Company Registration No. 04377521 (England and Wales)

KYOCERA SGS PRECISION TOOLS EUROPE LTD (FORMERLY KNOWN AS SGS TOOL EUROPE LTD)

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE 4 MONTH PERIOD ENDED 30 APRIL 2016

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KYOCERA SGS PRECISION TOOLS EUROPE LTD (FORMERLY KNOWN AS SGS TOOL EUROPE LTD)

COMPANY INFORMATION

Directors	Mr A Pearce Mr T Haag Mr J P Haag
Secretary	Ms L Pearce
Company number	04377521
Registered office	10 Ashville Way Wokingham Berkshire RG41 2PL
Accountants	Shaw Gibbs Limited 264 Banbury Road Oxford OX2 7DY

KYOCERA SGS PRECISION TOOLS EUROPE LTD (FORMERLY KNOWN AS SGS TOOL EUROPE LTD)

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KYOCERA SGS PRECISION TOOLS EUROPE LTD (FORMERLY KNOWN AS SGS TOOL EUROPE LTD)

BALANCE SHEET

AS AT 30 APRIL 2016

	Notes	Period to 30 April 2016		Year ended 31 December 2015	
		£	£	£	£
Fixed assets					
Tangible assets	5		2,294,883		2,222,157
Current assets					
Stocks		734,235		724,521	
Debtors	6	1,905,144		2,598,207	
Cash at bank and in hand		115,611		774,227	
		2,754,990		4,096,955	
Creditors: amounts falling due within one year	8	(5,013,298)		(2,168,059)	
Net current (liabilities)/assets			(2,258,308)		1,928,896
Total assets less current liabilities			36,575		4,151,053
Creditors: amounts falling due after more than one year	9		-		(4,052,637)
Provisions for liabilities	10		(240,222)		(202,026)
Net liabilities			(203,647)		(103,610)
Capital and reserves					
Called up share capital	11		90		90
Profit and loss reserves			(203,737)		(103,700)
Total equity			(203,647)		(103,610)

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

KYOCERA SGS PRECISION TOOLS EUROPE LTD (FORMERLY KNOWN AS SGS TOOL EUROPE LTD)

BALANCE SHEET (CONTINUED)

AS AT 30 APRIL 2016

For the financial period ended 30 April 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 19 January 2017 and are signed on its behalf by:

Mr A Pearce
Director

Company Registration No. 04377521

KYOCERA SGS PRECISION TOOLS EUROPE LTD (FORMERLY KNOWN AS SGS TOOL EUROPE LTD)

BALANCE SHEET

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KYOCERA SGS PRECISION TOOLS EUROPE LTD (FORMERLY KNOWN AS SGS TOOL EUROPE LTD)

BALANCE SHEET (CONTINUED)

AS AT 30 APRIL 2016

For the financial period ended 30 April 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 19 January 2017 and are signed on its behalf by:

Mr A Pearce
Director

Company Registration No. 04377521

1 Accounting policies

Company information

Kyocera SGS Precision Tools Europe Ltd (formerly known as SGS Tool Europe Ltd) is a private company limited by shares incorporated in England and Wales. The registered office is 10 Ashville Way, Wokingham, Berkshire, RG41 2PL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary a mounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The entity has taken advantage of the following disclosure exemptions:

The requirements of Section 6.1A to present a statement of change in equity or a statement of income and retained earnings.

The requirement of Section 33 Related Party Disclosures paragraph 33.7.

These financial statements have been prepared for the 4 month period from 1 January 2016 to 30 April 2016 whereas the comparative figures represent the year to 31 December 2015.

The period was shortened to 30 April 2016 in order to bring it in line with the parent company.

These financial statements for the period ended 30 April 2016 are the first financial statements of Kyocera SGS Precision Tools Europe Ltd (formerly known as SGS Tool Europe Ltd) prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1 Accounting policies **(Continued)**

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	10% - 25% on cost
Plant and machinery	10% on cost
Fixtures, fittings & equipment	10% on cost
Computer equipment	33% on cost
Motor vehicles	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Stocks

Stock and work in progress are valued a the lower of cost and net realisable value.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

1 Accounting policies **(Continued)**

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

1.5 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.6 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies **(Continued)**

1.7 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.8 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.9 Going concern

At the balance sheet date, the company's balance sheet showed net liabilities of £203,737 following a loss in the period to 30 April 2016 of £100,037. The company is a wholly owned subsidiary of Kyocera Corporation and that company will continue to support Kyocera SGS Precision Tools Europe Ltd for the foreseeable future. Following the acquisition of the company on 2 May 2016, the company's bank loans and overdrafts were repaid in full. Therefore, these accounts have been prepared on the going concern basis.

2 Auditor's remuneration

	Period to 30 April 2016	2015
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the company's financial statements	-	12,000

3 Employees

The average monthly number of persons (including directors) employed by the company during the period was 46 (2015 - 44).

4 Taxation

	Period to 30 April 2016	2015
	£	£
Deferred tax		
Origination and reversal of timing differences	38,196	60,008

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2016	51,018	4,031,506	4,082,524
Additions	-	200,113	200,113
Disposals	-	(55,935)	(55,935)
At 30 April 2016	51,018	4,175,684	4,226,702
Depreciation and impairment			
At 1 January 2016	17,007	1,843,360	1,860,367
Depreciation charged in the period	1,700	125,076	126,776
Eliminated in respect of disposals	-	(55,324)	(55,324)
At 30 April 2016	18,707	1,913,112	1,931,819
Carrying amount			
At 30 April 2016	32,311	2,262,572	2,294,883
At 31 December 2015	34,011	2,188,146	2,222,157

6 Debtors

	Period to 30 April 2016	2015
Amounts falling due within one year:	£	£
Trade debtors	1,314,020	1,208,160
Amounts due from subsidiary undertakings	294,689	1,067,714
Other debtors	195,178	178,829
Prepayments and accrued income	101,257	143,504
	1,905,144	2,598,207

7 Loans and overdrafts

	Period to 30 April 2016	2015
	£	£
Bank loans	3,908,414	3,379,536
Other loans	-	673,101
	3,908,414	4,052,637
Payable within one year	3,908,414	-
Payable after one year	-	4,052,637

On 30 March 2012, RBS Citizens created a credit and security agreement for the full and complete payment of all of the secured debt and holds a fixed and floating charge over the assets of the company.

JP Morgan Chase Bank holds a fixed and floating charge over the assets of the company created on 31 March 2015.

Natwest Bank plc holds a fixed charge over certain assets of the company created on 5 December 2013.

Following the acquisition of SGS Carbide Tool (Europe) Ltd by the Kyocera Corporation of, Kyoto, Japan on 2 May 2016, the company's bank loans and overdrafts were repaid and, accordingly, have all been shown as falling due within one year in these statutory accounts.

8 Creditors: amounts falling due within one year

	Notes	Period to 30 April 2016	2015
		£	£
Bank loans and overdrafts	7	3,908,414	-
Obligations under finance leases		36,562	40,890
Trade creditors		284,425	536,721
Amounts due to group undertakings		664,515	1,404,442
Other taxation and social security		52,691	82,654
Other creditors		26,997	14,751
Accruals and deferred income		39,694	88,601
		5,013,298	2,168,059

9 Creditors: amounts falling due after more than one year

	Notes	Period to 30 April 2016 £	2015 £
Bank loans and overdrafts	7	-	3,379,536
Other borrowings	7	-	673,101
		-	4,052,637

10 Provisions for liabilities

	Period to 30 April 2016 £	2015 £
Deferred tax liabilities	240,222	202,026
	240,222	202,026

11 Called up share capital

	Period to 30 April 2016 £	2015 £
Ordinary share capital		
Authorised		
90 Ordinary shares of £1 each	90	90
Issued and fully paid		
90 Ordinary shares of £1 each	90	90

12 Events after the reporting date

The company was under control of SGS Europe LLC during the current period. The company was under the ultimate control of the directors of SGS Europe LLC, Messrs T Haag and J P Haag.

On 2 May 2016, the ultimate parent company of SGS Carbide Tool (Europe) Ltd was acquired by Kyocera Corporation, of Kyoto, Japan.

On 2 May 2016 the bank loan of £3,908,414 was repaid in full.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.