

Oki Systems Holdings Co Limited

Report and Financial Statements

31 March 2019



Directors

T Takasawa
S Ogasawara
M Ishizaki

Secretary

R Rabheru

Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
The Atrium
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Uxbridge
Middlesex
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Registered No. 02499014

Directors report

The directors present their report and financial statements for the year ended 31 March 2019. The directors have taken advantage of the small companies' exemption provided by Section 415A of the Companies Act 2006 in preparing the Directors' Report. The directors have taken advantage of the small companies' exemption provided by section 414B of the Companies Act 2006 not to provide a Strategic Report.

Results and dividends

The profit for the year after taxation amounted to £855k (2018 –£2,241k). The directors do not recommend a final dividend (2018 – £nil).

Principal activity and review of the business

The main activity of the company during the year was as an intermediate parent undertaking.

Future developments

The company will continue to act as an intermediate parent undertaking within the foreseeable future.

Principal risks and uncertainties

In view of its limited activities, review of business risks within the UK Group, of which the company forms a part, has been included within the financial statements of Oki Europe Limited. On an annual basis, the directors review the financial statements. The directors continually assess the performance of the company, any associate undertakings and the financing structure of the entity.

Going concern

The directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future and at least a period of 12 months from the date of signing of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors

The directors who served the company during the year and appointed subsequently were as follows:

S Ogasawara	
K Kawahara	(Resigned 1 October 2019)
M Ishizaki	(Appointed 1 April 2018)
S Miura	(Resigned 1 April 2018)
T Takasawa	(Appointed 1 October 2019)

No directors have any interests in the share capital of the company.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor about preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they are obliged to take as a director to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the Board



R Rabheru
Company Secretary
23 October 2019

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for 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.

Independent auditors' report to the members of Oki Systems Holdings Co Limited

Report on the audit of the financial statements

Opinion

In our opinion, Oki Systems Holdings Co Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 March 2019; the Income Statement for the year ended 31 March 2019, the Statement of Changes in Equity for the year ended 31 March 2019; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

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

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not

Independent auditors' report to the members of Oki Systems Holdings Co Limited (continued)

express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Independent auditors' report to the members of Oki Systems Holdings Co Limited (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Daniel Dennett (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge
23 October 2019

Income Statement

for the year ended 31 March 2019

	<i>Notes</i>	<i>2019</i> <i>£000</i>	<i>2018</i> <i>£000</i>
Income from group undertakings		805	2,800
Interest income	3	46	7
Amounts written off investments		(2)	-
Realised exchange		1	(13)
Profit on ordinary activities before taxation		850	2,794
Tax on profit	6	5	(553)
Profit for the financial year		855	2,241
Total comprehensive income for the financial year		855	2,241

All amounts relate to continuing activities.

Total comprehensive income for the year is all attributable to the shareholders of the company.

Statement of Financial Position

as at 31 March 2019

	Notes	2019 £000	2018 £000
Fixed assets			
Investments	7	-	2
Current assets			
Debtors	8	6,820	6,087
Creditors: amounts falling due within one year	9	(8)	(132)
Net current assets		6,812	5,955
Total assets less current liabilities		6,812	5,957
Capital and reserves			
Called up share capital	10	1	1
Profit and loss reserves		6,811	5,956
Total equity		6,812	5,957

These financial statements were approved by the Board of Directors on 23 October 2019 and were signed on its behalf by:



S Ogasawara
Director

Statement of Changes in Equity

for the year ended 31 March 2019

	<i>Share capital</i>	<i>Profit and loss account reserves</i>	<i>Total Equity</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 1 April 2017	8,578	(4,862)	3,716
Share capital reduction	(8,577)	8,577	-
Profit for the year	-	2,241	2,241
At 1 April 2018	1	5,956	5,957
Profit for the year	-	855	855
At 31 March 2019	1	6,811	6,812

Notes to the financial statements

at 31 March 2019

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102– The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and with The Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Limited Partnership's accounting policies (refer to note 2).

Going concern

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, and its exposure to liquidity and cash flow risk are described on page 2 of the directors' report.

The Company recorded a net profit after tax of £855k for the year and shows a closing shareholder's fund of £6,812k at 31 March 2019. The company's principal asset is the debt of £6,820k receivable from its parent company. The company's ability to continue in operational existence is dependent upon the debt being recoverable.

Based on the information above and the Company's forecast the directors have a reasonable expectation that the company have adequate resources to continue in operational existence for the foreseeable future and for at least a period of 12 months from the date of signing of the financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Statement of cash flows

Under FRS 102 the company is exempt from the requirement to prepare a statement of cash flows on the grounds that the ultimate parent undertaking, Oki Europe Limited, includes the company in its own published group financial statements.

Interest income

Interest is recognised in the period in which it arises.

Notes to the financial statements (continued)

1. Accounting policies (continued)

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Judgements and key sources of estimation uncertainty

In preparing these financial statements estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following specific had the most significant effect on amounts recognised in the financial statements:

- Determine whether closing debtor balances are deemed fully collectable. This action requires a review of debt balances and the economic viability of debtors owing monies, using judgement to estimate the amount of impairment loss to recognise through the income statement.
- Assessment of potential impairment regarding the carrying value of investments. Directors apply judgement and undertake periodic impairment reviews to ensure the net assets and the present value of the investments exceeds the historic cost values.

3. Operating profit

This is stated after charging/(crediting):

	2019 £000	2018 £000
Interest receivable from group companies	46	7

Fees in respect of services provided by the auditors for the statutory audit of the company and other services were paid on behalf of the company by its parent undertaking Oki Europe Limited.

4. Directors' remuneration

The directors received no remuneration during the year to 31 March 2019 (2018 – £nil). The directors of the company are also directors or officers of other companies within the Oki group. The directors' services to the company do not occupy a significant amount of their time and are considered to be incidental. As such these directors do not consider that they receive any remuneration for their services to the company for the years ended 31 March 2019 and 31 March 2018.

Notes to the financial statements (continued)

5. Staff costs

The average number of persons employed by the company during the year to 31 March 2019 was nil (2018 – nil).

6. Taxation

6a. Tax on profit on ordinary activities

	2019	2018
	£000	£000
The tax charge is made up as follows:		
Current tax		
UK corporation tax on profits of the period	9	1
UK tax under/(over)provided in previous years	(3)	-
Withholding tax	121	420
Total current tax	127	421
Deferred tax		
Origination and reversal of timing differences	(132)	132
Total deferred tax	(132)	132
Total tax charge	(5)	553

6b. Factors affecting the total tax charge:

	2019	2018
	£000	£000
Profit/(loss) on ordinary activities before tax	850	2,794
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	162	531
Effects of:		
Income not taxable	(153)	(530)
Tax over/(under) provided in previous years	(3)	-
Withholding tax	-	420
Rate differential	(11)	-
Deferred tax recognised on unremitted earnings	-	132
Profit/(loss) for the year	(5)	553

Notes to the Financial Statements (continued)

6c. Deferred taxation

The deferred tax included in the balance sheet is as follows:

	2019 £000	2018 £000
Included in creditors - amounts following due within one year (note 9)	-	132
	-	132

The provision for deferred taxation is made up as follows;

	£000	£000
Withholding tax on unremitted earnings	-	132
	-	132

6d. Factors that may affect future tax charges

The rate of corporation tax remained unchanged at 19%. A further reduction to 17%, effective 1 April 2020, was included in the Finance Act 2016 which was enacted on 15 September 2016. These rates have been applied in the measurement of the deferred tax balances as at 31 March 2019.

7. Investments

	£000
Cost:	
At 1 April 2018	18,002
Deductions	-
At 31 March 2019	18,002
Provision for diminution in value:	
At 1 April 2018 and 31 March 2019	(18,000)
Charge for the year	(2)
At 31 March 2019	(18,002)
Net book value:	
At 31 March 2019	-
At 31 March 2018	2

Notes to the financial statements (continued)

7. Investments (continued)

Details of the investments in which the company or its subsidiary undertakings holds class of share capital are as follows:

<i>Name of subsidiary undertaking</i>	<i>Country of registration (or incorporation) and operation</i>	<i>Nature of business</i>
Oki System ve Yazici Cozumleri Tic. Ltd Sti	Turkey	All undertakings are in the business of the retail distributions of printers, associated products and supplies including facsimile and other telecommunications products.
LLC "Oki Systems Rus"	Russia	

All the above holdings are of ordinary shares and are held as follows: -

- a) 50% of Oki System ve Yazici Cozumleri Tic. Ltd Sti and 1% of LLC "Oki Systems Rus".

8. Debtors

	<i>2019</i>	<i>2018</i>
	<i>£000</i>	<i>£000</i>
Amounts owed by parent undertaking	<u>6,820</u>	<u>6,087</u>

Amounts owed by the parent undertaking are repayable on demand.

9. Creditors: amounts falling due within one year

	<i>2019</i>	<i>2018</i>
	<i>£000</i>	<i>£000</i>
Other creditors	<u>8</u>	<u>132</u>

10. Issued share capital

	<i>2019</i>		<i>2018</i>
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£000</i>	<i>No.</i>
		<i>£000</i>	
Ordinary shares of £1 each	<u>1</u>	1,000	<u>1</u>

Notes to the financial statements (continued)

11. Ultimate parent undertaking and controlling party

The ultimate parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member is Oki Electric Industry Co., Ltd., of Japan, incorporated in Japan.

The parent undertaking of the smallest such group is Oki Europe Limited, a company registered in England and Wales. Copies of the financial statements can be obtained from Oki Europe Limited, Blays House, Wick Road, Englefield Green, Egham, Surrey, TW20 0HJ.

The financial statements of Oki Electric Industry Co., Ltd are available on company's official website www.oki.com/en/ir/