. Accounting policies

General information

NSK Steering Systems Europe Limited is a private company limited by shares and it is incorporated in the United Kingdom. On 21 November 2021, the Company changed its registered address to The Place, Bridge Avenue, Maidenhead, England, SL6 1AF.

The Company is a non-trading subsidiary of NSK Steering Systems Co., Limited, an entity incorporated in Japan.

The company previously operated as a distribution company for NSK Steering Systems Polska Sp zoo, but this operation ceased in 2016.

Statement of compliance

The individual financial statements of NSK Steering Systems Europe Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared under the historical cost convention, on a going concern basis, and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note "Critical accounting judgements and key sources of estimation uncertainty" below.

Section 10 of FRS 102, "Accounting Policies" requires the directors to consider whether the accounting policies adopted in the financial statements are those judged to be the most appropriate to the Company's circumstances, are reviewed regularly and changed as appropriate. Having reviewed the Company's accounting policies, the directors are satisfied they are the most appropriate.

Going concern

The company is a non-trading entity and holds a cash balance of €16,906 k (2021: €16,855 k). The net assets as at 31 March 2022 were €16,916 k (2021: €16,881 k).

In assessing whether the going concern basis is appropriate, the directors consider all available information about the future up to 31 December 2023, which is at least 12 months from the date of the approval of these financial statements. Given the company is non-trading and has no ongoing liabilities the Directors are satisfied the company will continue as a going concern throughout the going concern review period to 31 December 2023. On this basis, the directors continue to adopt the going concern basis of accounting in preparing these annual financial statements

NSK Steering Systems Europe Limited

Notes to the financial statements for the year ended 31 March 2022

1. Accounting policies (continued)

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity to have certain disclosure exemptions, if conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. NSK Steering Systems Europe Limited is a qualifying entity as its results are consolidated into the financial statements of NSK Ltd which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

Foreign currencies

(i) Functional and presentation currency

The Company's functional and presentation currency is Euro.

The Sterling to Euro exchange rate prevailing on the reporting date, which has been used to prepare the financial statements, was 1.18 (2021: 1.17).

(ii) 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.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Contingent liabilities

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

NSK Steering Systems Europe Limited

Notes to the financial statements for the year ended 31 March 2022

1. Accounting policies (continued)

Financial instruments

The Company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method where applicable.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (iii) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Taxation

Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Given the entity is now non-trading there are no critical accounting judgements or estimates in the accounts.

NSK Steering Systems Europe Limited

Notes to the financial statements for the year ended 31 March 2022

2. Finance income

	2022	2021
	€'000	€'000
Group interest receivable	35	34
Total	35	34

The interest is payable from NSK Europe Limited, a sister company, who is the lead agent for the cash-pooling arrangements in which the Company participates (see notes 6 and 7).

3. Profit before income tax

Auditor's remuneration:

	2022	2021
	€'000	€'000
Auditor's remuneration:		
Audit services	-	-

The current year audit fee of €7 k (2021: €9 k) was borne by NSK Europe Limited.

4. Directors' remuneration

The total remuneration of directors was €nil (2021: €nil).

There is no remuneration in respect of services to NSK Steering Systems Europe Limited.

There were no other employees in the current or prior year.

NSK Steering Systems Europe Limited

Notes to the financial statements for the year ended 31 March 2022

5. Income tax expense

	2022 €'000	2021 €'000
Income tax expense	-	-

Tax reconciliation:

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the United Kingdom. The differences are explained below.

	2022 €'000	2021 €'000
Profit before income tax	35	34
Profit before income tax multiplied by standard rate in UK of 19% (2021: 19%)	6	6
Effects of:		
Group relief received without charge	(6)	(6)
Total tax charge for the year	-	-

Factors affecting the future tax charge

The Company's Tax charge will remain at nil for the foreseeable future as Group relief will continue to be claimed / surrendered at nil value to the entity's sister company NSK Europe Limited, which is part of the same UK tax Group.

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. There will be no change to the financial position of the Company following this change

NSK Steering Systems Europe Limited

Notes to the financial statements for the year ended 31 March 2022

6. Cash and cash equivalents

	2022 €'000	2021 €'000
Cash at bank	16,906	16,855
	<u>16,906</u>	<u>16,855</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates (see Cash Pooling arrangements below). There is no amount held on short term deposit. The interest is payable from NSK Europe Limited (see note 7).

Restricted cash

In 2010, the Company ceased to participate in the NSK Pension Scheme and transferred its defined benefit pension liabilities to the principal employer, NSK Europe Limited. At the point of transfer, the Company pledged not to utilise its cash to pay a dividend or to otherwise restructure the Company until such time as the NSK Pension Scheme liabilities disclosed in the Consolidated Financial Statements of NSK Europe Limited have been fully settled.

Cash Pooling arrangements

The cash balance in the Company of €16,906 k (2021: €16,855 k) falls within a Multi entity cash pooling agreement dated 12 December 2011, with the sister company, NSK Europe Limited as the Agent.

The cash balance earns interest at Euribor+ 50 points with a minimum interest rate of 0.2%.

The Company cross-guarantees NSK Europe Limited and other members of the pool up to a maximum of its own positive cash balance, being €16,906 k (2021: €16,855 k), and the cash balance is also cross-guaranteed by the same members. Overall, the pool is in surplus.

7. Trade and other receivables

	2022 €'000	2021 €'000
Amounts owed by fellow group company	10	26
	<u>10</u>	<u>26</u>

The amount receivable is due from NSK Europe Limited, a fellow subsidiary of NSK Ltd. the ultimate parent company. The cash balance of the Company is available to NSK Europe Limited for cash-pooling purposes, NSK Europe Limited earns interest on the net amount of the total pool. Consequently, the Company earns interest from this sister company based upon its share of the pool.

NSK Steering Systems Europe Limited

Notes to the financial statements for the year ended 31 March 2022

8. Called up share capital

	2022	2021
	€'000	€'000
Authorised		
80,000,000 (2021: 80,000,000) ordinary shares of £1 each	<u>90,368</u>	<u>90,368</u>
Allotted, issued and fully paid		
65,000,000 (2021: 65,000,000) ordinary shares of £1 each	<u>73,424</u>	<u>73,424</u>

The issued number of £1 shares is 65,000,000 (2021: 65,000,000) translated at historic rate of 1.13 Euro's.

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends subject to note 6 and the repayment of capital.

9. Ultimate parent undertaking and controlling party

The immediate parent undertaking is NSK Steering Systems Co., Ltd., a company incorporated in Japan.

The ultimate parent company and controlling party is NSK Ltd., a company incorporated in Japan. NSK Ltd., is the smallest and largest group to prepare consolidated financial statements containing the results of NSK Steering Systems Europe Limited.

The financial statements of NSK Ltd., which incorporate the consolidated results of the company, are available to the public and may be obtained from NSK Ltd., 1-6-3 Ohaski, Shinagawa-ku, Tokyo 141-8560, Japan.