

Registered number: 00153227

# FANUC UK LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021



## CONTENTS

	<b>Page (s)</b>
Company information	2
Strategic Report	3-5
Directors' Report	6-9
Independent Auditors' Report to the members of FANUC UK Limited	10-12
Statement of Comprehensive Income	13
Balance Sheet	14
Statement of Changes in Equity	15
Notes to the Financial Statements	16-29

FANUC UK LIMITED

## COMPANY INFORMATION

<b>Director</b>	T M Bouchier
<b>Company secretary</b>	A J Lumb
<b>Registered number</b>	00153227
<b>Registered office</b>	Sapphire Way Ansty Business Park Coventry CV7 9DR
<b>Independent auditors</b>	Ernst & Young LLP Statutory Auditors No.1 Colmore Square Birmingham B4 6HQ

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their strategic report of FANUC UK Limited (the “company”) for the year ended 31 March 2021.

### Business review

The COVID-19 pandemic, which started to affect the company in March 2020, had a substantial impact on the first quarter of the financial year with a large reduction in orders received and a large reduction in sales resulting from restrictions to the company’s capacity to execute work and deliver products. The second quarter of the financial year saw improvements in the level of activity as restrictions eased, but the third quarter saw another slowdown coinciding with the second national lockdown before the level of business picked up substantially in the fourth quarter of the year.

The company’s diverse customer base, which covers a wide range of industries and sectors, has proven to be advantageous: some customers were severely impacted by the pandemic; some customers saw little or no impact; and some customers actually benefited from increased demand resulting in an increased requirement for automation.

Consequently, despite the adverse trading conditions for much of the year, the company was able to remain profitable. The Company’s strong cash position proved advantageous as we worked closely with our customers to understand their specific situation and minimise the risk of bad debts.

The company was determined not to make any redundancies as a result of the pandemic in order to ensure that we retained our skilled employees and we took advantage of the situation to maximize staff training via Webinars and E-learning so that we were fully prepared as soon as the levels of business started to recover.

The company utilised the Coronavirus Job Retention Scheme and implemented strict controls over operating expenses, with all non-essential spend being delayed or cancelled, in order to compensate, as much as possible, for the reduction in gross profit resulting from the decrease in sales.

The results for the company for the financial year show a £8.2m decrease in turnover to £42.5m (2020: £50.7m) primarily as a result of the COVID-19 pandemic. Turnover was lower in all classes of business (See Note 4).

The total gross profit for the year decreased to £11.4m (2020: £14.1m) primarily as a result of the lower turnover, but also from a reduction in the total gross margin to 26.8% (2020: 27.8%) mainly due to an increase in product costs resulting from adverse exchange rate movements.

Total administrative expenses decreased by £0.7m to £9.4m (2020: £10.1m).

Other operating income in the year amounting to £0.5m (2020: £nil) reflects furlough claims made under the Coronavirus Job Retention Scheme.

The operating profit for the financial year decreased by £1.4m to £2.5m (2020: £3.9m).

The company had net assets of £34.8m as at 31 March 2021 (31 March 2020: £38.2m).

An interim dividend of £3,770.00 per ordinary share was paid during the year (2020: £nil); the directors do not recommend a final dividend for the current year (2020: £nil).

### Directors’ duties in relation to Section 172 Companies Act 2006

The directors act in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and, in doing so, have regard (amongst other matters) to:

- the likely consequences of any decisions in the long-term;
- the interests of the company’s employees;

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### Directors' duties in relation to Section 172 Companies Act 2006 (continued)

- the need to foster the company's business relationships with suppliers, customers and other stakeholders;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.

Decisions concerning strategy, business plans and activities, as well as market opportunities and risks, are the foundation for the company's long-term business plan, which is reviewed and updated annually by the directors and the senior management team.

Our employees are our most valued asset and are essential to the delivery of our business plan. The health, safety and well-being of our employees is our priority. The company engages with its employees through employee surveys, internal communications and face-to-face meetings and meets its responsibility for safeguarding the interests of employees by maintaining high standards of employment principles, a rigorous health and safety policy and ensuring the company is a place employees want to work. The nature of the company's business means it is driven by constant technological change. To keep employees up to date the company recognizes the need to continuously renew employees' skills with training and development.

The company looks to build strong relationships with its customers and suppliers and recognises that these relationships are critical to the company's long-term success. The company always seeks to act ethically and transparently in its dealings with them and also work collaboratively to build stronger relationships.

The company looks to uphold good relationships with the wider community and make a positive contribution within them and encourages employees to forge links to local institutions and community groups including supporting local schools and charities when restrictions allow.

The company has an ISO 14001 certified environmental management system and is continually seeking to make improvements to the environmental performance through more efficient use of resources and reduction of waste.

The company's ownership is detailed in Note 27 of the Financial Statements. The directors regard the relationship with its shareholders as very important and fully support the group's philosophy of open and honest communication alongside the core values of "GENMITSU" (strict preciseness) and "TOMEI" (transparency).

### Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks affecting the company are set out below:

#### Competition:

The company operates in a highly competitive market particularly around price, product availability and quality. However, we believe we can differentiate ourselves from the competition through a combination of the quality and reliability of the product, experience in automation projects and the focus on customer service.

#### Financial risk:

The company's operations expose it to a variety of financial risks that include credit risk, foreign currency risk and interest rate risk. These are discussed further in the Directors' Report.

#### Employees:

The company's performance depends largely on a number of key individuals whose resignation could, if the company was unable to recruit people with the right experience and skills, adversely affect the company's results. To mitigate these issues, the company continues to invest heavily in staff training and development, and has developed a comprehensive employee remuneration and benefits package.

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### Future outlook

The company has started the new financial year with a very healthy order book and customer enquiry levels in the first quarter of the new financial year have been extremely high. In particular, many enquires have been received from customers in industries that have not traditionally invested in automation. FANUC's new range of collaborative robots has created a large amount of interest as it enables humans to work side-by-side with robots without the need for safety fences or social distancing.

The company will continue to benefit from new and improved products that will be introduced by FANUC, who continue to invest heavily in research and development activities and who have continued to expand production capacities in recent years. We will therefore be able to expand our state-of-the-art product range and further reinforce our market position.

In parallel, we will work to continue increasing FANUC's brand name recognition through in-house shows and various trade shows, when the situation allows, whilst building up relationships with the educational sector and participating in Worldskills competition as global partners of industrial robots.

We pride ourselves on our "smart manufacturing systems" which are much more than just collections of compatible components linked together, since the economic benefits of integrated automation far exceed any performance gains available from a single machine or component. "Smart manufacturing systems" equipped with FANUC products incorporate the experience we have gained from engineering and manufacturing systems in the UK for over 30 years. The wealth of experience we have gained from actual practice and the experience of our customers in all areas of manufacturing, combined with immediate feedback of that experience into our engineering operations, is reflected in the excellent reliability and state-of-the-art technologies of our automation solutions. Our goal remains that whenever anyone thinks of factory automation, they think of FANUC first.

Consequently, we are cautiously optimistic that the above factors will be the foundations to see sales and profits return to pre-pandemic levels in the current financial year and form the basis for the continued growth and profitability of the company in the future.

### Financial key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using "KPI's" is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board on 24 June 2021 and signed on its behalf by:



Tom Bouchier  
Director

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and the audited financial statements of FANUC UK Limited (the "company") for the year ended 31 March 2021.

### Results and dividends

The profit for the financial year amounted to £1,946,455 (2020: £3,044,008).

A dividend of £5,285,540 was paid during the year (2020: £nil).

### Directors

The directors who served during the year and up to the date of signing the financial statements were:

T M Bouchier

### Post balance sheet events

There have been no material post balance sheet events.

### Going concern

The financial statements have been prepared on a going concern basis.

The directors have considered the forecast performance of the company through to the end of June 2022, including considering appropriate sensitivities and a reverse stress test. At the balance sheet date, the company had net assets of £34.8m and net current assets of £17.9m that include cash balances under the control of the company of £12.0m. At 31 May 2021, the equivalent cash balance was £12.4m principally reflecting cash generated from operations during the first two months of the new financial year.

The company also has access to group wide cash pooling facilities which the immediate parent company has made available and which the company can access up to an overdrawn limit of €12m. At the year-end, the company had deposited funds of £0.3m in the pool, which is presented as part of "Amounts owed by group companies" within Debtors. The directors do not believe, based on the forecasts prepared, that the company will need to use the overdraft facility within this arrangement in the foreseeable future even when the impact of plausible sensitivities are considered. Whilst under the terms of the cash pool, the arrangement can be terminated by either party at 3 months' notice, the directors are not aware of any intention of the counterparty to exercise this option during the period under review.

Having considered all of the above, the directors have concluded that the company has sufficient cash and current assets to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements, such that it is appropriate to apply the going concern basis in preparing these financial statements.

### Financial risk management

The company's operations expose it to a variety of financial risks that include credit risk, foreign currency risk and interest rate risk. The company has in place a risk management programme that seeks to limit any adverse effects of these risks on the financial performance of the company. The directors have delegated the responsibility for implementation of the policies they set, and for monitoring financial risk management, to the company's finance department.

#### Credit risk:

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed on an ongoing basis by the company's finance department.

## DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 MARCH 2021

### Financial risk management (continued)

#### Foreign currency risk:

To mitigate the effect of the currency exposures arising from its foreign currency transactions, the company endeavours to match the value of foreign currency sales with purchases denominated in the same currencies.

#### Interest rate risk:

The company's only interest bearing assets and liabilities are cash balances and amounts due to or from the immediate parent company under a cash-pooling agreement. Interest is earned on these assets, or paid on these liabilities, at a variable market rate. The directors keep this policy under review.

### Future developments

Future developments are discussed in the Strategic Report.

### Streamlined energy and carbon reporting ('SECR')

The company has gathered data regarding scope one and scope two carbon emissions (as defined by the GHG Protocol) for the financial year spanning 1st April 2020 to 31st March 2021 from its UK Operations for inclusion in Company Reporting (2019) as defined by the requirements of the Streamlined Energy and Carbon Reporting (SECR) legislation.

The combined Scope One and Scope Two Carbon Emissions for the period was recorded at 614.56 TC02e (2020: 761.07 TCO2e). The energy consumed in the period was 2,792,008 kWh (2020: 3,372,236 kWh) with 62% (2020: 60%) relating to transport use, 19% (2020: 14%) from use of Natural Gas for heating and 19% (2020: 26%) Electricity consumed. The Specific Carbon Consumption (SCC) for the period is calculated at 0.015 (2020: 0.015) kgCO2e/£k of revenue excluding management fees and recharges.

During the reporting period the company complied with the Energy Savings Opportunity Scheme (ESOS) second phase, engaging with an external Lead Auditor to undertake energy and transport efficiency audits.

The table below compares the year on year performance:

Financial Year	Revenue	Energy		Carbon		Measurement Metric	
	£k	Total Kwh	% Change	Total CO2w	% Change	KgCO2e/£k	% Change
2019/20	50,691	3,372,236	N/A	761.07	N/A	0.0150	N/A
2020/21	42,470	2,792,008	-17.20%	416.56	-19.25%	0.0145	-3.30%

As can be seen above, there has been a significant reduction in raw consumption and the associated carbon emissions, however, once business activity is factored in there is a modest 3.3% reduction in carbon emissions related to business activity.

## **DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 MARCH 2021**

### **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 United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Company's financial statements in accordance with Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company, and of the profit or loss of the company, for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies in accordance with section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- in respect of the Company's financial statements, state whether applicable UK Accounting Standards, including FRS 102, 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 appropriate to presume that the Company will not 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 Company financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

### **Disclosure of information to the auditors**

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

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

FANUC UK LIMITED

## **DIRECTORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 MARCH 2021**

### **Independent auditors**

Under section 487(2) of the Companies Act 2006, Ernst & Young LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the board on 24 June 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'T. Bouchier', with a long horizontal stroke extending to the right.

Tom Bouchier  
Director

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FANUC UK LIMITED

## Opinion

We have audited the financial statements of FANUC UK Limited for the 52 week period ended 31 March 2021 which comprise the Income statement, the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes 1 to 27, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2021 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern from when the financial statements are authorised for issue through to 30 June 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. 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.

## Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FANUC UK LIMITED (CONTINUED)

## Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

## Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FANUC UK LIMITED (CONTINUED)

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the UK.
- We understood how FANUC UK Limited is complying with those frameworks by making enquiries of management and those charged with governance to understand how the company maintains and communicates its policies and procedures in these areas. We understood any controls put in place by management to reduce the opportunities for fraudulent transactions and those responsible for legal and compliance procedures.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management and those charged with governance to understand where it considered there was susceptibility to fraud. We understood the programmes and controls that the company has established to address risks identified or that otherwise prevent, deter and detect fraud, and how senior management monitors those programmes and controls. Where the risk was considered to be higher in respect of management override, including in respect of revenue recognised, we performed audit procedures to address the identified fraud risk. These procedures included testing manual journals to revenue, journals posted by the key management personnel including directors of the company and journals indicating large or unusual transactions. Where the risk was considered to be higher, in particular in respect of adjustments to revenue arising other than through routine invoicing with the company's customers and which are not trivial in nature we obtained evidence to support the validity of the transactions. Our procedures were designed to provide reasonable assurance that the financial statements were free from material misstatements arising from fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on journals posted by the key management personnel including directors of the company and journals indicating large or unusual transaction based on our understanding of the business and enquiries of management and those charged with governance.

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

### Use of our report

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

  
Andrew Merrick (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Birmingham

24 June 2021

**STATEMENT OF COMPREHENSIVE INCOME**

AS AT 31 MARCH 2021

	<i>Notes</i>	<i>2021</i> £	<i>2020</i> £
<b>Turnover</b>	4	42,469,749	50,690,954
Cost of sales		<u>(31,073,639)</u>	<u>(36,619,031)</u>
<b>Gross profit</b>		11,396,110	14,071,923
Total administrative expenses		<u>(9,357,305)</u>	<u>(10,131,923)</u>
Other operating income	5	452,889	-
<b>Operating profit</b>	6	2,491,694	3,940,000
Interest receivable and similar income	10	<u>16,028</u>	<u>44,857</u>
<b>Profit on ordinary activities before taxation</b>		2,507,722	3,984,857
Tax on profit on ordinary activities	11	<u>(561,267)</u>	<u>(940,849)</u>
<b>Profit for the financial year</b>		<u>1,946,455</u>	<u>3,044,008</u>
<b>Total comprehensive Income for the financial year</b>		<u>1,946,455</u>	<u>3,044,008</u>

The notes on pages 16 to 29 form part of these financial statements.

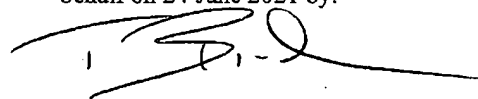
FANUC UK LIMITED

**BALANCE SHEET**

AS AT 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
<b>Fixed assets</b>					
Intangible assets	12		1,225,420		1,633,893
Tangible assets	13		16,928,885		17,496,123
Investments	14		-		1
			<u>18,154,305</u>		<u>19,130,017</u>
<b>Current assets</b>					
Stocks	15	9,820,664		12,487,588	
Debtors	16	9,671,195		13,982,712	
Cash at bank and in hand	17	<u>12,003,575</u>		<u>13,745,195</u>	
		31,495,434		40,215,495	
<b>Creditors: amounts falling due within one year</b>	18		<u>(13,595,400)</u>		<u>(19,890,056)</u>
<b>Net current assets</b>			<u>17,900,034</u>		<u>20,325,439</u>
<b>Total assets less current liabilities</b>			36,054,339		39,455,456
<b>Provisions for liabilities</b>					
Deferred taxation	19	(797,355)		(813,087)	
Other provisions	20	<u>(432,430)</u>		<u>(478,730)</u>	
			(1,229,785)		(1,291,817)
<b>Net assets</b>			<u>34,824,554</u>		<u>38,163,639</u>
<b>Capital and reserves</b>					
Called up share capital	21		1,402,000		1,402,000
Share premium account	22		16,122,113		16,122,113
Profit and loss account	22		<u>17,300,441</u>		<u>20,639,526</u>
<b>Total shareholders' funds</b>			<u>34,824,554</u>		<u>38,163,639</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 June 2021 by:



Tom Bouchier  
Director

The notes on pages 16 to 29 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 MARCH 2021**

	<i>Called up share capital</i>	<i>Share premium account</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>
	£	£	£	£
At 1 April 2020	1,402,000	16,122,113	20,639,526	38,163,639
Comprehensive income for the financial year				
Profit for the financial year	-	-	1,946,455	1,946,455
Total comprehensive income for the financial year	-	-	1,946,455	1,946,455
Dividends paid	-	-	(5,285,540)	(5,285,540)
At 31 March 2021	<u>1,402,000</u>	<u>16,122,113</u>	<u>17,300,441</u>	<u>34,824,554</u>

**FOR THE YEAR ENDED 31 MARCH 2020**

	<i>Called up share capital</i>	<i>Share premium account</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>
	£	£	£	£
At 1 April 2019	1,402,000	16,122,113	17,595,518	35,119,631
Comprehensive income for the financial year				
Profit for the financial year	-	-	3,044,008	3,044,008
Total comprehensive income for the financial year	-	-	3,044,008	3,044,008
Dividends paid	-	-	-	-
At 31 March 2020	<u>1,402,000</u>	<u>16,122,113</u>	<u>20,639,526</u>	<u>38,163,639</u>

The notes on pages 16 to 29 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

### 1. General information

FANUC UK Limited (the “company”) is principally engaged in the sale, service and support of all FANUC products and the design, system build, test, project management, installation and commissioning of factory automation systems.

The company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is Sapphire Way, Ansty Business Park, Coventry, CV7 9DR.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis.

The directors have considered the forecast performance of the company through to the end of June 2022, including considering appropriate sensitivities and a reverse stress test. At the balance sheet date, the company had net assets of £34.8m and net current assets of £17.9m that include cash balances under the control of the company of £12.0m. At 31 May 2021, the equivalent cash balance was £12.4m principally reflecting cash generated from operations during the first two months of the new financial year.

The company also has access to group wide cash pooling facilities which the immediate parent company has made available and which the company can access up to an overdrawn limit of €12m. At the year-end, the company had deposited funds of £0.3m in the pool, which is presented as part of “Amounts owed by group companies” within Debtors. The directors do not believe, based on the forecasts prepared, that the company will need to use the overdraft facility within this arrangement in the foreseeable future even when the impact of plausible sensitivities are considered. Whilst under the terms of the cash pool, the arrangement can be terminated by either party at 3 months’ notice, the directors are not aware of any intention of the counterparty to exercise this option during the period under review.

Having considered all of the above, the directors have concluded that the company has sufficient cash and current assets to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the financial statements, such that it is appropriate to apply the going concern basis in preparing these financial statements.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company’s accounting policies (see note 3).

The following principal accounting policies have been applied consistently throughout the year:

#### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of FANUC Europe Corporation as at 31 March 2021 and these financial statements may be obtained from the Company Secretary at FANUC UK Limited, Sapphire Way, Ansty Business Park, Coventry, CV7 9DR.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

### 2. Accounting policies (continued)

#### 2.3 Consolidation

The financial statements contain information about FANUC UK Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking is included by full consolidation in the consolidated financial statements of its immediate parent, FANUC Europe Corporation, a company registered in Luxembourg.

#### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Revenues from contracts that contain customer acceptance provisions, other than those with a duration in excess of one year, are deferred until acceptance occurs - these contracts include both goods and services. Where customer acceptance has occurred, but not all contractual obligations have been discharged, revenue is recognised based on the proportion of work completed.

Revenues from contracts whose expected duration is in excess of one year are recognised by reference to the stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Amounts recoverable on long term contracts which are included in debtors are stated at the net sales value of the work done less amounts received as progress payments on account.

Payments received from customers relating to contracts on which revenue has not been recognised are included within creditors and disclosed separately as payments received on account. The costs incurred on contracts on which revenue has not been recognised are included in work in progress.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

### 2. Accounting policies (continued)

#### 2.5 Intangible assets

##### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of Comprehensive Income over its useful economic life of 10 years.

#### 2.6 Tangible assets

Tangible assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	– 2.5% per annum
Plant and machinery	– 10% to 25% per annum
Fixtures, fittings and equipment	– 10% to 40% per annum

The assets' residual values, useful lives and depreciation methods are reviewed annually, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

#### 2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on an actual cost basis. Work in progress includes labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### 2.8 Debtors

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

#### 2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 2.10 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

### 2. Accounting policies (continued)

#### 2.10 Financial instruments (continued)

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, such as the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 2.11 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 2.12 Foreign currency translation

##### Functional and presentation currency

The company's functional and presentational currency is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within administrative expenses.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

### 2. Accounting policies (continued)

#### 2.13 Finance costs

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

#### 2.14 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

#### 2.15 Pensions

##### Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid, the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

#### 2.16 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

#### 2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

#### 2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

### 2. Accounting policies (continued)

#### 2.18 Current and deferred taxation (continued)

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### 2.19 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

#### 2.20 Employee benefits

Employee benefits are recognised as an expense in the period in which they are incurred.

The company operates a non-contractual profit sharing scheme for its employees. The amounts charged to the profit and loss account in respect of the profit sharing scheme are shown as accruals in the balance sheet at the end of the year and are paid in the following financial period. Differences between profit sharing payments accrued and contributions paid are charged to the profit and loss account at the time payments are made.

The company makes a provision for holiday pay which represents holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the salary cost payable for the period of absence and is included within accruals in the balance sheet.

#### 2.21 Government grants

Payments received from the government under the Coronavirus Job Retention Scheme have been recognised based on the performance model and are shown within other operating income.

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the company's financial statements requires the use of certain judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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.

Revisions to accounting estimates may be necessary if there are changes in the circumstances on which the estimate was based or as a result of new information or more experience. Any such revisions are recognised in the period in which the estimates are revised and in any future periods affected.

The company does not consider there to be any critical accounting estimates within the financial statements as, at the time the financial statements were prepared, there was no requirement to make assumptions about matters that were highly uncertain and which could therefore have a material impact on the company's financial condition or results.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

However, there are items within the financial statements that require estimation, but which would not have a significant impact on the financial statements if alternative assumptions were made in calculating those estimates:

The company undertakes long-term percentage of completion accounting contracts. Management judgement is required to determine which projects are included as long-term percentage of completion contracts and the percentage of completion on contracts deemed to be long term with reference to the total expected labour hours on the contract and the estimated margin on the contract.

Tangible assets (Note 13) – the value of tangible assets is stated at historical cost less accumulated depreciation and any accumulated impairment losses. The company calculates depreciation and impairment by assessing the remaining useful lives of tangible assets in accordance with the current technical conditions of the assets and the estimated period during which the assets are expected to earn benefits for the company. This assessment is re-evaluated on a regular basis.

Stocks (Note 15) – the value of stocks is stated net of any provision for impairment. The company creates a stock obsolescence provision after assessing all available relevant information (historical and projected usage, ageing, stock quantities, etc.) about each item of stock. This provision is re-evaluated on a regular basis.

Debtors (Note 16) – the value of trade debtors is stated net of any provision for impairment. The company creates a bad debt provision after assessing all available relevant information (credit rating, account status, other observable data etc.) about each major debtor. This provision is re-evaluated on a regular basis.

Other provisions (Note 20) – the company creates a provision for product warranties (where the warranty is not provided for by the parent company) using an estimate based on historical information. This estimate is re-evaluated on a regular basis.

### 4. Turnover

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

	2021	2020
	£	£
Product sales (Contract duration less than 1 year)	26,234,113	30,376,197
Product sales (Contract duration more than 1 year - percentage of completion based revenue)	4,215,122	5,780,515
Parts, training and service	12,020,514	14,534,242
	<u>42,469,749</u>	<u>50,690,954</u>

Analysis of turnover by country of destination:

	2021	2020
	£	£
United Kingdom	32,064,905	40,384,482
Rest of Europe	9,597,126	10,067,576
Rest of the World	807,718	238,896
	<u>42,469,749</u>	<u>50,690,954</u>

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2021

**5. Other operating income**

	2021	2020
	£	£
Coronavirus Job Retention Scheme grant income.	<u>452,889</u>	<u>-</u>

**6. Operating profit**

The operating profit is stated after (crediting)/charging:

	2021	2020
	£	£
Depreciation of tangible assets	628,830	619,568
(Profit) on disposal of tangible assets	-	(6,000)
Amortisation of goodwill	408,473	408,473
Exchange differences	(26,907)	208,020
Operating lease rentals	588,192	568,523
Impairment of trade debtors	15,908	39,714
Impairment of stock	<u>210,425</u>	<u>153,008</u>

**7. Auditors' remuneration**

	2021	2020
	£	£
Fees payable to the company's auditors for the audit of the company's annual financial statements	<u>31,000</u>	<u>30,000</u>

**8. Employees**

Staff costs, including directors' remuneration, were as follows:

	2021	2020
	£	£
Wages and salaries	6,951,936	7,498,478
Social security costs	883,519	974,925
Other pension costs	746,193	734,838
	<u>8,581,48</u>	<u>9,208,241</u>

Staff costs in the table above are stated gross of furlough support received amounting to £452,889 (2020: £nil) which is included as Other operating income in the Statement of Comprehensive Income.

The average monthly number of employees, including the directors, during the year was as follows:

	No.	No.
Management and administration	17	17
Engineering	80	77
Selling and distribution	34	32
	<u>131</u>	<u>126</u>

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2021

**9. Directors' remuneration**

	2021	2020
	£	£
Aggregate directors' emoluments	230,383	268,377
Company contributions to defined contribution pension schemes	40,529	45,148
	<u>270,912</u>	<u>313,525</u>

During the year retirement benefits were accruing to 1 director (2020: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £230,383 (2020: £268,377).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £40,529 (2020: £45,148).

**10. Interest receivable and similar income**

	2021	2020
	£	£
Bank and other interest receivable	<u>16,028</u>	<u>44,857</u>

**11. Tax on profit on ordinary activities**

	2021	2020
	£	£
<b>Corporation tax</b>		
Current tax on profit for the year	591,467	877,598
Adjustments in respect of prior years	(14,468)	(87,164)
<b>Total current tax</b>	<u>576,999</u>	<u>790,434</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	18,880	34,442
Adjustments in respect of prior years	(34,612)	115,973
<b>Total deferred tax</b>	<u>(15,732)</u>	<u>150,415</u>
<b>Tax on profit on ordinary activities</b>	<u>561,267</u>	<u>940,849</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

### 11. Tax on profit on ordinary activities (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021	2020
	£	£
Profit on ordinary activities before tax	2,507,722	3,984,857
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	476,467	757,122
<i>Effects of:</i>		
Expenses not deductible for tax	133,880	154,918
Adjustments to current tax in respect of prior years	(14,468)	(87,164)
Adjustments to deferred tax in respect of prior years	(34,612)	38,012
Impact of change in tax rate on deferred tax	-	77,961
Other	-	-
Total tax charge for the year	<u>561,267</u>	<u>940,849</u>

Factors that may affect future tax charges.

The standard rate of corporation tax in the UK was 19% throughout the year. Accordingly, the company's profits for this accounting year are taxed at an effective rate of 19% (2020: 19%).

Deferred tax has been recorded at a rate of 19% (2020: 19%), being the average rate at which the closing deferred tax balance is expected to reverse. Following the budget announced on 3 March 2021, the legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023 was not substantively enacted at the balance sheet date and so has not been reflected in the deferred tax balance as at 31 March 2021. Each percentage increase in the corporation tax rate would increase the deferred tax liability by £41,966.

### 12. Intangible assets

	<i>Goodwill</i>
	£
Cost:	
At 1 April 2020	<u>4,084,732</u>
At 31 March 2021	<u>4,084,732</u>
Accumulated amortisation:	
At 1 April 2020	2,450,839
Charge for the year	408,473
At 31 March 2021	<u>2,859,312</u>
Net book value:	
At 31 March 2021	<u>1,225,420</u>
At 31 March 2020	<u>1,633,893</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

### 13. Tangible assets

	<i>Freehold property</i>	<i>Plant and machinery</i>	<i>Fixtures, fittings and equipment</i>	<i>Total</i>
	£	£	£	£
Cost or valuation:				
At 1 April 2020	18,020,979	447,627	1,050,045	19,518,651
Additions	-	-	61,592	61,592
Disposals	-	-	(237,997)	(237,997)
At 31 March 2021	<u>18,020,979</u>	<u>447,627</u>	<u>873,640</u>	<u>19,342,246</u>
Accumulated depreciation:				
At 1 April 2020	1,220,659	171,262	630,607	2,022,528
Charge for the year	411,789	71,617	145,424	628,830
Disposals	-	-	(237,997)	(237,997)
At 31 March 2021	<u>1,632,448</u>	<u>242,879</u>	<u>538,034</u>	<u>2,413,361</u>
Net book value:				
At 31 March 2021	<u>16,388,531</u>	<u>204,748</u>	<u>335,606</u>	<u>16,928,885</u>
At 31 March 2020	<u>16,800,320</u>	<u>276,365</u>	<u>419,438</u>	<u>17,496,123</u>

### 14. Investments

	<i>Trade investments</i>
	£
Cost and net book value as at 1 April 2020	1
Charged to profit and loss account	(1)
Cost and net book value as at 31 March 2021	<u>-</u>

#### Subsidiary undertakings

The following entity was a subsidiary undertaking of the company as at 31 March 2020:

Name	Country of incorporation	Class of shares	Holding	Principal activity
FANUC Robomachine UK Limited	UK	Ordinary	100%	Dormant

The registered office of FANUC Robomachine UK Ltd (Company registration number: 05663603) was Sapphire Way, Ansty Business Park, Coventry, England, CV7 9DR. The process of striking off this entity was completed on 29 December 2020 and this entity was dissolved on 5 January 2021.

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2021

**15. Stocks**

	2021	2020
	£	£
Work in progress	3,413,051	5,739,450
Finished goods and goods for resale	6,407,613	6,748,138
	<u>9,820,664</u>	<u>12,487,588</u>

Stock recognised in cost of sales during the year as an expense was £26,482,940 (2020: £31,092,040).

An impairment charge of £210,425 (2020: charge of £153,008) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

**16. Debtors**

	2021	2020
	£	£
Trade debtors	8,236,003	12,171,274
Amounts owed by group undertakings	601,979	984,141
Other debtors	230,554	219,015
Prepayments and accrued income	602,659	608,282
	<u>9,671,195</u>	<u>13,982,712</u>

Amounts owed by group undertakings are unsecured and repayable on demand. This includes a balance of £347,067 (2020: £520,093) on which interest is receivable at the daily Eonia (Euro Overnight Interest Average) rate fixed by the European Central Bank plus 0.125%. All other amounts owed by group undertakings are interest free.

**17. Cash at bank and in hand**

	2021	2020
	£	£
Cash at bank and in hand	<u>12,003,575</u>	<u>13,745,195</u>

**18. Creditors: amounts falling due within one year**

	2021	2020
	£	£
Payments received on account	6,523,993	10,085,112
Trade creditors	1,785,389	1,751,594
Amounts owed to group undertakings	2,279,420	4,083,448
Corporation tax	276,999	390,434
Other taxation and social security	1,205,717	1,768,729
Accruals and deferred income	1,523,882	1,810,739
	<u>13,595,400</u>	<u>19,890,056</u>

Amounts owed to group undertakings are unsecured, repayable on demand, interest free and relate to normal trade purchases with various agreed payment dates.

**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2021

**19. Deferred taxation**

The deferred tax liability comprises:

	2021	2020
	£	£
At beginning of year	813,087	662,672
Charged / (credited) to the Statement of Comprehensive Income	<u>(15,732)</u>	<u>150,415</u>
At end of year	<u>797,355</u>	<u>813,087</u>

The deferred taxation balance is made up as follows:

	2021	2020
	£	£
Accelerated capital allowances	807,904	824,055
Other short term timing differences	<u>(10,549)</u>	<u>(10,968)</u>
	<u>797,355</u>	<u>813,087</u>

**20. Other provisions**

	<i>Product Warranties</i>
	£
At 1 April 2020	478,730
Provided in year	67,238
Utilised in year	(38,707)
(Credited) to profit and loss account	<u>(74,831)</u>
At 31 March 2021	<u>432,430</u>

A provision for product warranties has been made to cover the costs of expected warranty claims on product sales. It is expected that this expenditure will be incurred within 2 years of the balance sheet date.

**21. Called up share capital**

	2021	2020
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
1,402 (2020: 1,402) Ordinary shares of £1,000 each	<u>1,402,000</u>	<u>1,402,000</u>

**22. Reserves****Share premium account**

The share premium account represents amounts received on the issue of share capital in excess of the nominal value of share capital, less any costs incurred as a result of the issue.

**Profit and loss account**

The Profit and Loss Account represents the accumulated profits, losses and distributions of the company.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

### 23. Capital commitments

At 31 March 2021, the Company had capital commitments of £nil (2020: £nil)

### 24. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £740,667 (2020: £734,838). Contributions totalling £55,522 (2020: £57,724) were payable to the fund at the balance sheet date and are included in creditors.

### 25. Commitments under operating leases.

At 31 March, the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Not later than 1 year	514,892	458,636
Later than 1 year and not later than 5 year	678,849	587,325
	<u>1,193,741</u>	<u>1,045,961</u>

### 26. Post balance sheet events

There have been no material post balance sheet events.

### 27. Controlling party

The immediate parent undertaking is FANUC Europe Corporation, a company incorporated in Luxembourg, which is the parent undertaking of the smallest group to consolidate these financial statements. Copies of FANUC Europe Corporation's consolidated financial statements can be obtained from the Company Secretary at FANUC UK Limited, Sapphire Way, Ansty Business Park, Coventry, CV7 9DR.

The ultimate parent undertaking and controlling party is FANUC Corporation, a company incorporated in Japan, which is the parent undertaking of the largest group to consolidate these financial statements. Copies of FANUC Corporation's consolidated financial statements can be obtained from the Company Secretary at FANUC UK Limited, Sapphire Way, Ansty Business Park, Coventry, CV7 9DR.