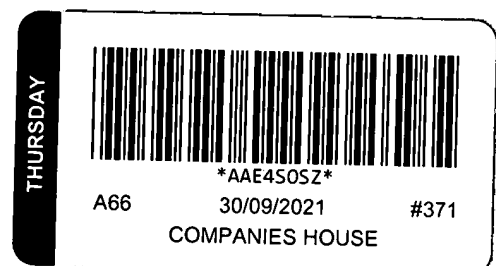


HORIBA UK FINANCE LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



HORIBA UK FINANCE LIMITED

COMPANY INFORMATION

Directors	T Fukushima T Nagano J Tajika S A Knight
Company secretary	D J Heskins
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 & Statutory Auditor Regent House 80 Regent Road Leicester LE1 7NH

HORIBA UK FINANCE LIMITED

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HORIBA UK FINANCE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

Directors

The directors who served during the year were:

T Fukushima
T Nagano
J Tajika
S A Knight

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Qualifying third party indemnity provisions

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

HORIBA UK FINANCE LIMITED

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

Disclosure of information to auditor

The directors confirm that:

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

Auditor

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

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 28 September 2021 and signed on its behalf.



S A Knight
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 2020, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its 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.



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

Conclusions relating to going concern

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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Other information

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



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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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 under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

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



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

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training;
- understanding of the financial reporting framework and the relevant tax compliance regulations specific to the entity.
- we did not identify any matters relating to non-compliance with laws and regulation or fraud.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

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

28 September 2021

HORIBA UK FINANCE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	4	494,534	636,652
Gross profit		494,534	636,652
Administrative expenses		(20,836)	(19,720)
Operating profit		473,698	616,932
Interest payable and expenses		(24,540)	(1,516)
Profit before tax		449,158	615,416
Tax on profit	7	(85,340)	(116,929)
Profit for the financial year		363,818	498,487
Total comprehensive income for the year		363,818	498,487

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

The notes on pages 11 to 15 form part of these financial statements.

HORIBA UK FINANCE LIMITED
REGISTERED NUMBER: 10518329

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Current assets			
Debtors: amounts falling due within one year	8	54,061,652	54,191,114
Cash at bank and in hand	9	740,415	260,691
		<u>54,802,067</u>	<u>54,451,805</u>
Creditors: amounts falling due within one year	10	(3,213,084)	(3,226,640)
Net current assets		<u>51,588,983</u>	<u>51,225,165</u>
Total assets less current liabilities		<u>51,588,983</u>	<u>51,225,165</u>
Net assets		<u><u>51,588,983</u></u>	<u><u>51,225,165</u></u>
Capital and reserves			
Called up share capital	11	50,000,000	50,000,000
Profit and loss account		1,588,983	1,225,165
		<u><u>51,588,983</u></u>	<u><u>51,225,165</u></u>

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



S A Knight
 Director

The notes on pages 11 to 15 form part of these financial statements.

HORIBA UK FINANCE LIMITED

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	50,000,000	1,225,165	51,225,165
Profit for the year	-	363,818	363,818
At 31 December 2020	50,000,000	1,588,983	51,588,983

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	50,000,000	726,678	50,726,678
Profit for the year	-	498,487	498,487
At 31 December 2019	50,000,000	1,225,165	51,225,165

The notes on pages 11 to 15 form part of these financial statements.

HORIBA UK FINANCE LIMITED

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

1. General information

HORIBA UK Finance Limited is a private company limited by shares and incorporated in England and Wales. 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 2020 and these financial statements may be obtained from 2 Miyano Higashi-cho Minami-ku, Kyoto 601-8510, Japan and from the website, www.horiba.com.

2.3 Going concern

The Company acts as a funding vehicle for funding from Horiba Japan to UK subsidiaries of the Horiba Group, principally Horiba Mira. The going concern status of the Company is therefore dependent upon the continued support of Horiba Japan to enable it to continue to provide loan funding to Horiba Mira, and in the medium-term dependent upon the ability of Horiba Mira to repay such funding. The directors are aware that the directors of Horiba Mira have prepared forecasts that demonstrate that Horiba Mira and its subsidiaries are operating as going concerns, and are also aware of a confirmation by Horiba Japan that it will continue to provide financial support to Horiba Mira as required until at least 31 December 2022. On that basis, the directors have concluded that Horiba UK Finance is also a going concern, and have prepared these financial statements on that basis.

HORIBA UK FINANCE LIMITED

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

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

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

2.5 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.

2.6 Cash and cash equivalents

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

2.7 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.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Taxation

Tax is recognised in profit or loss 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.

HORIBA UK FINANCE LIMITED

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

4. Turnover

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

	2020 £	2019 £
Interest receivable	<u>494,534</u>	<u>636,652</u>

All turnover arose within the United Kingdom.

5. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>2,600</u>	<u>2,500</u>

Fees payable to the Company's auditor and its associates in respect of:

Taxation compliance services	1,800	1,700
Accounting services	620	600
	<u>2,420</u>	<u>2,300</u>

6. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2019: £Nil).

7. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	<u>85,340</u>	<u>116,929</u>

HORIBA UK FINANCE LIMITED

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

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

The tax assessed for the year is the same as (2019: *the same as*) the standard rate of corporation tax in the UK of 19% (2019: 19%) as set out below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>449,158</u>	<u>615,416</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	<u>85,340</u>	<u>116,929</u>
Total tax charge for the year	<u><u>85,340</u></u>	<u><u>116,929</u></u>

8. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	<u>54,061,652</u>	<u>54,191,114</u>

9. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>740,415</u>	<u>260,691</u>

10. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	1,200	13,102
Amounts owed to group undertakings	3,000,000	3,000,000
Corporation tax	202,443	207,737
Accruals and deferred income	9,441	5,801
	<u><u>3,213,084</u></u>	<u><u>3,226,640</u></u>

HORIBA UK FINANCE LIMITED

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

11. Share capital

	2020	2019
	£	£
Allotted, called up and fully paid		
50,000,000 (2019: 50,000,000) Ordinary shares of £1 each	50,000,000	50,000,000

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

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.