FUJIFILM

FUJIFILM UK Ltd.
Company Number 1264514

Year Ending 31st March 2017
Report and Financial Statements

Directors	G Miyazaki (Chairman) (from 10.8.2016) T Kurose (Chairman) (to 10.8.2016) M Fukumoto
Secretary	N Denham (from 24.03.2017) T Tada (to 24.03 2017)
Registered Office	St Martins Business Centre St Martins Way Bedford MK42 0LF
Auditors	KPMG LLP Altius House One North Fourth Street Milton Keynes MK9 1NE
Bankers	The Royal Bank of Scotland plc Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ Ltd. Ulster Bank Ireland Ltd. Bank Mendes Gans NV
Company Number	1264514 England & Wales

Strategic report

The Directors present their strategic report for the year ended 31st March 2017.

Business Review

The profit for the year, after taxation is £8,413,000 (2016: £7,601,000.) No final dividend has been proposed.

The company's key financial and other performance indicators for the year were:

	2017	2016	Change
	£000s	£000s	%
Revenue	131,410	143,029	- 8.1
Revenue (like-for-like basis for digital cameras) *	131,410	125,581	+ 4.6
Operating profit	9,015	8,540	+ 5.6
Profit after taxation	8,413	7,601	+ 10.7
Shareholders' funds	75,588	71,481	+ 5.7
Average number of employees	324	326	- 0.6

Turnover declined as a result of trading in markets which are generally over-supplied and also as a result of changing the supply and invoice arrangements for Digital Cameras to a commission-based model *(2016 sales on a like-for-like basis are shown above).

As mentioned in last year's report, the company moved to a "buy-sell" model at the end of the last financial year, whereby our European parent owns and manages and delivers most of the trading stock. This has brought about a significant fall in distribution costs, though many of these costs are now incurred as part of cost of sales.

Despite reduced turnover, improved margins and close cost control brought about an increase in operating profit. The company continues to explore new markets for existing products, and looks to bring new products to market in the most effective way, to the benefit of customers and shareholders alike.

Principal risks and uncertainties

The principal risks facing the company are trading competition in markets which are oversupplied and customer debt default.

Many of the markets in which the company operates are characterised by oversupply and declining demand. In these circumstances, there is a tendency for firms to supply goods in the short-term at lower than marginal cost in order to cover fixed costs only or to generate cash rather than profits. The company tries to follow a more long-term strategy, but is nevertheless affected by the short-term actions of their competitors.

Bad debt experience in the current year was slightly worse than the previous year. High debtor days with customers exceeding agreed credit terms is a continual problem. A reduction in credit terms offered and active chasing of outstanding amounts will mitigate this risk. It is a group policy that the company does not insure against debtor failure.

The company has no fixed debt to finance, and transacts over 95% of its purchases and sales in Sterling. The company is not permitted under group policy to use derivative or hedging techniques to manage exchange risk.

By order of the Board

Neil Denham
Company Secretary

16/2/18

Directors' report

Directors of the company

The directors who served during the year were:

G Miyazaki (from 10.8.2016)
T Kurose (to 10.8.2016)
M Fukumoto

Dividends

No interim dividend (2016: £9,398,000) was paid during the year. No final dividend has been recommended.

Future developments

No new developments are planned for 2017/8 but at the same time, the company will continue to take advantage of any commercial opportunities, whilst managing overheads in line with expected levels of activity.

Disabled employees

The company will give every consideration to applications for employment from disabled persons where the requirements of the job may be adequately covered by a handicapped or disabled person. With regards to existing employees and those who become disabled during their employment, the company strives to provide continuing employment under normal terms and conditions and to provide training, career development and promotion where appropriate.

Employee involvement

The company communicates and consults employees on a variety of business and employment matters through a number of channels including a staff intranet and staff committees covering operations, health and safety, quality management and other areas. The company also has an information and consultative body - where elected staff members meet representatives from management on a regular basis - to facilitate an extensive exchange of views on key decisions affecting staff. Where appropriate, such communications involve financial and economic factors affecting the performance of the company.

Directors' liabilities

The company had in force an indemnity provision in favour of one or more directors of the Company against liabilities in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. The company does not have directors' and officers' liability insurance in line with group requirements to manage risks directly.

Going Concern

The company has no particular financial risk or exposures and has a spread of customers wide enough to manage the bad debt risk mentioned above. After having made due enquiry, including consideration of forecasts, cash balances and available lines of credit, the directors have every expectation that the company has adequate resources to continue to operate for the forseeable future. Accordingly the going concern basis has continued to be adopted in the preparation of the annual report and financial statements.

Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board

Neil Denham 16 / 2 / 18
Company Secretary

St Martins Business Centre, St Martins Way, Bedford MK42 0LF.

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, 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 101 *Reduced Disclosure Framework*.

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 for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent Auditor's Report to the members of FUJIFILM UK Limited.

We have audited the financial statements of FUJIFILM UK Limited for the year ended 31 March 2017 set out on pages 7 to 24. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement 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. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at *www.frc.org.uk/auditscopeukprivate* .

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent Auditors' Report to the members of FUJIFILM UK Limited (continued).

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; 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

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

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

B. J. Stapleton 16 February 2018

Benjamin Stapleton (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

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

Income statement

	Notes	Continuing operations 2017 £000s	*Continuing operations 2016 £000s*	*Discontinued operations 2016 £000s*	*Total 2016 £000s*
Turnover	2	131,410	*142,913*	*116*	*143,029*
Cost of sales		(93,425)	*(104,909)*	*(87)*	*(104,996)*
Gross profit		37,985	*38,004*	*29*	*38,033*
Distribution costs		(652)	*(2,027)*	*(4)*	*(2,031)*
Administrative expenses		(28,318)	*(27,651)*	*189*	*(27,462)*
Operating profit	3	9,015	*8,326*	*214*	*8,540*
Interest receivable and similar income	6	1,287	*1,222*	-	*1,222*
Interest payable and similar charges	6	(15)	*(19)*	-	*(19)*
Profit on ordinary activities before taxation		10,287	*9,529*	*214*	*9,743*
Tax expense	7	(1,874)	*(2,099)*	*(43)*	*(2,142)*
Profit for the year		8,413	*7,430*	*171*	*7,601*

The accompanying notes on pages 11 to 24 form part of the financial statements

Year Ending 31st March 2017

Statement of comprehensive income

		2017	*2016*
		£000s	*£000s*
Profit for the financial year		**8,413**	***7,601***
Other comprehensive income:			
Items that cannot be reclassified to profit or loss:			
Remeasurement gains/(losses) on defined benefit pension plans	5	(5,188)	*13,358*
Tax on items relating to components of other comprehensive income	15	882	*(2,672)*
Other comprehensive income for the year, net of tax		(4,306)	*10,686*
Total comprehensive income for the year		**4,107**	***18,287***

The accompanying notes on pages 11 to 24 form part of the financial statements

At 31st March 2017
Company balance sheet

	Notes	2017 £000s	*2016 £000s*
Fixed assets			
Tangible assets	1,9	2,622	*2,471*
Current assets			
Stocks	1,10	765	*697*
Debtors:			
Amounts falling due within one year		35,204	*50,332*
Amounts falling due after one year		7,218	*9,162*
	11	42,422	*59,494*
Current asset investments	12	25,000	*25,000*
Cash and cash equivalents		39,443	*19,001*
		107,630	*104,192*
Creditors: amounts falling due within one year	13	(27,878)	*(31,755)*
Net current assets		79,752	*72,437*
Total assets less current liabilities		82,374	*74,908*
Provisions	1,14	(1,392)	*(1,403)*
Defined benefit pension plan deficit	5	(5,394)	*(2,024)*
Net assets		75,588	*71,481*
Capital and reserves			
Called up share capital	18	25,000	*25,000*
Profit and loss account		50,588	*46,481*
		75,588	*71,481*

The accompanying notes on pages 11 to 24 form part of the financial statements

M Fukumoto
Director

M. Fukumoto 16/2/18

At 31st March 2017

Company statement of changes in equity

	Notes	Called-up share capital £000s	Profit and loss account £000s	Total £000s
At 1st April 2015		25,000	37,592	62,592
Profit for the financial year			7,601	7,601
Other comprehensive income			10,686	10,686
Total comprehensive income for the year			18,287	18,287
Equity dividends paid	8		(9,398)	(9,398)
At 31st March 2016		25,000	46,481	71,481
Profit for the financial year			8,413	8,413
Other comprehensive income			(4,306)	(4,306)
Total comprehensive income for the year			4,107	4,107
Equity dividends paid	8		-	-
At 31st March 2017		25,000	50,588	75,588

The accompanying notes on pages 11 to 24 form part of the financial statements

Authorisation of financial statements and statement of compliance with FRS101

The financial statements of FUJIFILM UK Limited (the "Company") for the year ended 31st March 2017 were authorised for issue by the board of directors on 16th February 2018 and the balance sheet was signed on the board's behalf by M Fukumoto. FUJIFILM UK Limited is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101) and in accordance with applicable accounting standards.

The Company's functional currency is Sterling as this is the currency of the primary economic environment in which the Company operates. The financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The results of FUJIFILM UK Limited are included in the consolidated financial statements of FUJIFILM Holdings Corporation which are available on request from FUJIFILM UK Limited at their registered office address.

The principal accounting policies adopted by the Company are set out in note 1 below

1 Accounting policies

Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31st March 2017.

The company has taken advantage of the following disclosure exemptions permitted under FRS101:

- The requirement of IAS1 'Presentation of Financial Statements' to present comparative information in respect of Property, Plant and Equipment;
- The requirement of IAS7 'Statement of Cash Flows';
- The effects of new but not yet effective IFRSs;
- Disclosure in respect of the compensation of key management personnel;
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; and
- The requirement of IAS24 ' Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Going concern

The company's business activities, together with the factors likely to impact its future development, performance and position are set out in the strategic reprt on page 1.

In 2017 the company made a profit after tax of £8.4m (2016: £7.6m) and continues to hold significant cash balances at the year end of £39.4m (2016: £19.0m) and had net assets at the year end of £75.6m (2016: £71.5m).

The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the forseeable future. Thus the continue to adopt the going concern basis of accounting in preparing the annual consolidated financial statements.

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilties as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Pension and other post employment benefits

The cost of defined benefit pensions plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty.

Judgements and key sources of estimation uncertainty (continued)

Pension and other post employment benefits (continued)
In determining the appropriate discount rates, management considers the interest rates of corporate bonds in the respective curency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicaly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country. Further details are given in note 5.

Taxation
Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 15.

Operating lease commitments
The Company as a lessee obtains the use of property, plant and equipment. The classification of such leases as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

Significant accounting policies

Revenue recognition
Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance and that it is probable that such consideration will be received. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and VAT. The following criteria must also be met before revenue is recognised:

Sale of Goods
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon dispatch of the goods or in the case of equipment on installation.

Sale of Services
Revenue from service contracts is recognised on a straight-line basis over the period of the contract. Revenue from non-contract services is recognised once that service has been completed.

Depreciation of tangible fixed assets
Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less any estimated residual value, of each asset evenly over its expected useful life. Useful lives are reviewed annually to ensure they remain appropriate to the class of asset. The rates used are as follows:

Freehold land and buildings:	Land	Not depreciated.
	Buildings	20 years.
Short leaseholds		5-10 years, or over the period of the lease if shorter.
Furniture, plant and equipment		2-5 years.
Motor vehicles		4 years.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be appropriate.

Leasing commitments
Operating lease rentals are charged to the profit and loss account on a straight line basis over the lease term.

Net investment in finance leases
Sales of equipment made under terms involving deferred payments and/or interest charges (whether implied or explicit) are recorded on the basis of the net investment in the sales contract, less any provision for bad or doubtful receivables. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the company's net investment outstanding in respect of leases.

Significant accounting policies (continued)

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. Cost includes all charges incurred in bringing the goods to their location and condition at the balance sheet date, valued on a first-in first-out (FIFO) basis. Net realisable value is based on estimated selling price less any further costs incurred in disposal.

Debtors

Short-term debtors are measured at transaction price, less any impairment. Long-term debtors are measured at transaction price discounted using an appropriate rate, less any impairment.

Creditors

Creditors are measured at transaction price. Long-term creditors are measured at transaction price discounted using an appropriate rate.

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.
Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or carried forward lossees can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which they are realised or settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pension costs

The company provides both defined benefit and defined contribution pension schemes for its staff. The assets of both these schemes are managed by third-party investment managers and are held separately in trust.

The defined contribution scheme is charged to the profit and loss account directly, together with the scheme administration charges.

The cost of providing benefits under the defined benefit scheme is determined using the projected unit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice.
Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the defined benefit liabiility during the period as a result of contributions and benefit payments. The net interest is recognised in profit or loss as part of the overall pension cost.
Remeasurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net assets (excluding amounts included in net interest) are recognised immediately in other comprehensive income in the period in which they occur.
The defined benefit pension liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds) less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price.

Foreign currencies

Transactions in foreign currencies are recorded at rates ruling on the date of the transaction. Monetary assets and liabilities are translated at the rates ruling at the end of the financial year. All differences are taken directly to the profit and loss account.

Warranty costs

Provisions are made against future costs arising out of goods supplied under cover of warranty. These provisions are credited to the profit and loss account over the period of warranty cover.

Significant accounting policies (continued)

Adoption of new and revised standards
There were no new standards nor interpretations relevant to adopt in the current financial statements.

2 Segment information

Revenue recognised in the income statement is analysed as follows:	2017	*2016*
	£000s	*£000s*
Sale of goods	119,379	*137,582*
Rendering of services	12,031	*5,331*
Revenue from continuing operations	131,410	*142,913*

Revenue by principal area of activity:	2017	*2016*
	£000s	*£000s*
Imaging solutions	54,958	*63,478*
Information solutions	76,452	*79,551*
	131,410	*143,029*

Revenue analysed by geographical destination:	2017	*2016*
	£000s	*£000s*
United Kingdom and Ireland	128,710	*139,923*
Europe	2,700	*3,068*
Americas	-	*15*
Pacific Basin and the Far East	-	*23*
	131,410	*143,029*

All the company's profits derive from activities based in the United Kingdom and Ireland. All the company's net assets are located within the United Kingdom and Ireland.

3 Operating profit

This is stated after charging/ (crediting):		2017	*2016*
		£000s	*£000s*
Depreciation of owned fixed assets		1,004	*890*
Write-down / (write-back) of inventories		63	*(885)*
Rentals paid under operating leases:	Land and buildings	835	*1,003*
	Plant and machinery	2	*155*
Auditors' fees:	Audit of the financial statements	74	*120*
	Audit of the company pension scheme	-	*13*
	Taxation services	-	*13*
	Other services	-	*13*

4 Staff costs and directors' remuneration

Staff costs

The average monthly number of persons, including executive directors, employed by the company during the year was 324 (*2016: 326*). Staff numbers by function were:

	2017	*2016*
Administration and finance	30	*36*
Sales and sales support	287	*280*
Distribution	7	*10*
	324	*326*

The staff costs were:	2017	*2016*
	£000s	*£000s*
Salaries and wages	15,209	*14,458*
Social security costs	1,688	*1,608*
Other pension costs (note 5)	1,946	*2,271*
	18,843	*18,337*

Directors' remuneration

Directors who provide qualifying services to the company:

Remuneration paid to directors in respect of qualifying services was:	2017	*2016*
	£000s	*£000s*
Directors' remuneration	220	*227*

There were no amounts receivable under long-term incentive plans, no benefits accruing under defined benefit schemes and no directors participating in any share-based incentive scheme in respect of their qualifying service.

In respect of the highest paid director:	2017	*2016*
	£000s	*£000s*
Remuneration	220	*203*

The remaining directors have determined that their qualifying services to the company do not occupy a significant amount of their time and consequently do not consider that they have received any remuneration for their qualifying services to the company for the periods to 31st March 2017 and 31st March 2016.

5 Pension commitments

Defined contribution schemes

The company operates defined contribution schemes in both the UK and Ireland, with assets held in trust in separately administered funds.

The cost to the company for the year, together with the administration costs of all pension schemes, is shown below. No contributions were outstanding at the balance sheet date.

	2017	*2016*
	£000s	*£000s*
Company contributions to defined contribution schemes	1,242	*1,209*
Scheme administration and other costs	475	*343*
	1,717	*1,552*

5 Pension commitments (continued)

Defined benefit schemes

The company operates two defined benefit pension schemes providing retirement benefits based on members' final salary; one operated in the UK, the other in Ireland. The UK scheme was closed (with the exception of future salary accruals for existing members remaining with the company) from 1st April 2010. The Irish scheme closed from 1st June 2011.

The pension scheme assets are held in separate trustee-administered funds or bulk annuity policies in the name of the trustees to meet long-term pension liabilities to past and present employees. The trustees, of whom at least one-third are nominated by members of the fund, are required to act in the best interest of the funds' beneficiaries.

The assets and liabilities of the schemes included in the Balance Sheet at 31st March were:

	UK	Ireland	2017 Total	*2016 Total*
	£000s	£000s	£000s	*£000s*
Equities	-	2,758	2,758	*2,268*
Bonds	7,853	970	8,823	*26,721*
Cash	1,418	61	1,479	*723*
Liability-driven investments	26,971	-	26,971	*24,451*
Diversified growth funds	26,545	-	26,545	*25,953*
Insured pensioners ("buy-in" policy)	23,533	-	23,533	*-*
Fair value of scheme assets	86,320	3,789	90,109	*80,116*
Present value of scheme liabilities	(89,450)	(6,053)	(95,503)	*(82,140)*
Defined benefit pension plan surplus/(deficit)	(3,130)	(2,264)	(5,394)	*(2,024)*

The present value of plan liabilities is measured by discounting the best estimate of future cash flows to be paid out by the plan using the projected unit credit method. The value calculated in this way is reflected in the net asset/(liability) as shown above. The projected unit method is an accrued benefits valuation method in which allowance is made for projected earnings increases.

All actuarial gains and losses will be recognised in the year in which they occur in Other Comprehensive Income (OCI).

The amounts recognised in the Income Statement and in the Statement of Comprehensive Income were:

Recognised in the Income Statement	2017	*2016*
	£000s	*£000s*
Past service cost	39	*20*
Expected net interest cost on defined benefit liability	12	*469*
Exchange differences on Irish scheme translation	178	*230*
Recognised in arriving at operating profit	229	*719*

Taken to the Statement of Comprehensive Income	2017	*2016*
	£000s	*£000s*
Difference between expected and actual return on scheme assets: (gain/(loss))	6,983	*(1,060)*
Actuarial changes arising from scheme experience	362	*3,288*
Actuarial changes arising from changes in demographic assumptions	4,350	*4,353*
Actuarial changes arising from changes in financial assumptions	(16,883)	*6,777*
Total actuarial gains/(losses) before deferred taxation	(5,188)	*13,358*

The company have reviewed implications of the guidance provided by IFRIC14 and have concluded that it is not necessary to make any adjustments to the IAS19 figures in respect of an asset ceiling or Minimum Funding Requirement as at 31st March 2017.

5 Pension commitments (continued)

Changes in the present value of the pension obligations are analysed as follows:

	2017	*2016*
	£000s	*£000s*
Defined benefit obligation at 1st April	82,140	*94,849*
Past service cost	39	*20*
Interest cost on benefit obligation	2,855	*3,013*
Actuarial (gain)/loss due to scheme experience	(362)	*(3,288)*
Actuarial (gain)/loss due to changes in demographic assumptions	(4,350)	*(4,353)*
Actuarial (gain)/loss due to changes in financial assumptions	16,883	*(6,777)*
Exchange differences on Irish scheme translation	438	*504*
Benefits paid during the year	(2,140)	*(1,828)*
Defined benefit obligation at 31st March	95,503	*82,140*

Changes in the fair value of scheme assets are analysed as follows:

	2017	*2016*
	£000s	*£000s*
Fair value of scheme assets at 1st April	80,116	*78,173*
Interest income on scheme assets	2,843	*2,544*
Actuarial (loss)/gain	6,983	*(1,060)*
Contributions received from the company	2,047	*2,013*
Exchange differences on Irish scheme translation	260	*274*
Benefits paid during the year	(2,140)	*(1,828)*
Fair value of scheme assets at 31st March	90,109	*80,116*

The actual return on scheme assets over the year was a gain of £9,826,000 (*2016: £1,484,000)*

None of the fair values of the assets shown above include any of the company's own financial instruments, nor those of its ultimate parent, nor any property occupied by, or other assets used by, the company.

Pension contributions are determined with the advice of independent qualified actuaries, JLT Benefit Solutions Ltd (Ireland: Friends First), on the basis of triennial valuations using the projected unit credit method. Scheme assets are stated at their market values at the balance sheet date and expected rates of return are established by applying published forecasts to each category of assets.

The main actuarial assumptions used to estimate the present value of the defined benefit obligation are:

			2017		*2016*
		UK	Ireland	*UK*	*Ireland*
Inflation	RPI	3.50%	1.50%	*3.30%*	*1.50%*
	CPI (UK only)	2.50%	*n/a*	*2.30%*	*n/a*
Rate of increase in salaries		3.00%	*n/a*	*3.30%*	*n/a*
Rate of increase in pensions in payment					
2½% cap applying		2.50%	n/a	*2.50%*	*n/a*
5% cap applying		3.60%	3.00%	*3.50%*	*3.00%*
Revaluation rate for deferred pensioners		2.30%	1.50%	*2.30%*	*1.50%*
2½% cap applying		2.50%	n/a		n/a
5% cap applying		3.50%	1.50%	*2.30%*	*1.50%*
Discount rate applied to scheme liabilities		2.70%	1.90%	*3.60%*	*2.20%*
Post retirement mortality:					
Current pensioners at age 65:	Male	23.0	23.1	*23.5*	*23.0*
(retiring 2017)	Female	25.0	23.9	*25.5*	*23.8*
Future pensioners at age 65:	Male	24.3	25.4	*25.2*	*25.3*
(retiring 2037)	Female	26.3	25.9	*27.4*	*25.8*

5 Pension commitments (continued)

The long-term expected return on government and corporate bonds have been determined by reference to long-dated government and corporate bond yields at the balance sheet date; the long-term expected rates of return on equities and property are based on the rate of return on bonds with an allowance for out-performance; the long-term expected return on cash is based on bank base rates at the balance sheet date.

The mortality assumptions adopted for the UK scheme at 31st March 2017 are 85% of the standard tables S2PxA, Year of Birth, no age rating for males and females, projected using CMI_2016 converging to 1.0%p.a, with a 75% allowance for cash commutation (2016: 60%).

The post-retirement mortality assumptions allow for expected inreases in longevity. The "Current" disclosures above relate to assumptions based on longevity (in years) following retirement at the balance sheet date; the "Future" disclosures assume retirement in 2037.

The sensitivity of the present value of scheme liabilities to changes in the principle assumptions is set out below:

	Change in assumption	Impact on scheme liabilities
Discount rate	Decrease by 0.25%	Increase by 5.5%
Inflation assumption	Increase by 0.25%	Increase by 3.6%
Rate of salary growth	Increase by 0.25%	Increase by 0.9%
Life expectancy	Increase by 1 year	Increase by 3.2%

The most recently completed actuarial valautions of the Company's main retirement benefits schemes were as at 1st January 2015 (UK) and 30th December 2013 (Ireland). The company has agreed with the trustees that it will contribute £1,920,000 and €103,000 per annum to each scheme with a view to eliminating the scheme deficits within 5 years. The company has also agreed to meet the expenses of the plan and levies to national pension

It is estimated that the average duration of the scheme liabilities is 22 years.

6 Finance income and costs

	2017 £000s	*2016 £000s*
Finance income:		
Interest receivable from group undertakings (Note 12)	340	*338*
Other interest receivable	445	*541*
Exchange differences	502	*343*
	1,287	*1,222*
Finance costs:		
Finance charges payable under finance leases and hire purchase contracts	-	*19*
Other interest payable	15	*-*
	15	*19*

7 Taxation

The taxation charge in the profit and loss account is made up as follows:

	2017	*2016*
	£000s	*£000s*
UK corporation tax on profits for the period	1,735	*1,674*
Less: UK group relief available	(1,735)	*(1,674)*
Payment for group relief	1,705	*1,674*
Foreign tax	60	*27*
Adjustments in repect of prior periods	(214)	*9*
Total current tax (continuing operations)	1,551	*1,710*
Movements in Deferred tax (continuing operations)	323	*389*
Total tax expense (continuing operations)	1,874	2,099
Total tax expense (discontinued operations)	-	*43*
Total tax expense	1,874	*2,142*

The standard rate of UK corporation tax is 20% (*2016: 20%*). The actual current tax charge for the current and previous year varies from the standard rate for the reasons set out in the following reconciliation:

		2017	*2016*
		£000s	*£000s*
Profit on ordinary activities before tax		10,287	*9,743*
Tax on profit on ordinary activities at 20%		2,057	*1,949*
Factors affecting the charge for the period:			
Expenses not deductible for tax purposes		100	*110*
Adjustments in respect of previous years:	current tax	(214)	*9*
	deferred tax	(4)	*13*
Adjustment for change in tax rate applied to deferred tax assets		(35)	*61*
Adjustment for group relief paid at a lower rate to the standard rate of tax		(30)	*-*
Total tax expense		1,874	*2,142*

Factors that may affect future tax charges

A reduction in the standard rate of UK corporation tax to 19% (effective from 1st April 2017) was enacted on 26th October 2015. An additional reduction to 17% (effective from 1st April 2020) was enacted on 6th September 2016. Both these changes will reduce the company's future current tax charge accordingly.

8 Dividends paid and proposed

	2017	*2016*
Dividends declared and paid during the year:	£000s	*£000s*
Equity dividends on ordinary shares:		
Interim dividend for 2017: Nil (2016: 37.592p)	-	*9,398*
	-	*9,398*

No final dividend has been proposed for 2017 (2016: Nil)

9 Tangible fixed assets

	Freehold land and buildings	Short leaseholds	Furniture, plant & eqt.	Motor vehicles	Total
COST	£000s	£000s	£000s	£000s	£000s
At 1st April 2016	730	2,035	2,052	4,120	8,937
Additions	-	-	-	1,226	1,226
Disposals	-	-	-	(889)	(889)
At 31st March 2017	730	2,035	2,052	4,457	9,274
DEPRECIATION					
At 1st April 2016	228	2,000	2,041	2,197	6,466
Charge for the year	40	11	6	947	1,004
Disposals	-	-	-	(818)	(818)
At 31st March 2017	268	2,011	2,047	2,326	6,652
NET BOOK VALUES					
At 31st March 2017	462	24	5	2,131	2,622
At 1st April 2016	*502*	*35*	*11*	*1,923*	*2,471*

10 Stocks

	2017	*2016*
	£000s	*£000s*
Finished goods and goods for resale	765	*697*

The amount of inventories recognised as cost of sales in the profit and loss account was £93,425k (*2016: £104,996k*).

11 Debtors

	2017	*2016*
Amounts due within one year:	£000s	*£000s*
Trade debtors	26,689	*27,852*
Net investment in finance leases (all hire purchase)	4,440	*5,277*
Amounts owed by group undertakings	970	*14,170*
Other debtors	1,477	*1,361*
Prepayments and accrued income	1,258	*1,288*
Deferred taxation (Note 15)	370	*384*
	35,204	*50,332*
Amounts due after one year:		
Net investment in finance leases (all hire purchase)	6,301	*8,818*
Deferred taxation (Note 15)	917	*344*
	42,422	*59,494*

12 Current asset investments

	2017	*2016*
	£000s	*£000s*
Short-term loans to group undertakings	25,000	*25,000*

These loans represent deposits at rates ranging from 0.97% to 1.43% maturing in May 2017.

13 Creditors (amounts falling due within one year)

	2017	*2016*
	£000s	*£000s*
Obligations under finance leases and hire purchase contracts (Note 16)	-	*137*
Trade creditors	1,461	*1,832*
Amounts owed to group undertakings	18,393	*17,805*
Group relief payable	1,705	*1,717*
Other taxes and social security costs	1,006	*4,848*
Other creditors	153	*141*
Accruals and deferred income	5,160	*5,275*
	27,878	*31,755*

Trade creditors are non-interest bearing and are normally settled on net (end of month) 30 day terms. Amounts owed to group undertakings are also non-interest bearing and are normally settled on net 45 day terms.

14 Provisions

	Provision for guarantees and undertakings	Provision for leasehold dilapidations	Provision for maintenance warranties	Total Provisions
	£000s	£000s	£000s	£000s
At 1st April 2016	151	1,041	211	1,403
Additional provisions made	-	27	223	250
Amounts reversed	(55)	-	-	(55)
Amounts utilised	-	-	(206)	(206)
At 31st March 2017	96	1,068	228	1,392

Guarantees and undertakings
The company has given a number of guarantees relating to payments by customers to third party sources of finance in connection with sales of capital equipment. Provisions have been made to cover any likely crystallisation of the undertakings made.

Leasehold dilapidations
Provision has been made for the estimated costs of dilapidations and other end-of-lease obligations.

Maintenance warranties
Provision has been made for the anticipated costs of warranty obligations which generally cover the first year of any equipment or hardware sold.

15 Deferred taxation

The recognised and unrecognised deferred tax assets are:

	2017		*2016*	
	Recognised	Unrecognised	*Recognised*	*Unrecognised*
	£000s	£000s	*£000s*	*£000s*
Deferred capital allowances	269	-	*280*	-
Deferred allowance for dilapidations provision	101	-	*104*	-
Deferred tax asset (current) (Note 11)	370	-	*384*	-
Deferred tax asset (non-curent) on retirement benefit liabilities recognised in the accounts but not paid (Note 5,11)	917	-	*344*	-
Deferred tax including deferred tax asset on pension liabilities	1,287	-	*728*	-

The rates used in calculating deferred tax assets are those at which eventual payment of tax or group relief are expected to be paid. For current deferred tax assets this is 19%, the rate applicable until 31st March 2018. For deferred tax assets expected to mature after one year the rate used has been 17%, the lowest future enacted rate at the time of signing the financial statements. The comparative rates used for current and non-current deferred tax assets were 20% and 17% respectively.

Movement in deferred tax on pension liabilities	£000s
Balance at 1st April 2016	344
Amount credited to the Statement of total recognised gains and losses	882
Amount charged to Profit and loss account during the year	(309)
Balance at 31st March 2017	917

Deferred tax charged to the Profit and loss account:	2017	*2016*
	£000s	*£000s*
Deferred capital allowances	11	*79*
Deferred allowances for dilapidations provision	3	*(9)*
Deferred allowance for pension liabilities	309	*319*
	323	*389*

16 Obligations under leases and hire purchase contracts

Future minimum payments due under finance leases and hire purchase contracts are as follows:

	2017	*2016*
Amounts payable:	£000s	*£000s*
Not later than one year	-	*140*
After one year but not more than five years	-	-
	-	*140*
less finance charges allocated to future periods	-	*(3)*
	-	*137*
The present value of minimum lease payments is analysed as follows:		
Not later than one year	-	*137*
After one year but not more than five years	-	-
	-	*137*

The Company has entered into commercial leases on certain properties and items of machinery. These leases have a duration ranging from one to five years. There are no restrictions placed upon the lessee by entering into these leases.

16 Obligations under leases and hire purchase contracts (continued)

Future minimum rentals payable under non-cancellable operating leases are:

	2017	*2016*
	£000s	*£000s*
Not later than one year	793	*805*
After one year but not more than five years	1,924	*2,571*
	2,717	*3,376*

17 Financial instruments

As noted in the Strategic report on page 2 the Company has minimal exposure to fluctuations in financial markets save for foreign currency risk, and does not use derivative or hedging techniques to manage that risk.

Foreign currency risk

The table below shows the sensitivity to a reasonable change in the level of Sterling against other currencies, of the Company's profit before tax due to foreign exchange revaluation of monetary assets and liabilities:

Gain/(loss) arising from appreciation/depreciation of Sterling by:	+ 5%	- 5%
Net monetary assets denominated in:	£000s	£000s
Euro	(142)	157
US Dollars	(25)	28

Credit risk

There are no significant concentrations of credit risk within the Company. The Company does not insure against credit risk but instead has established procedures to minimise the risk of default by trade debtors including credit checks, reviews and occasional sanctions. The maximum credit risk exposure is represented by the carrying value as at the balance sheet date.

Fair values of financial assets and financial liabilities

It is considered that the carrying amounts of all financial assets and liabilities is a reasonable approximation of the fair values.

18 Authorised, issed and called up share capital

	2017	*2016*
Authorised, allotted, called-up and fully paid	£000s	*£000s*
25,000,000 (2016: *25,000,000*) Ordinary shares of GBP 1.00 each	25,000	*25,000*

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

19 Off-balance sheet arrangements

The Company has entered into operating lease arrangements for the hire of buildings and equipment as these arrangements are a cost-effective way of obtaining the short-term benefits of these assets. The annual commitments under these arrangements are disclosed in Note 16. Ther are no other material off-balance sheet arrangements.

20 Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is FUJIFILM Holdings Corporation, which is incorporated in Japan.

FUJIFILM Holdings Corporation is the parent company of both the smallest and the largest group of undertakings for which consolidated financial statements are drawn up and of which the company is a member. Copies of these financial statements may be obtained from the registered office of FUJIFILM UK Limited which is:

FUJIFILM UK Ltd, St Martins Business Centre, St Martins Way, Bedford MK42 0LF

21 Related party transactions

The company has taken advantage of the exemption in FRS101 paragraph 8(k) not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling parent. There are no other related party transactions to report.