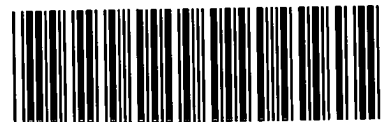

HORIBA UK FINANCE LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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COMPANIES HOUSE

HORIBA UK FINANCE LIMITED

COMPANY INFORMATION

Directors

R C Drake
T Fukushima
T Nagano
J Tajika

Registered number

10518329

Registered office

HORIBA UK Finance Limited
Kyoto Close
Moulton Park Industrial Estate
Northampton
NN3 6FL

Independent auditor

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

HORIBA UK FINANCE LIMITED

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HORIBA UK FINANCE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 to 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 and other information included in the Director's Report may differ from legislation in other jurisdictions.

Directors

The directors who served during the year were:

R C Drake
T Fukushima
T Nagano
J Tajika

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

HORIBA UK FINANCE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

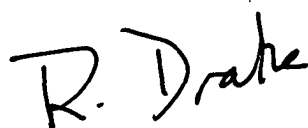
Auditor

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

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 24 April 2019 and signed on its behalf.

A handwritten signature in black ink that reads "R. Drake". The signature is written in a cursive, slightly slanted style.

R C Drake
Director



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

Opinion

We have audited the financial statements of HORIBA UK Finance Limited (the 'company') for the year ended 31 December 2018 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 2018 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 United Kingdom, 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' 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.

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report by 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.



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

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement, 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.

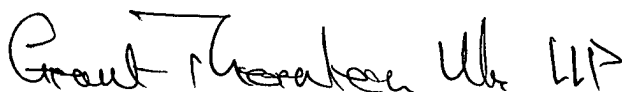
Auditor's responsibilities for the audit of the financial statements

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.

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.



Christopher Frostwick (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Senior Statutory Auditor
East Midlands

24 April 2019

HORIBA UK FINANCE LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Turnover	4	497,451	459,941
Gross profit		497,451	459,941
Administrative expenses		(20,429)	(38,314)
Operating profit		477,022	421,627
Tax on profit	7	(90,634)	(81,337)
Profit for the financial year		386,388	340,290
Total comprehensive income for the year		386,388	340,290

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 9 to 13 form part of these financial statements.

HORIBA UK FINANCE LIMITED
REGISTERED NUMBER:10518329

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Current assets			
Debtors: amounts falling due within one year	8	40,530,572	39,829,755
Cash at bank and in hand	9	10,293,094	606,032
		<u>50,823,666</u>	<u>40,435,787</u>
Creditors: amounts falling due within one year	10	(96,988)	(95,497)
Net current assets		<u>50,726,678</u>	<u>40,340,290</u>
Total assets less current liabilities		<u>50,726,678</u>	<u>40,340,290</u>
Net assets		<u>50,726,678</u>	<u>40,340,290</u>
Capital and reserves			
Called up share capital	11	50,000,000	40,000,000
Profit and loss account		726,678	340,290
		<u>50,726,678</u>	<u>40,340,290</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 April 2019.

R. Drake

R C Drake
Director

The notes on pages 9 to 13 form part of these financial statements.

HORIBA UK FINANCE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	40,000,000	340,290	40,340,290
Profit for the year	-	386,388	386,388
Shares issued during the year	10,000,000	-	10,000,000
At 31 December 2018	50,000,000	726,678	50,726,678

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Profit for the period	-	340,290	340,290
Shares issued during the period	40,000,000	-	40,000,000
At 31 December 2017	40,000,000	340,290	40,340,290

The notes on pages 9 to 13 form part of these financial statements.

HORIBA UK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

HORIBA UK Finance Limited is a company limited by shares. It is incorporated in England and its registered office is HORIBA UK Finance Limited, Kyoto Close, Moulton Park Industrial Estate, Northampton, NN3 6FL. The principal activity of the company is the provision of loan funding.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK 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 3).

The following principal accounting policies have been applied:

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 2018 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 Revenue

Revenue comprises interest receivable and is recognised based on agreed rates of funding with borrowers applied to outstanding principal amounts.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty within 90 days.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.6 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.

2.7 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.

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:

Amounts owed by group undertakings are only impaired when objective evidence of impairment is apparent.

4. Turnover

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

	2018 £	2017 £
Interest receivable	497,451	459,941
	<u>497,451</u>	<u>459,941</u>

All turnover arose within the United Kingdom.

HORIBA UK FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Auditor's remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>3,000</u>	<u>4,000</u>
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	<u>1,600</u>	<u>1,500</u>
	<u>1,600</u>	<u>1,500</u>

6. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2017 - £NIL).

7. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	<u>90,634</u>	<u>81,337</u>
	<u>90,634</u>	<u>81,337</u>

Factors affecting tax charge for the year/period

The tax assessed for the year/period is the same as (2017 - the same as) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%) as set out below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>477,022</u>	<u>421,627</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	<u>90,634</u>	<u>81,337</u>
Effects of:		
Total tax charge for the year/period	<u>90,634</u>	<u>81,337</u>

HORIBA UK FINANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	40,530,572	39,829,755
	<u>40,530,572</u>	<u>39,829,755</u>

9. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	10,293,094	606,032
	<u>10,293,094</u>	<u>606,032</u>

Included within cash at bank and in hand is £10,250,000 (2017 - £nil) in relation to fixed term deposits which matured on 7 January 2019.

10. Creditors: Amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	2,400	6,900
Corporation tax	90,808	81,337
Accruals and deferred income	3,780	7,260
	<u>96,988</u>	<u>95,497</u>

11. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
50,000,000 (2017 - 40,000,000) Ordinary shares shares of £1.00 each	<u>50,000,000</u>	<u>40,000,000</u>

35,000,000 £1 ordinary shares were issued at par on 9 December 2016 and 5,000,000 £1 ordinary shares were issued at par on 2 March 2017.

10,000,000 £1 ordinary shares were issued at par on 21 September 2018.

HORIBA UK FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

12. 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.

13. Controlling party

The parent undertaking of this company is HORIBA, Ltd which is incorporated in Japan by virtue of its ownership of 100% of the issued share capital of the company.

Consolidated financial statements incorporating the results of HORIBA UK Finance 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.