

Year Ending 31st March 2020
Report and Financial Statements

Directors M Yamamoto (Chairman) (to 9.9.20)
T Iida (Chairman) (from 9.9.20)
Y Nakamura

Secretary N Denham

Registered Office St Martins Business Centre
St Martins Way
Bedford MK42 0LF

Auditors KPMG LLP
58 Clarendon Road
Watford
WD17 1DE

Bankers ING Bank
Bank Mendes Gans NV
The Royal Bank of Scotland plc
Sumitomo Mitsui Banking Corporation
The Bank of Tokyo-Mitsubishi UFJ Ltd.
Ulster Bank Ireland Ltd.

Company Number 1264514
England & Wales



Year Ending 31st March 2020 Strategic report

The Directors present their strategic report for the year ended 31st March 2020.

Business Review

The profit for the year, after taxation is £2,399,000 (2019: £2,996,000.) No dividends have been paid or proposed.

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

	2020	2019	Change
	£000s	£000s	%
Revenue	135,554	144,169	- 6.0
Operating profit	2,251	3,201	- 29.7
Profit after taxation	2,399	2,996	- 19.9
Shareholders' funds	52,296	45,638	+ 14.6
Average number of employees	327	336	- 2.7

Turnover was affected by contraction in the more mature businesses of Graphics and Photofinishing and the effect on market demand in the last month of the year due to the Covid-19 lockdown in the UK. Operating profit was impacted by the reduced turnover, continued extremely competitive trading conditions in many markets, and some restructuring costs in Photofinishing.

The company will continue to explore new markets for existing products and look to bring new products to market in the most effective way, to the benefit of customers and shareholders alike. At the same time, we will take necessary steps to improve margins in the face of difficult trading conditions.

Principal risks and uncertainties

The principal long-term risks facing the company are customer debt default and cost price increases related to the relative value of GBP, but in the short term the two over-riding risks are the Covid-19 pandemic and Brexit disruption. The company sells products to markets affected negatively by the Covid-19 pandemic, principally retail and outdoor leisure, and is also affected by a reduction in underlying economic demand. The effects of these have accentuated the risk of customer default and at the same time created a mis-match between variable income and the company's cost base which is fixed in the short to medium term. The measures taken by the company are discussed in the Going Concern section of the Directors' Report below.

The company anticipates some level of disruption when the UK leaves the EU from 1st January 2021 which may have an effect on availability of goods for sale, increase in the company's cost base and a negative effect on general economic demand. To the greatest extent possible, the company will attempt to mitigate this disruption by increasing inventories and establishing robust trade flows in advance of whatever legislative and procedural changes are enacted.

Bad debt experience in the current year was again 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 sources many of its products for resale from overseas. Although most of these are transacted in GBP, the underlying costs are mostly in EUR and transaction prices tend to follow the relative value of GBP v EUR. As the company does not enjoy a dominant position in any market it cannot pass on the full value of any cost increases and must suffer these directly to a large extent.

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 the remaining exchange risk.

Year Ending 31st March 2020
Strategic report (continued)

Companies Act 2006 s172


S172 of the Companies Act 2006 concerns how a director acting in good faith can promote the success of the company whilst additionally engaging with various stakeholders and pay due regard to environmental and ESG matters.

As a wholly-owned subsidiary of a listed group, most engagement and direction in ESG and environmental matters is managed by the holding company. However, local directors have a role in building and maintaining a company that is sustainable in the long-term and which contributes positively to the development of all employees, to the local amenity and community and to business partners, whilst preserving and improving the environment in which we live and operate. The report required by CA2006 s172(1) follows below:

Section 172(1)	Board engagement
a) The likely consequence of any decision in the long-term.	The board plans future business performance annually looking to the following year and medium-term but paying close regard to achieving sustainable business that can support all stakeholders and meet all business obligations.
b) The interests of the company's employees.	As detailed more fully in the Directors' Report, the board engage with employees regularly and value their contribution as a key stakeholder. The board seek to maintain a safe working environment, free from risk of injury or prejudice, in which employees can contribute as fully as they can.
c) The need to foster the company's business relationships with suppliers, customers and others.	As detailed more fully in the Directors' report, the board understand that no business can survive without customers to purchase its product, nor suppliers to assist the fulfillment of customers' expectations. During the Covid-19 pandemic, the company worked closely with customers affected to minimise financial pressures without passing those pressures on to suppliers.
d) The impact of the company's operations on the community and the environment.	The board values all locations in which it operates and seeks to contribute to local initiatives whilst maintaining the lowest possible disruptive footprint. For many years, the board has promoted reduced carbon emissions where it can, and will continue to seek to drive down emissions. The first SECR report is included within the Directors' Report
e) The desirability of the company maintaining a reputation for high standards of business conduct.	The company follows the Fujifilm Group Charter for Corporate Behaviour and Code of Conduct, which themselves embody <i>inter alia</i> the International Bill of Human Rights, ILO Core Labour Standards, UN Convention against Corruption, the Paris Agreement and the OECD Guidelines for Multinational Businesses. All staff receive regular training and updates in acceptable corporate behaviour.
f) The need to act fairly as between members of the company.	The company is a wholly-owned subsidiary so this requirement is not relevant.

By order of the Board

Neil Denham
Company Secretary



22nd December 2020

Year Ending 31st March 2020

Directors' report

Directors of the company

The directors who served during the year were: M Yamamoto (resigned 9.9.20)
Y Nakamura

The following appointment has been made since the year-end:
T Iida (appointed 9.9.20)

Dividends

No dividends have been paid nor proposed during the year (2019: Interim dividend of £37,100,000 paid.)

Future developments

No new developments are planned for 2020/1 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 engagement

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.

The company holds regular "town-hall" meetings with all staff to inform of the state of the company and has regular anonymised questionnaires covering many aspects of work, to assist and help improve the working lives and performance of all staff.

Business relationships

The company has economic and commercial relationships with customers and suppliers with whom it engages in an open, transparent and fair way to share the risks and rewards of enterprise appropriately. For customers we place great emphasis on quality of product and service supplied and supported efficiently for which we seek to be paid a price in good time that reflects the costs and complexity of the product. We look to suppliers for the same.

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.

**Year Ending 31st March 2020
Directors' report (continued)**

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. The company also has cash balances and access to finance (through group facilities) to cover most eventualities.

The Covid-19 pandemic has created uncertainty over short-term cashflows and long-term business models, and in order to prepare these financial statements on a going concern basis the directors have considered how this uncertainty might affect the business. The company experienced an initial reduction in revenues of 30% from March 2020, recovering to 80% of expected sales by August 2020. At the same time the company availed of the furlough scheme offered by the UK government in order to reduce costs without reducing headcount permanently, and scaled back other variable costs including advertising. Some income streams may not recover, whilst for others, methods of selling and doing business have adapted, and it is clear that in the future less staff will be required for these functions.

The directors have looked at the profit and loss and cashflows for the 12 months to 31st March 2021 and also the following twelve months to 31st March 2022 based on actual experience to August 2020 then assuming a reduction in sales of 10-20%. At the same time, the forecasts used have assumed that some structural changes will be required before 31st March 2021. The resulting forecasts indicate a modest profit to March 2021 with a likely reduction in cash of £2m, followed by a higher profit to March 2022 accompanied by an increase in cash of a similar amount. Actual experience to date has confirmed that the cashflow forecasts have been conservative.

Accordingly, given the forecast impact of Covid-19, actual experience to date and the availability of sufficient finance, the directors are confident that the going concern basis should continue 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.

Streamlined Energy and Carbon Report (SECR)*UK energy use and associated greenhouse gas emissions*

The company is pleased to report its current UK based annual energy usage and associated annual greenhouse gas emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

In accordance with the 2018 Regulations, the energy use and associated greenhouse gas emissions are for those assets within the UK only as defined by the operational control approach. This includes warehousing units in Bedford, a manufacturing site in Birmingham along with company vehicles and personal vehicles used for business mileage ("grey fleet").

The annual reporting period is 1 April to 31 March each year and the energy and carbon emissions are aligned to this period.

Quantification and reporting methodology

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2019 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations as these relate to the majority of the reporting period.

Electricity and gas consumption were based on invoice records, while mileage was used to calculate energy and emissions from fleet vehicles and grey fleet. Gross calorific values were used except for mileage energy calculations as per Government GHG Conversion Factors.

The emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of company activities (scope 3).

Year Ending 31st March 2020
Directors' report (continued)

Streamlined Energy and Carbon Report (SECR) (continued)

Breakdown of energy consumption used to calculate emissions (kWh):

Energy type	2020
Mandatory energy:	kWh
Gas	482,506
Purchased electricity	1,103,530
Transport fuel	2,643,890
	<u>4,229,926</u>

Breakdown of emissions associated with the reported energy use (tCO₂e):

Emission source:	2020
Mandatory emissions:	tCO ₂ e
Scope 1: Gas	89
Transport - company-owned vehicles	494
Scope 2: Purchased electricity - location based	282
Scope 3: Transport - business travel in employee-owned vehicles	174
	<u>1,039</u>

Intensity ratios (mandatory emissions only)

Tonnes of CO ₂ e per million pounds of turnover (UK only)	<u>8.4</u>
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Intensity ratio

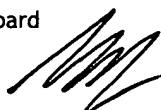
The intensity ratio is total gross emissions in metric tonnes CO₂e (mandatory emissions) per total million-pound (£m) turnover. The turnover relates to UK operations only to align with the energy and emission reporting boundary. This financial metric is considered the most relevant to the company's energy consuming activities and provides a good comparison of performance over time and across different organisations and sectors.

Energy-efficiency action during the current financial year

The management of resources is an important issue for the company, with energy awareness continually promoted across the sites to ensure resource conservation. The recent ESOS Phase 2 audits carried out in 2019 identified a number of short and long term energy saving opportunities; however, due to planned site relocations that take into consideration energy efficiency, no actions have been carried out this year.

By order of the Board

Neil Denham
Company Secretary



22nd December 2020

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

Year Ending 31st March 2020

**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
- ▶ assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- ▶ use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report

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

Opinion

We have audited the financial statements of FUJIFILM UK Limited ("the company") for the year ended 31 March 2020 which comprise the Income Statement, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

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

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

Independent auditor's report (continued)

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

Strategic report and directors' report

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

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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

Benjamin Stapleton (Senior Statutory Auditor) *B. J. Stapleton* 22 December 2020

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

58 Clarendon Road
Watford WD17 1DE

Year Ending 31st March 2020
Income statement

		2020	2019
	Notes	£000s	£000s
Turnover	2	135,554	144,169
Cost of sales		(101,291)	(108,960)
Gross profit		34,263	35,209
Distribution costs		(767)	(829)
Administrative expenses		(31,245)	(31,179)
Operating profit	3	2,251	3,201
Interest receivable and similar income	6	1,065	666
Interest payable and similar charges	6	(14)	(195)
Profit on ordinary activities before taxation		3,302	3,672
Tax expense	7	(903)	(676)
Profit for the year		2,399	2,996

The accompanying notes on pages 14 to 28 form part of the financial statements

Year Ending 31st March 2020

Statement of comprehensive income


	2020	2019
	£000s	£000s
Profit for the financial year	2,399	2,996
Other comprehensive income:		
Items that cannot be reclassified to profit or loss:		
Remeasurement gains on defined benefit pension plans	5	1,234
Tax on items relating to components of other comprehensive income	15	(210)
Other comprehensive income for the year, net of tax	<u>4,259</u>	<u>1,024</u>
Total comprehensive income for the year	<u>6,658</u>	<u>4,020</u>

The accompanying notes on pages 14 to 28 form part of the financial statements

At 31st March 2020
Company balance sheet

	Notes	2020 £000s	2019 £000s
Fixed assets			
Tangible assets	1,9	6,173	2,079
Current assets			
Stocks	1,10	1,794	3,846
Debtors:			
Amounts falling due within one year		38,321	43,117
Amounts falling due after one year		11,783	10,615
	11	50,104	53,732
Cash and cash equivalents		33,557	34,389
		85,455	91,967
Creditors: amounts falling due within one year	12	(31,921)	(41,911)
Net current assets		53,534	50,056
Total assets less current liabilities		59,707	52,135
Creditors: amounts falling due after more than one year	13	(3,729)	-
Provisions	1,14	(1,620)	(1,464)
Defined benefit pension plan deficit	5	(2,062)	(5,033)
Net assets		52,296	45,638
Capital and reserves			
Called up share capital	18	25,000	25,000
Profit and loss account		27,296	20,638
		52,296	45,638

The accompanying notes on pages 14 to 28 form part of the financial statements


 Y Nakamura 22nd December 2020
 Director

At 31st March 2020

Company statement of changes in equity

	Notes	Called-up share capital £000s	Profit and loss account £000s	Total £000s
At 1st April 2018		25,000	53,718	78,718
Profit for the financial year		-	2,996	2,996
Other comprehensive income		-	1,024	1,024
Total comprehensive income for the year		-	4,020	4,020
Equity dividends paid	8	-	(37,100)	(37,100)
At 31st March 2019		25,000	20,638	45,638
Profit for the financial year		-	2,399	2,399
Other comprehensive income		-	4,259	4,259
Total comprehensive income for the year		-	6,658	6,658
Equity dividends paid	8	-	-	-
At 31st March 2020		25,000	27,296	52,296

The accompanying notes on pages 14 to 28 form part of the financial statements

Year Ending 31st March 2020

Notes to 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 2020 were authorised for issue by the board of directors on *22nd December* 2020 and the balance sheet was signed on the board's behalf by Y Nakamura. 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 2020.

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 report on page 2.

As at March 2020, the company continued to hold significant cash balances of £33.6m (2019: £34.4m) and had net assets at the year-end of £52.3m (2019: £45.6m) (2019: after payment of a dividend of £37.1m).

The directors have prepared profit and cashflow forecasts for the period to March 2022 which indicate that, taking into account reasonably possible downside scenarios reflecting the possible financial impact of severely reduced trading activities due to Covid-19 and the impact of Brexit, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

The Covid-19 pandemic has created uncertainty over short-term cashflows and long-term business models, and in order to prepare these financial statements on a going concern basis the directors have considered how this uncertainty might affect the business. The company experienced an initial reduction in revenues of 30% from March 2020, recovering to 80% of expected sales by August 2020. At the same time the company availed of the furlough scheme offered by the UK government in order to reduce costs without reducing headcount permanently, and scaled back other variable costs including advertising. Some income streams may not recover, whilst for others, methods of selling and doing business have adapted and evolved, and it is clear that in the future fewer staff will be required for these functions.

Going concern (continued)

The directors have looked at the profit and loss and cashflows for the 12 months to 31st March 2021 and also the following twelve months to 31st March 2022 based on actual experience to August 2020 then assuming a reduction in sales of 10-20% thereafter. At the same time, it has been assumed that some structural changes will be required before 31st March 2021. The resulting forecasts indicate a modest profit to March 2021 with a likely reduction in cash of £2m, followed by a higher profit to March 2022 accompanied by an increase in cash of a similar amount. Actual experience to date has confirmed that the cashflow forecasts have been conservative.

Accordingly, given the forecast impact of Covid-19, actual experience to date and the availability of sufficient finance, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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 liabilities 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.

In determining the appropriate discount rates, management considers the interest rates of corporate bonds in the respective currency 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 publically 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.

Significant accounting policies

Revenue recognition

Revenue is recognised to the extent that the company obtains the contractual right to consideration in exchange for its performance and that it is probable that such consideration will be received. Revenue is allocated against each performance obligation and 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 completion of 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

The company has adopted IFRS 16 using the modified retrospective approach, and the following policy applies for lease transactions occurring during the financial year commencing 1st April 2019.

A lease is a contract that conveys the right to control the use of an identified asset for a period of time in return for consideration. In assessing whether there is a right to control the use of an identified asset, the company assesses whether the company has the right to obtain substantially all of the economic benefits from the asset throughout the period of use, and whether the company has the right to operate or direct the use of the asset.

The company accounts for leases by recognising a right-of-use asset and a related lease liability at the commencement of a lease. The right-of-use asset is recognised at cost which comprises the initial amount of the lease liability less any payments made before the commencement date, and is depreciated on a straight line basis over the period of the minimum contractual lease period, or the useful life of the asset if shorter.

The lease liability is initially measured at the value of the minimum outstanding lease payments due at the commencement date, discounted to present value using the company's incremental borrowing rate if this is material.

The company does not recognise right-of-use assets and lease liabilities for low value assets nor for assets with a lease term of less than 12 months. Instead these costs are recognised as an expense on a straight line basis over the lease term.

In the comparative period, leases which transferred substantially all of the risks and rewards of ownership were classified as finance leases; all other leases were classified as operating leases and 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.

Year Ending 31st March 2020
Notes to the Financial Statements

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 fair value, less any impairment. Long-term debtors are measured at fair value and amortised cost using the effective interest rate method, less any impairment.

Creditors

Creditors are measured at fair value. Long-term creditors are measured at amortised cost using the effective interest rate method.

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 losses 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 liability 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.

Year Ending 31st March 2020
Notes to the Financial Statements

Significant accounting policies (continued)

Adoption of new and revised standards

In the current year, the following new and revised Standards and Interpretations have been adopted by the company and have an effect on the current period or a prior period or may have an effect on future periods:

- IFRS16 Leases

The company has adopted the modified retrospective approach to implementing IFRS16 which brings in the cumulative effect (£nil) of adopting IFRS16 into the 2020 figures without the requirement to restate the comparative figures for 2019.

2 Segment information

Revenue recognised in the income statement is analysed as follows:	2020	2019
	£000s	£000s
Sale of goods	122,025	129,848
Rendering of services	13,529	14,321
Revenue from continuing operations	<u>135,554</u>	<u>144,169</u>
Revenue by principal area of activity:	2020	2019
	£000s	£000s
Imaging solutions	57,948	65,264
Information solutions	77,606	78,905
	<u>135,554</u>	<u>144,169</u>
Revenue analysed by geographical destination:	2020	2019
	£000s	£000s
United Kingdom and Ireland	131,829	141,113
Europe	3,725	3,056
	<u>135,554</u>	<u>144,169</u>

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):	2020	2019
	£000s	£000s
Depreciation: Owned fixed assets	1,017	480
Right of use assets	1,612	n/a
Write-down / (write-back) of inventories	766	529
Rentals paid under operating leases: Land and buildings	n/a	825
Plant and machinery	n/a	601
Expenses relating to short-term leases (IFRS16 from 2020 only)	40	
Auditors' fees: Audit of the financial statements	<u>96</u>	<u>92</u>

Year Ending 31st March 2020
Notes to the Financial Statements

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 327 (2019: 336). Staff numbers by function were:

	2020	2019
Administration and finance	24	23
Sales and sales support	297	306
Distribution	6	7
	<u>327</u>	<u>336</u>

The staff costs were:

	2020	2019
	£000s	£000s
Salaries and wages	15,102	17,259
Social security costs	2,038	1,920
Other pension costs (note 5)	1,980	1,881
	<u>19,120</u>	<u>21,060</u>

Directors' remuneration

Directors who provide qualifying services to the company:

Remuneration paid to directors in respect of qualifying services was:

	2020	2019
	£000s	£000s
Directors' remuneration	<u>237</u>	<u>283</u>

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:

	2020	2019
	£000s	£000s
Remuneration	<u>237</u>	<u>167</u>

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 2020 and 31st March 2019.

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.

	2020	2019
	£000s	£000s
Company contributions to defined contribution schemes	1,414	1,352
Scheme administration costs	404	390
	<u>1,818</u>	<u>1,742</u>

Year Ending 31st March 2020
Notes to the Financial Statements
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 which closed (with the exception of future salary accruals for existing members remaining with the company) from 1st April 2010, the other in Ireland which closed from 1st June 2011.

The pension scheme assets are held in separate trustee-administered investment funds or bulk annuity policies in the name of the trustees to meet long-term pension liabilities to scheme members. The trustees, of whom at least one-third are nominated by scheme members, 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:

			2020	2019
	UK	Ireland	Total	Total
	£000s	£000s	£000s	£000s
Equities	-	2,839	2,839	3,096
Bonds	6,331	909	7,240	7,306
Cash	4,417	38	4,455	3,894
Liability-driven investments	28,878	-	28,878	26,331
Diversified growth funds	30,602	-	30,602	28,693
Insured pensioners ("buy-in" policy)	27,726	-	27,726	28,938
Fair value of scheme assets	97,954	3,786	101,740	98,258
Present value of scheme liabilities	(93,190)	(5,848)	(99,038)	(103,291)
Net defined benefit plan surplus/(deficit)	4,764	(2,062)	2,702	(5,033)

	2020	2019
	£000s	£000s
<i>Presented in the Balance Sheet as:</i>		
Debtors (Amounts falling due after one year) (Note 11)	4,764	-
Defined benefit pension plan deficit	(2,062)	(5,033)
	2,702	(5,033)

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.

The company has the right to benefit from a distribution of an eventual scheme surplus, therefore that surplus and the related deferred tax liability (Note 15) has been recognised in the financial statements.

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

5 Pension commitments (continued)

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

Recognised in the Income Statement	2020 £000s	2019 £000s
Past service cost	-	-
Expected net interest cost on defined benefit liability	80	178
Exchange differences on Irish scheme translation	82	(39)
Recognised in arriving at operating profit	<u>162</u>	<u>139</u>

Taken to the Statement of Comprehensive Income	2020 £000s	2019 £000s
Difference between expected and actual return on scheme assets: (gain)/(loss)	1,385	7,108
Actuarial changes arising from scheme experience	116	(231)
Actuarial changes arising from changes in demographic assumptions	978	573
Actuarial changes arising from changes in financial assumptions	3,393	(6,216)
Movements in the asset ceiling provision	-	-
Total actuarial gains/(losses) before deferred taxation	<u>5,872</u>	<u>1,234</u>

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

	2020 £000s	2019 £000s
Defined benefit obligation at 1st April	103,291	96,792
Past service cost	-	-
Interest cost on benefit obligation	2,418	2,462
Actuarial (gain)/loss due to scheme experience	(116)	231
Actuarial (gain)/loss due to changes in demographic assumptions	(978)	(573)
Actuarial (gain)/loss due to changes in financial assumptions	(3,393)	6,216
Exchange differences on Irish scheme translation	254	(129)
Benefits paid during the year	(2,438)	(1,708)
Defined benefit obligation at 31st March	<u>99,038</u>	<u>103,291</u>

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

	2020 £000s	2019 £000s
Fair value of scheme assets at 1st April	98,258	88,635
Interest income on scheme assets	2,338	2,284
Actuarial (loss)/gain	1,385	7,108
Contributions received from the company	2,025	2,029
Exchange differences on Irish scheme translation	172	(90)
Benefits paid during the year	(2,438)	(1,708)
Fair value of scheme assets at 31st March	<u>101,740</u>	<u>98,258</u>

The actual return on scheme assets over the year was a gain of £3,723,000 (2019: £9,392,000 gain)

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, Mercer (UK) and Aviva (Ireland), 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.

5 Pension commitments (continued)

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

		2020		2019	
		UK	Ireland	UK	Ireland
Inflation	RPI	2.70%	1.50%	3.40%	1.50%
	CPI (UK only)	2.10%	n/a	2.40%	n/a
Rate of increase in salaries		2.60%	n/a	2.90%	n/a
Rate of increase in pensions in payment					
	2½% cap applying	1.95%	n/a	2.40%	n/a
	5% cap applying	3.50%	3.00%	2.40%	3.00%
Revaluation rate for deferred pensioners					
	2½% cap applying	2.10%	n/a	2.20%	n/a
	5% cap applying	2.10%	1.50%	3.40%	1.50%
Discount rate applied to scheme liabilities		2.30%	1.80%	2.40%	1.80%
Post retirement mortality:					
Current pensioners at age 65: (retiring 2020)	Male	22.8	22.3	23.1	22.2
	Female	24.7	24.0	24.9	23.9
Future pensioners at age 65: (retiring 2040)	Male	23.9	23.7	24.2	23.6
	Female	26.0	25.2	26.2	25.1

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 2020 are 85% of the standard tables S2PxA, Year of Birth, no age rating for males and females, projected using CMI_2019 converging to 1.0%p.a, with a 50% allowance for cash commutation (2019: 50%).

The post-retirement mortality assumptions allow for expected increases 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 2040.

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

	<u>Change in assumption</u>	<u>Impact on scheme liabilities</u>
Discount rate	Increase by 0.10%	Decrease by 2.2%
Inflation assumption	Increase by 0.10%	Increase by 1.9%
Rate of salary growth	Increase by 0.10%	Increase by 0.5%
Life expectancy	Increase by 1 year	Increase by 3.4%
Cash commutation of post A-Day pension	Additional 10%	Decrease by 1.0%

Effect of changes to calculation methodology

The company is now using the UK Mercer Yield Curve rather than the Bank of America Merrill Lynch's AA Corporate Bond Yield Curve to arrive at the Discount Rate which has reduced the rate by around 0.5% and increased the Defined Benefit Obligation by approximately £1m.

The company has also reduced the gap between RPI and CPI in the long term to 40 basis points in calculating inflation assumptions which has increased the Defined Benefit Obligation by approximately £4.8m.

The most recently completed actuarial valuations of the Company's main retirement benefits schemes were as at 1st January 2018 (UK) and 30th December 2016 (Ireland). The company has agreed with the trustees that it will contribute £1,920,000 and €123,000 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 protection funds.

It is estimated that the average duration of the defined benefit obligation is 22 years.

Year Ending 31st March 2020
Notes to the Financial Statements

6 Finance income and costs	2020 £000s	2019 £000s
Finance income:		
Interest receivable from group undertakings	-	3
Other interest receivable	688	663
Exchange gains	377	-
	<u>1,065</u>	<u>666</u>
Finance costs:		
Other interest payable	14	-
Exchange losses	-	195
Other interest payable	<u>14</u>	<u>195</u>

7 Taxation

The taxation charge in the profit and loss account is made up as follows:	2020 £000s	2019 £000s
UK corporation tax on profits for the period	420	366
Less: UK group relief available	-	(366)
Payment for group relief	-	236
Foreign tax	26	49
Adjustments in respect of prior periods	(41)	(5)
Total current tax	<u>405</u>	<u>280</u>
Movements in Deferred tax (Note 15)	498	396
Total tax expense	<u>903</u>	<u>676</u>

The standard rate of UK corporation tax is 19% (2019: 19%). 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:

	2020 £000s	2019 £000s
Profit on ordinary activities before tax	3,302	3,672
Tax on profit on ordinary activities at 19%	627	698
Factors affecting the charge for the period:		
Deferred tax at 35% on pension surplus allocated to current year	227	-
Expenses not deductible for tax purposes	90	113
Adjustments in respect of previous years:	(41)	(5)
Adjustment for group relief paid at a lower rate to the standard rate of tax	-	(130)
Total tax expense	<u>903</u>	<u>676</u>

Factors that may affect future tax charges

The main factor affecting future tax charges is the UK rate of standard corporation tax, currently set at 19%. Should this change, the company's tax charge will change accordingly.

8 Dividends paid and proposed

No dividends have been paid nor proposed for the current fiscal year (2019: £37,100k).

Year Ending 31st March 2020
Notes to the Financial Statements

9 Tangible fixed assets

	Freehold land and buildings £000s	Short leaseholds £000s	Furniture, plant & eqt. £000s	Motor vehicles £000s	Total £000s
COST					
At 1st April 2019	730	1,728	3,325	346	6,129
Recognition of right of use assets on initial application of IFRS16 (Note 16)		6,701		1,462	8,163
	730	8,429	3,325	1,808	14,292
Additions	-	1,395	150	557	2,102
Disposals	-	(99)	(241)	(580)	(920)
At 31st March 2020	730	9,725	3,234	1,785	15,474
DEPRECIATION					
At 1st April 2019	344	1,608	1,805	293	4,050
Recognition of right of use assets on initial application of IFRS16 (Note 16)		2,770		719	3,489
	344	4,378	1,805	1,012	7,539
Charge for the year	31	1,312	699	587	2,629
Disposals	-	(99)	(204)	(564)	(867)
At 31st March 2020	375	5,591	2,300	1,035	9,301
NET BOOK VALUES					
At 31st March 2020	355	4,134	934	750	6,173
At 1st April 2019	386	120	1,520	53	2,079

Right of use assets:

At 31st March 2020, tangible fixed assets included the following right-of-use (leased) assets:

	Freehold land and buildings £000s	Short leaseholds £000s	Furniture, plant & eqt. £000s	Motor vehicles £000s	Total £000s
Right of use assets at 31st March 2020	-	2,537	-	655	3,192

10 Stocks

	2020 £000s	2019 £000s
Finished goods and goods for resale	1,794	3,846

The amount of inventories recognised as cost of sales in the profit and loss account was £99,223k (2019: £107,319k).

Year Ending 31st March 2020
Notes to the Financial Statements

11 Debtors

	2020	2019
	£000s	£000s
Amounts due within one year:		
Trade debtors	26,771	31,956
Net investment in finance leases (all hire purchase)	3,522	4,782
Amounts owed by group undertakings	5,827	4,550
Other debtors	12	8
Prepayments and accrued income	1,829	1,497
Corporation tax recoverable	16	-
Deferred taxation (Note 15)	344	324
	<u>38,321</u>	<u>43,117</u>
Amounts due after one year:		
Net investment in finance leases (all hire purchase)	6,627	9,759
Defined benefit pension plan surplus (Note 5)	4,764	-
Deferred taxation (Note 15)	392	856
	<u>50,104</u>	<u>53,732</u>

12 Creditors (amounts falling due within one year)

	2020	2019
	£000s	£000s
Trade creditors	1,398	1,988
Amounts owed to group undertakings	17,953	25,030
Current corporation tax	420	-
Group relief payable	-	372
Other taxes and social security costs	1,756	2,241
Lease liabilities	1,583	-
Other creditors	216	162
Accruals and deferred income	8,595	12,118
	<u>31,921</u>	<u>41,911</u>

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 75 day terms.

13 Creditors (amounts falling due after more than one year)

	2020	2019
	£000s	£000s
Deferred taxation (Note 15)	1,667	-
Lease liabilities	2,062	-
	<u>3,729</u>	<u>-</u>

14 Provisions

	Provision for guarantees and undertakings £000s	Provision for leasehold dilapidations £000s	Provision for maintenance warranties £000s	Total Provisions £000s
At 1st April 2019	39	1,122	303	1,464
Additional provisions made	157	36	514	707
Amounts reversed	(66)	-	-	(66)
Amounts utilised	-	-	(485)	(485)
At 31st March 2020	130	1,158	332	1,620

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 balances of deferred tax assets, all of which are recognised in full, are:	2020	2019
	£000s	£000s
Deferred capital allowances	234	217
Deferred allowance for dilapidations provision	110	107
Deferred tax asset (current) (Note 11)	344	324
Deferred tax asset (non-current) on retirement benefit liabilities recognised in the accounts but not paid (Note 5,11)	392	856
Deferred tax assets including deferred tax asset on pension liabilities	736	1,180
The balance of deferred tax liabilities - also recognised in full - is:	2020	2019
	£000s	£000s
Deferred tax liability recognised on retirement benefit surplus recognised in the accounts but not received (Note 5, 13)	1,667	-

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% (2019: 19%), the rate applicable until 31st March 2021. For deferred tax assets expected to mature after one year the rate used has also been 19% (2019: 17%), the lowest future enacted rate at the time of signing the financial statements having changed during the current fiscal year. The rate used for the deferred tax liability on retirement benefit surplus is 35%, the statutory rate applying to repayment of a scheme surplus.

Movement in deferred tax on pension assets/liabilities:	Pension asset £000s	liability £000s	Net £000s
Deferred tax balance at 1st April 2019	-	856	856
Amount charged to the Statement of total recognised gains and losses	(1,667)	54	(1,613)
Amount charged to Profit and loss account during the year		(518)	(518)
Deferred tax balance at 31st March 2020	(1,667)	392	(1,275)

Year Ending 31st March 2020
Notes to the Financial Statements

15 Deferred taxation (continued)

Deferred tax charged to the Profit and loss account:	2020	2019
	£000s	£000s
Deferred capital allowances	(17)	78
Deferred allowances for dilapidations provision	(3)	(3)
Deferred allowance for pension liabilities	518	321
	<u>498</u>	<u>396</u>

16 Obligations under leases and hire purchase contracts

Right of use assets are presented as tangible fixed assets (Note 9)

	Furniture, plant & eqt.	Motor vehicles	Total
	£000s	£000s	£000s
Net value first recognised at 1st April 2019	3,931	743	4,674
Additions to right of use assets	(326)	457	131
Depreciation charge for year	(1,068)	(545)	(1,613)
Net value at 31st March 2020	<u>2,537</u>	<u>655</u>	<u>3,192</u>

The following amounts have been recognised in the profit and loss account for which the company is a lessee:

	2020
	£000s
Interest expense on lease liabilities	9
Expenses relating to short-term leases	<u>40</u>

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	(299)	330
US Dollars	(80)	89

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.

Year Ending 31st March 2020
Notes to the Financial Statements

18 Authorised, issued and called up share capital

	2020	2019
	£000s	£000s
<i>Authorised, allotted, called-up and fully paid</i>		
25,000,000 (2019: 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 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 are available online from the FUJIFILM Holdings website or from the offices of FUJIFILM UK:

- <https://www.fujifilmholdings.com/en/about/index.html>
- FUJIFILM UK Ltd, St Martins Business Centre, St Martins Way, Bedford MK42 0LF

20 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.