

Registered number: 02203086

OKI Europe Limited

Annual Report and Financial Statements

31 March 2023

Company Information

Directors

H Fukushima
T Hagiwara
T Katagiri
J Kimoto
S Miyasaka

Company number

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Independent Auditors

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Strategic Report

The Directors present their Strategic Report for the year ended 31 March 2023.

OKI Europe Limited including its subsidiaries and branches for which the consolidated accounts are prepared will be referred to as the Group. OKI Europe Limited together with its branches will be referred to as the Company and OKI Electric Industry Co., Ltd will be referred to as the Ultimate parent.

Principal activities

OKI Europe Limited ("OEL") serves the professional printing and imaging markets, with a strong focus on the business-to-business market, where it is a major vendor in the information technology market for printing devices. OEL's portfolio includes toner-based single and multifunction printers, professional 5-colour printers (including white toner) and label printers, and related consumable supplies and software utilities (such as drivers or configuration tools). OEL owns and develops most of the technology associated with its LED printing heads and their supplies.

Significant transactions in the year ended 31 March 2023

Dot matrix printers' segment has been terminated, and further efforts focused on colour single function segments and label printing, targeting end-customers via direct engagement and Print Service Providers (PSPs).

Review of the business

The EMEA market opportunity in the year ended 31 March 2023 for printing hardware in the LED/laser was approximately 9.63 million units (2022: 9.95 million units) which is a decline of approximately 3.2% from previous calendar year. This opportunity included printers and multifunction devices as well as a shrinking base of stand-alone copiers whose functionality is increasingly integrated into multifunction devices.

Consolidated OEL net revenue in the financial year ended 31 March 2023 was €184,970k, a 4% contraction compared with the prior year of €192,520k. OKI's CY22 market share decline was approximately 0.22% in units and 0.16% in value, OEL's light decrease is due to restructuring portfolio - our relative strength in segments such as Dot Matrix (SIDM) where we exited, and lack of availability on certain models (Pro9 series and MC8 multifunction devices) due to manufacturing constraints (micro-chip shortages and others inherit from a post-COVID global supply chain realm).

OEL has an important role in the high-speed colour LED/Laser product segment where OEL is focusing on finding the most profitable niches through unique printing applications besides mono printing for public sector, those applications range from car number plates, food and drinks premium labels to high-definition medical images.

For OEL, the year ended 31 March 2023 marked the continuation of the efforts to develop key account business and diversify channel partners to speed the transition to selling devices designed for higher value professional and industrial sectors (e.g., packaging and label printers), in line with OKI Electric strategic direction and objective.

OKI colour A3 (20ppm - 40ppm) device market share is higher than 25% across EMEA, it shows a healthy result for our company's focus on higher value products, professional printing, and business customers, supporting our strategy about not participating in the low-end toner market.

Label market size & growth (Smithers)

Global label market 2021 valued at \$41.75 billion, where Europe has 22% share (\$9.1 billion), and five-year forecast stands for 4% CAGR volume and for 2.9% CAGR value.

Strategic Report (continued)

Expanding to short-run label printing market

According to Dun & Bradstreet data our target market for label printers is larger than two million (2M) companies (end-customers) across Europe, being more than 100K prospects, our "niche" addressable market matching the following needs:

- Needs to print in colour
- Needs white toner enabled printer to print on coloured/clear/metallic stocks
- Ability to print short run jobs (<25,000 labels)
- Needs to print on waterproof/chemical durable substrates
- Typical label volume/month (6,000-10,000)

Additionally, Print-For-Pay (PSPs) category shows more than 40,000 companies, servicing short-run needs.

Because of the challenging market and competitive conditions across EMEA, total hardware net revenue reduction was 15%. A challenging global market has impacted margins, however OEL looks forward to the future with confidence and will be introducing new product ranges and focusing on higher value vertical industries, as part of the upcoming Mid Term Plan 2023-2025.

The directors use the key financial and performance indicators of the group to be Turnover & Operating Profit before exceptional items whilst closely monitoring Operating (Selling and General Administrative) expenses. As at 31 March 2023 the company's net sales were €184,970k which was a decline of 4% compared to previous year. A gross margin of 36.4% was achieved compared with 39.0% in previous year. The decline in gross margin has resulted due to competitive market across EMEA region, however overall operating profit margin is 1% higher compared to prior year mainly due to decrease in operating expenses resulting from restructuring. Net operating expenses (SG&A) were €48,870K (€58,080K in previous fiscal year).

Principal risks and uncertainties

The principal risks facing the group are broadly grouped as competitive, legislative and financial risk management.

Market conditions

Levels of business activity will vary for each of the markets in which the OKI Europe Limited (OEL) group operates, but ultimately this is dependent on factors such as economic cycles, consumer confidence and growth of the economy. A weak economy could affect the level of customer spending on the group's services.

Competitive pressures

The group operates in a number of highly competitive markets with differing characteristics. Market share could be affected by the emergence of new competitors, product distribution issues, quality, and reputation.

Customers

The group must maintain its ability to continue to provide an innovative service to its customer base and develop in a profitable way in an increasingly price sensitive market.

Financial risk management

The group's principal financial instruments comprise of cash and short-term deposits, the main purpose of which is to provide finance for its normal operations and to reduce the impact of currency exchange rate movements on trading results.

The group has various other financial instruments such as trade debtors and creditors that arise directly from its trading operations.

The main risks arising from the group's financial instruments are interest rate risk, foreign currency risk and liquidity risk. The group has clear policies for managing each of these risks, as summarised below.

Strategic Report (continued)

Interest rate risk

The group holds cash balances on floating rate short-term deposit and maintains borrowings, where this is considered to be commercially appropriate. The group's policy is to monitor the level of these balances to ensure that funds are available as required, recognising that interest earnings will be subject to interest rate fluctuations.

Foreign currency risk

The group buys and sells goods denominated in currencies other than euro. The group manages receipts and payments through the operation of other denominated currency bank accounts. As a result of the value of the group's non-euro revenues, purchases, financial assets and liabilities, cash flows can be affected by movements in exchange rates. The group seeks to mitigate its exposure to currency movements by matching assets and liabilities and by leading and lagging payments and receipts.

Liquidity risk

The group aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets.

Creditor payment policy and practice

It is the group policy that payments to suppliers are made in accordance with those terms and conditions agreed between the group and its suppliers, providing that all trading terms and conditions have been complied with.

Impact of Russia Ukraine War

The geopolitical situation in Eastern Europe changed drastically during the financial year 2022 with Russia's invasion of Ukraine. The resultant military activities have also adversely impacted the global economic and financial markets. The extent to which this conflict and the resultant war impacts the Group's results will depend on further future developments, which cannot be predicted. As of today, the financial impacts are minimal. At the year end date, the Company had €1,046,000 cash held in Russia, which is restricted as a result of the ongoing invasion and sanctions imposed by the government in Russia.

Coronavirus risk

On 11 March 2020 the World Health Organisation declared the coronavirus a pandemic. While the longer-term impact of the coronavirus on the group remains uncertain, the impact on the net profit of the business is limited. Although revenue has significantly decreased in the year, the company has taken mitigation actions to limit the impact. In finalising the results for the year ended 31 March 2023, the directors evaluated provisions for working capital items such as trade debtors and stocks and were satisfied these were appropriate. The group continues to monitor the impact of the coronavirus on the ability to continue as a going concern.

Governance

The group complies with the governance guidelines set by OKI Electric Industry Co., Ltd., the ultimate parent undertaking of OEL. The internal audit function at OEL carries out audits in conjunction with the guidelines issued by the internal audit division of the parent company.

Section 172 statement

The following disclosure describes how the directors had regard to the matters set out in section 172(1) (a) to (f) and forms the directors' statement required under the Companies Act 2006.

Strategic Report (continued)

Customers

The group works closely with customers to understand their evolving needs in order to improve and adapt to meet them. The digital transformation in which everything is connected continues to rapidly expand and OKI can only achieve sustainable growth by helping solve problems through cooperation with customers.

The Board receives regular updates regarding customer relationships, development and engagement, including customer feedback and complaints data. Investment and innovation to meet customer expectations and further strengthening the relationships is a key consideration of the group's strategy. The group remains committed to improving customer experience by setting targets for priority issues and incorporating sustainable goals into corporate management to tackle global social issues.

Suppliers

The group's suppliers are fundamental to ensuring that the group meets the high standards of conduct which are expected by key stakeholders. The group's main supplier is its parent company which is based in Japan.

There is active supplier management including contingency planning. The group uses OKI Group Procurement Policies which sets out the standards to which suppliers engaging with OKI must apply.

The Board receives updates regarding material developments in key supplier relationships, including updates through internal audit and risk management.

Employees

The group's long-term success is based on the commitment of the workforce to the group's purpose and demonstrating OKI values on a daily basis. To maintain a competitive advantage and meet the demands of the commercial environment, employees are adaptive and have a constantly evolving skill base.

Engagement with employees is essential to ensure the group fosters an environment that the workforce is motivated to work in and that best supports their wellbeing. Colleagues have opportunities for personal development and career progression, a culture of inclusion and diversity, compensation and benefits, and the ability to make a difference within the group. The employees have a crucial role in delivering the group's strategy and creating value.

The "Employee involvement" section of the Directors' Report on Page 6 explains how the group engages with employees. Employees are provided information that is of concern to them, including business and financial performance updates which are provided by senior management. Colleagues are encouraged to share their views on all matters with senior management.

Shareholder

The Board is committed to openly engage with our shareholder, as we recognise the importance of continuing effective dialogue.

The senior management participates in regular engagement with OKI Electric Industry Co., Ltd management where the group's operational and financial performance, strategic plans, risks and opportunities are reviewed.

Challenges are raised and addressed by the management ahead of approval.

Senior management provides regular operational and financial performance communications such as monthly trading results to OKI Electric Industry Co., Ltd.

Strategic Report (continued)

Community and Environment

The group's vision is to create positive change for people and communities with which we interact. Sustainability is crucial, and communities expect the group to provide means to minimise waste, reduce carbon emission, ethical resource circulation, biodiversity conservation and prevention of pollution.

Realisation of low-carbon societies

The aim is to maximise energy efficiency across business operations, while reducing energy consumption and achieving low-carbon societies by continuously providing environmentally friendly products and services.

Prevention of pollution

To reduce the emission of chemical substances that can adversely affect the health of individuals and cause damage to the environment.

Resource circulation

The group has been working to increase the volume of products which can be recycled by 25%. In addition, OEL is looking to expand the recycling of waste materials, while actively promoting environmentally friendly designs.

Biodiversity conservation

The group engages in conservation and sustainable use of biodiversity to help the prevention of global warming and prevention of air and water pollution caused by chemical substances, while further expanding recycling processes.

Outcomes

The group has been successful in increasing reuse and recycling of products, conserving resources and energy, and simplifying waste processing. The group continues to work towards achieving their sustainable development goals.

In all aspects of business activities, OEL seeks to respect basic human rights, and discourage any language that discriminates against anyone or fails to acknowledge the personal dignity of any individual. The group also takes a zero-tolerance approach to bribery and corruption and is dedicated to acting professionally, fairly and with integrity in all business dealings and relationships.

Going concern

The group'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 in the business review within the Strategic Report.

The group recorded a net profit of €15,534k (2022 net profit: €11,382k) for the year and shows a closing shareholders' funds of €31,346k (2022: €24,923k) at 31 March 2023.

Management have reviewed the cash flow projection for next 12 months as part of the going concern review and have concluded that there are no risks of going concern. However a letter of support has been obtained from the ultimate parent company if required.

The directors are satisfied that the group's parent undertaking, OKI Electric Industry Co., Ltd, could provide financial support to OKI Europe Limited if required as at 31 March 2023. The group has received confirmation from OKI Electric Industry Co., Ltd that it will continue to provide financial support as long as required and at least for a period of 12 months from signing the financial statements.

Based on the information above, the Group forecasts and the continued availability of financial resources from its parents, the directors have a reasonable expectation that the company and the group 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. The directors therefore consider it is appropriate to adopt the going concern basis in preparing the financial statements.

On behalf of the Board



T Katagiri
Director
27 July 2023

Directors' Report

The directors present their annual report and audited consolidated and company financial statements for the year ended 31 March 2023.

Directors

The directors who held office during the year and up to the date of signature of the financial statements, unless otherwise indicated, were as follows:

H Fukushima	(Appointed on 1 April 2023)
T Takasawa	(Resigned on 31 March 2023)
T Hagiwara	
M Gobbato	(Resigned on 30 April 2023)
T Katagiri	(Appointed on 1 April 2022)
J Kimoto	(Appointed on 1 April 2022)
S Miyasaka	(Appointed on 1 April 2022)
A Ogasawara	(Resigned on 1 April 2022)
S Ogasawara	(Resigned on 1 April 2022)

Directors' insurance

The group has entered into directors' liability insurance arrangements for the benefit of the company and all of its directors in a form and scope which comply with the requirements of the Companies Act 2006.

Disabled employees

It is the group's policy to give full consideration to suitable applications for employment from disabled persons. Disabled employees are eligible to participate in all career development opportunities available to staff. Opportunities also exist for employees of the group who become disabled to continue their employment or be trained for other positions in the group.

Employee involvement

The group is committed to involving all employees in the performance and development of the group. Employees are encouraged to discuss with management the matters of interest to the employee and subjects affecting day to day operations of the group. Employees participate in regular Town Hall meetings where they receive updates and have the opportunity to provide feedback to senior management. Where appropriate, such meetings involve financial and economic factors affecting the performance of the company. OEL's goal is to create health and safety practices and work environments which promote employee health and well-being.

The group believes that a diverse workforce reflects the demographics of the market in which the group operates and encourages creativity and innovation, creates a corporate culture in which its personnel are encouraged to engage challenges facing the group with courage and determination.

Stakeholder engagement

The directors' principal decisions taken during the financial year, along with their commitment to fostering the group's business relationships with stakeholders are summarised in Section 172 statement in the Strategic Report.

Charitable contributions

The group made charitable donations during the year of €4,744 (2022: €14,227).

Exceptional items

During the year, the exceptional income incurred as part of group restructuring was €1,197k (2022: expense of €3,559k).

Directors' Report (continued)

Streamlined Energy and Carbon Reporting

To comply with SECR, the company has reported on all of the emission sources required under "The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018". The primary sources of emissions relate to electricity consumption and staff leased vehicles.

OKI Europe Limited energy usage for the year ended 31 March 2023	2023	2022
Energy consumption used to calculate emissions/kWh	166,287	207,334
Emission from combustion of fuel for transport purposes tCO ₂ e (Scope 1)	30.41	30.51
Emission in metric tonnes CO ₂ e- Purchased electricity (Scope 2)	32.16	44.02
Intensity measurement ratio - TCO ₂ e/sales revenue	0.00034	0.00039
Intensity metric: Sales revenue €'000	184,970	192,520

SECR Methodology

To comply with SECR, the company has reported on all of the emission sources required under "The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018". The primary sources of emissions relate to electricity consumption and staff leased vehicles.

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per total € thousand sales revenue.

Reducing our impact: Minimising our carbon energy footprint:

The management will consider the environmental impact of renewing its assets (leased vehicles and IT equipment) when they are due for renewal.

Result and dividends

The results for the year are set out on page 14. No ordinary dividends were paid.

Financial risk management

In accordance with the Companies Act 2006, information on the financial risk management objectives and policies of the company and exposure of the company to risk in relation to the use of financial instruments which would otherwise be required to be contained in the Directors' Report has been included in the company's Strategic Report on page 2.

Directors' Report (continued)

Branches outside the UK

The company has branches outside the United Kingdom in the following countries:

1. Germany
2. Switzerland
3. Italy
4. France
5. Poland
6. Czech Republic
7. United Arab Emirates
8. Portugal
9. Denmark
10. Sweden
11. Ukraine (Representative office) – Under liquidation

Key Performance Indicators

The group's key performance indicators are as follows:

	2023 €'000	2022 €'000	Change %
Turnover	184,970	192,520	(4)%
Operating Profit before exceptional items	18,546	17,336	7%

Future developments

The convergence of printing, copying, scanning, and faxing into one device is still present. It creates the opportunity for printer-based product vendors such as OKI to replace traditional, expensive to maintain, centralised copiers.

Pages printed in general business are mostly A4, meaning that most devices do not need to support larger paper formats, saving space, cost and energy. The integration of print/copy/fax/scan capabilities, improved energy efficiency and the transition to colour are core OKI strengths and the company sees potential to grow colour page revenue and profit. The expectation to be able to work from any device, in any location, at any time is driving the widespread adoption of tablets and Smart devices within business.

This demand for flexible working, combined with more sources of digital content such as emails, photographs, videos, document and image scans, is putting pressure on companies to take better control of data. Many businesses customers with long experience of OKI are turning to us to help them find solutions for managing documents, implementing secure printing and controlling costs. To this end, OEL is working to provide a suite of output solutions through independent software vendors who are able to take advantage of the open architecture embedded in our smart multifunction devices.

In parallel, OKI now more focuses on the products and solutions to target specific usages on industrial verticals. The migration of traditional commercial high-volume printing to digital short-run is driven by the need for customised output using variable data. Digital colour printing is quick and inexpensive to set up and easy to change, unlike traditional analogue printing technologies. The company sees a huge opportunity in serving these digital industries in the future, to complement sales to the office equipment market.

In addition to the above, OKI will strive to become much more customer centric, understanding vertical industry customer needs and addressing those with best-in-class products and solutions. Retail, healthcare, financial sector and education are all market sectors possessing specific high volume – high coverage printing requirements and are representative of some of the key industries that OKI go to market will focus on.

OKI also plans to develop strong business relationships with partners (Value Added Resellers and System Integrators) and to foster a network of alliances with key, established market players. We strongly believe that OKI is best positioned to serve the needs of those customers through a vast array of products and services backed by OKI's unique LED toner-based colour printing technology and best in class quality and reliability.

Directors' Report (continued)

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 group and the company 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, 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 group and company and of the profit or loss of the group 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 group and company will continue in business.

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

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

On behalf of the Board



T Katagiri
Director
27 July 2023

Independent Auditors' Report to the Members of OKI Europe Limited

Report on the audit of the financial statements

Opinion

In our opinion, OKI Europe Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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 Annual Report and Financial Statements (the "Annual Report"), which comprise: the Group Statement of Financial Position and the Company Statement of Financial Position as at 31 March 2023; the Group Income Statement, the Group Statement of Comprehensive Income, the Group Statement of Changes in Equity and the Company Statement of Changes in Equity for the year then ended; 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 group 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

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 group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

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

Independent Auditors' Report to the Members of OKI Europe Limited (continued)

Reporting on other information (continued)

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 Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2023 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 group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and 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 in respect of the financial statements, 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 group's and 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 group or 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Independent Auditors' Report to the Members of OKI Europe Limited (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Competition Law and Data Protection Act, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 and relevant tax regulations. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and potential management bias in the selection and application of significant accounting judgements and estimates. Audit procedures performed by the engagement team included:

- Holding discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, including performing additional procedures where applicable;
- Reviewing legal expenses and legal correspondence to identify non-compliance instances around the group, and performing external confirmation procedures to the lawyers involved in identified non-compliance risks;
- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Reviewing correspondence with UK tax authorities, if applicable, to identify instances of non compliance;
- Reviewing all of the available board of directors meeting minutes;
- Incorporating elements of unpredictability in the selection of audit procedures;
- Identifying and testing the validity of journal entries, in particular journal entries posted with unusual account combinations and by unusual users; and
- Challenging assumptions made by management in the selection and application of significant accounting judgements and estimates

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

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.

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.

Independent Auditors' Report to the Members of OKI Europe Limited (continued)


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 obtained 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 company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Fotis Kymizoglou (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
27 July 2023

Group Income Statement**For the year ended 31 March 2023**

	Note	2023 €000	2022 €000
Turnover	3	184,970	192,520
Cost of Sales		(117,554)	(117,104)
Gross Profit		67,416	75,416
Distribution costs		(26,368)	(31,529)
Administrative expenses		(22,089)	(26,632)
Other operating (expenses)/income		(413)	81
Operating profit before exceptional items	4	18,546	17,336
Exceptional income/(expenses)	5	1,197	(3,559)
Operating profit		19,743	13,777
Interest receivable and similar income	9	302	77
Interest payable and similar expenses	10	(19)	(207)
Profit before taxation		20,026	13,647
Tax on profit	11	(4,492)	(2,265)
Profit for the financial year		15,534	11,382

All amounts are derived from continuing operations.

The notes on pages 20 to 42 form an integral part of the financial statements.

Profit for the financial year and the previous financial year is all attributable to the owners of the parent company.

Group Statement of Comprehensive Income

For the year ended 31 March 2023

	Note	2023 €000	2022 €000
Profit for the financial year		15,534	11,382
Other comprehensive (expenses)/income:			
Actuarial (loss)/gain on defined benefit pension schemes	20	(8,716)	2,589
Currency translation differences		(395)	22
Other comprehensive (expenses)/income for the year		(9,111)	2,611
Total comprehensive income for the year		6,423	13,993

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

The notes on pages 20 to 42 form an integral part of the financial statements.

Group Statement of Financial Position

As at 31 March 2023

		2023		2022	
	Note	€000	€000	€000	€000
Fixed assets					
Intangible assets	13		40		96
Tangible assets	14		1,039		509
Investments	15		-		-
			<u>1,079</u>		<u>605</u>
Current assets					
Stocks	16	24,779		22,118	
Debtors	17	12,729		19,222	
Defined benefit pension asset	20	12,903		19,687	
Cash and cash equivalents	27	24,316		18,840	
			<u>74,727</u>	<u>79,867</u>	
Creditors: Amounts falling due within one year	18	<u>(35,953)</u>		<u>(43,521)</u>	
Net current assets			<u>38,774</u>		<u>36,346</u>
Total assets less current liabilities			<u>39,853</u>		<u>36,951</u>
Provisions for liabilities	19		<u>(8,507)</u>		<u>(12,028)</u>
Net assets			<u>31,346</u>		<u>24,923</u>
Capital and reserves					
Called up share capital	21		141,366		141,366
Share premium account			25,816		25,816
Other reserves	22		224,632		224,632
Profit and loss account			(360,468)		(366,891)
Total Equity			<u>31,346</u>		<u>24,923</u>

The notes on pages 20 to 42 form an integral part of the financial statements.

The financial statements on pages 14 to 42 were approved by the Board of Directors and authorised for issue on 27 July 2023 and are signed on its behalf by:



T Katagiri
Director

Company Statement of Financial Position

As at 31 March 2023

		2023		2022	
	Note	€000	€000	€000	€000
Fixed assets					
Intangible assets	13		40		96
Tangible assets	14		1,037		500
Investments	15		5,527		5,527
			<u>6,604</u>		<u>6,123</u>
Current assets					
Stocks	16	24,494		21,729	
Debtors	17	11,895		20,475	
Defined benefit pension asset	20	12,903		19,687	
Cash and cash equivalents	27	23,215		17,728	
		<u>72,507</u>		<u>79,619</u>	
Creditors: Amounts falling due within one year	18	(42,998)		(52,634)	
			<u>29,509</u>		<u>26,985</u>
Net current assets			29,509		26,985
Total assets less current liabilities			<u>36,113</u>		<u>33,108</u>
Provisions for liabilities	19		(8,507)		(11,940)
Net assets			<u>27,606</u>		<u>21,168</u>
Capital and reserves					
Called up share capital	21		141,366		141,366
Share premium account			25,816		25,816
Other reserves	22		231,496		231,496
Profit and loss account			(371,072)		(377,510)
Total Equity			<u>27,606</u>		<u>21,168</u>

The company's profit for the year ended 31 March 2023 was €15,259k (2022 profit: €10,978k).

The notes on pages 20 to 42 form an integral part of the financial statements.

The financial statements on pages 14 to 42 were approved by the Board of Directors and authorised for issue on 27 July 2023 and are signed on its behalf by:



T Katagiri
Director

Group Statement of Changes in Equity

For the year ended 31 March 2023

	Called up Share Capital	Share premium account	Other reserves	Profit and loss account	Total equity
	€000	€000	€000	€000	€000
As at 1 April 2021 (refer note 21)	141,366	25,816	224,632	(380,884)	10,930
For the year ended 31 March 2022					
Profit for the financial year	-	-	-	11,382	11,382
Other comprehensive income:					
Actuarial gain on defined benefit plans (refer note 20)	-	-	-	2,589	2,589
Currency translation differences on overseas subsidiaries & branches	-	-	-	22	22
Total comprehensive income for the year	-	-	-	13,993	13,993
Balance at 31 March 2022	141,366	25,816	224,632	(366,891)	24,923
For the year ended 31 March 2023					
Profit for the financial year	-	-	-	15,534	15,534
Other comprehensive expense:					
Actuarial loss on defined benefit plans (refer note 20)	-	-	-	(8,716)	(8,716)
Currency translation differences on overseas subsidiaries & branches	-	-	-	(395)	(395)
Total comprehensive income for the year	-	-	-	6,423	6,423
Balance at 31 March 2023	141,366	25,816	224,632	(360,468)	31,346

The notes on pages 20 to 42 form an integral part of the financial statements.

Company Statement of Changes in Equity

For the year ended 31 March 2023

	Called up Share capital €000	Share premium account €000	Other reserve - Capital contribution €000	Other reserve - Merger reserve €000	Profit and loss account €000	Total equity €000
As at 1 April 2021 (refer note 21)	141,366	25,816	224,632	6,864	(391,089)	7,589
For the year ended 31 March 2022						
Profit for the financial year	-	-	-	-	10,978	10,978
Other comprehensive income:						
Actuarial gain on defined benefit plans (refer note 20)	-	-	-	-	2,589	2,589
PY Currency translation differences on overseas branches	-	-	-	-	12	12
Total comprehensive income for the year	-	-	-	-	13,579	13,579
Balance at 31 March 2022	141,366	25,816	224,632	6,864	(377,510)	21,168
For the year ended 31 March 2023						
Profit for the financial year	-	-	-	-	15,259	15,259
Other comprehensive expense:						
Actuarial loss on defined benefit plans (refer note 20)	-	-	-	-	(8,716)	(8,716)
Currency translation differences on overseas branches	-	-	-	-	(105)	(105)
Total comprehensive income for the year	-	-	-	-	6,438	6,438
Balance at 31 March 2023	141,366	25,816	224,632	6,864	(371,072)	27,606

The notes on pages 20 to 42 form an integral part of the financial statements.

Notes to the Financial Statements

1. Accounting policies

Company information

OKI Europe Limited ("the company") is a limited company domiciled and incorporated in United Kingdom. The company is a private company limited by shares. The registered office is Blays House, Wick Road, Englefield Green, Egham, Surrey, TW20 0HJ.

The group consists of OKI Europe Limited and all of its subsidiaries (refer to note 15).

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.

The principal accounting policies applied in the preparation of these financial statement are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements are prepared in Euros, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest thousand euros (€000).

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' - Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' - Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments'
- Section 33 'Related Party Disclosures' - Compensation for key management personnel and transactions with wholly owned group companies.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was €15,259k (2022 net profit: €10,978k).

1.2 Basis of consolidation

In the parent company's financial statements the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably and is adjusted for changes in contingent consideration after the acquisition date.

Provisional fair values recognised for business combinations in previous years are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

The consolidated financial statements incorporate those of OKI Europe Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 March 2023. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

1.2 Basis of consolidation (continued)

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Intra-group cross border mergers were accounted for using hybrid merger accounting principles prospectively from the date on which the company takes control of the underlying trade and assets with the subsequent dissolution of the subsidiaries. The difference between the value of the net assets acquired and the previous cost of investment in the subsidiary undertaking is taken to 'merger reserves' and is shown as part of equity in the company's financial statements.

Following the transfer of assets in the fiscal year ended 31 March 2022, the transferred businesses became European branches of OEL and only the post-merger profits are recognised in OEL's separate financial statements. Comparatives are not restated.

1.3 Going concern

The group'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 in the business review within the Strategic Report.

The group recorded a net profit of €15,534k (2022 net profit: €11,382k) for the year and shows a closing shareholders' funds of €31,346k (2022: €24,923k) at 31 March 2023.

The directors are satisfied that the group's parent undertaking, OKI Electric Industry Co., Ltd, could provide financial support to OKI Europe Limited if required as at 31 March 2023. The group has received confirmation from OKI Electric Industry Co., Ltd that it will continue to provide financial support as long as required and at least for a period of 12 months from signing the financial statements.

Based on the information above, the Group forecasts and the continued availability of financial resources from its parents, the directors have a reasonable expectation that the company and the group 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. The directors therefore consider it is appropriate to adopt the going concern basis in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

The following criteria must also be met before revenue is recognised:

Sales of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Provision is made for credit notes for returns, rebates and promotional discounts to be given.

Rendering of services

Revenue from service contracts, including warranty contracts, is recognised over the period of the contract. Where invoices are raised in advance, the revenue is deferred as a liability and recognised as revenue over the period it relates to. Where the invoice is raised in arrears, revenue from services provided but not yet invoiced are recognised on an accrued basis.

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

1.5 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.

Assets are not depreciated until commissioned.

Depreciation is recognised to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method on the following bases:

Leasehold improvements	Over 3 to 10 years
Plant and equipment	Over 3 to 10 years
Non-commissioned assets	No depreciation

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 recognised in the income statement.

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

1.6 Intangible fixed assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

Software	Over 3 to 5 years
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Amortisation is included in 'administrative expenses' in the profit and loss account. Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Costs associated with maintaining computer software are recognised as an expense as incurred.

The cloud-based software is a Service contract and the services are obtained as a part of the contract. Whilst FRS 102 does not have explicit guidance on cloud-based service contracts like IFRS, FRS 102 does permit companies to refine their accounting policies and adopt the principles outlined in the IFRS agenda decisions if the resulting accounting policy is consistent with FRS 102. As a result, the cloud-based software has been decapitalized in the fiscal year ended 31 March 2022.

1.7 Stocks

Cost is determined on the standard cost method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

1.9 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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 publicly 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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

1.10 Equity Instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

1.11 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 income statement 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 group'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 year when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt within equity. Deferred tax assets and liabilities are offset if, and only if, there is 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.

1.12 Provision

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, considering the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the year it arises.

1.13 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 year 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.

1.14 Retirement benefits

Defined benefit pension schemes

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Any increase in the present value of the liabilities of the group's defined benefit pension schemes expected to arise from employee service in the year is charged to operating profit.

The expected return on the schemes' assets and the increase during the year in the present value of the schemes' liabilities arising from the passage of time are included in interest payable. Actuarial gains and losses are recognised in the Group Statement of Comprehensive Income. Pension scheme surpluses, to the extent that they are considered recoverable, or deficits are recognised on the balance sheet.

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

1.14 Retirement benefits (continued)

Defined contribution pension schemes

Amounts charged to profits represent the contribution payable to the schemes in the year.

1.15 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 statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement 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.

1.16 Foreign exchange

Transactions in currencies other than Euros 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 income statement for the year.

The financial statements of overseas subsidiary undertakings are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the retranslation of opening net assets is taken directly to reserves.

1.17 Exceptional items

The Group has adopted an accounting policy and income statement format that seeks to highlight significant items of income and expense within Group results for the year. The directors believe that this presentation provides a more helpful analysis as it highlights one-off items. Such items may include significant restructuring costs, profits or losses on disposal or termination of operations, litigation costs and settlements, profit or loss on disposal of investments, significant impairment of assets and unforeseen gains/ losses arising on derivative instruments. The directors in assessing the particular items, which by virtue of their scale and nature are disclosed in the income statement and related notes as exceptional items, use judgement.

1.18 Investments in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

2. Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Pension and other post-employment benefits

The cost of defined benefit pension plans and other post-employment medical benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality. The mortality rate is based on publicly available mortality tables for the specific country and updated to reflect mortality investigations where deemed necessary. Future salary increases and pension increases are based on expected future inflation rates for the respective country. Further details are given in note 20.

Notes to the Financial Statements (continued)

3. Turnover

Turnover represents the amounts derived from the provision of goods and services which fall within the company's principal activity, which is continuing and stated net of value added tax.

The group operates within three geographical markets, the United Kingdom, the rest of European Community and Non- European Community countries.

Turnover analysed by geographical market

	2023	2022
	€000	€000
United Kingdom	27,291	29,663
European Community	142,913	147,650
Non-European Community	14,766	15,207
	<u>184,970</u>	<u>192,520</u>

Turnover analysed by class of business

	2023	2022
	€000	€000
Sale of goods	175,221	177,336
Rendering of services	9,749	15,184
	<u>184,970</u>	<u>192,520</u>

4. Operating profit before exceptional items

	2023	2022
	€000	€000
Operating profit before exceptional items for the year is stated after (crediting)/charging:		
(Gain)/loss on disposal of fixed assets	(16)	60
Exchange gains	(432)	(347)
Market research income	-	(11)
Depreciation and amortisation of owned fixed assets	257	417
Cost of stocks recognised as an expense	120,283	117,104
Stock impairment/ revaluation recognised	(2,729)	46
Operating lease charges	2,388	3,128
	<u>2,388</u>	<u>3,128</u>

5. Exceptional income/(expenses)

	2023	2022
	€000	€000
Personnel redundancy reversal of provisions/(costs)	1,009	(3,523)
Termination of leases	57	(100)
Legal and consultancy fees	88	8
Other severance (costs)/income	(2)	84
Write-off of net assets of entities being liquidated	45	(28)
	<u>1,197</u>	<u>(3,559)</u>

Notes to the Financial Statements (continued)

6. Auditors' remuneration

	2023 €000	2022 €000
Fees payable to the company's auditors and associates:		
For audit services		
Audit of the financial statements of the group and company	690	775
Audit of the company's subsidiaries & branches	85	197
	<u>775</u>	<u>972</u>
For other services		
Tax advisory services	20	42
Tax compliance services	-	-
	<u>20</u>	<u>42</u>

7. Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	Group		Company	
	2023 Number	2022 Number	2023 Number	2022 Number
Administration	71	97	64	95
Sales and marketing	95	132	95	131
Warehouse and distribution	8	7	5	6
Service	22	36	17	29
	<u>196</u>	<u>272</u>	<u>181</u>	<u>261</u>

Their aggregate remuneration comprised:

	Group		Company	
	2023 €000	2022 €000	2023 €000	2022 €000
Wages and salaries	18,717	20,186	18,133	19,883
Social security costs	2,447	3,522	2,166	3,634
Other pension costs	<u>1,039</u>	<u>1,129</u>	<u>968</u>	<u>1,224</u>
	<u>22,203</u>	<u>24,837</u>	<u>21,267</u>	<u>24,741</u>

The amount of wages and salaries include redundancy cost of €1,120k (2022: €195k) in respect of group and €1,120k (2022: €28k) in respect of company.

8. Directors' remuneration

	2023 €000	2022 €000
Remuneration for qualifying services	960	1,140
Company pension contributions	15	16
Compensation for loss of office	482	-
	<u>1,457</u>	<u>1,156</u>

There were three (2022: four) directors eligible for the defined benefit and defined contribution company pension scheme and one (2022: one) director eligible for the defined contribution company pension scheme.

Notes to the Financial Statements (continued)

8. Directors' remuneration (continued)

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2023 €000	2022 €000
Remuneration for qualifying services	287	278
Company pension contributions	5	3
Compensation for loss of office	482	-

9. Interest receivable and similar income

	2023 €000	2022 €000
Interest income		
Interest on bank deposits	10	1
Other interest income	1	-
Net return on retirement benefit (refer note 20)	291	76
	<u>302</u>	<u>77</u>

This disclosure relate to OEL Retirement Benefit Scheme in the United Kingdom and Italy.

10. Interest payable and similar expenses

	2023 €000	2022 €000
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	12	156
Interest payable to group undertakings	-	51
	<u>12</u>	<u>207</u>
Other finance costs:		
Other interest	7	-
Total finance costs	<u>19</u>	<u>207</u>

11. Tax on profit

a. Tax on profit

The tax charge is made up as follows:

	2023 €000	2022 €000
Current tax		
UK corporation tax on profits of the year	-	538
UK tax over provided in previous years	(523)	-
Foreign tax	3,269	1,682
Foreign tax under/(over) provided in previous years	314	(30)
Total current tax	<u>3,060</u>	<u>2,190</u>

Notes to the Financial Statements (continued)

11. Tax on profit (continued)

a. Tax on profit (continued)

	2023	2022
	€000	€000
Deferred tax		
Origination and reversal of timing differences	1,320	75
Change in tax rate	112	-
Total deferred tax	<u>1,432</u>	<u>75</u>
Total tax charge	<u>4,492</u>	<u>2,265</u>

b. Factors affecting the total tax charge:

Tax assessed for the year is higher (2022: lower) than the standard rate of corporation tax in the UK for the year ended 31 March 2023 of 19% (2022: 19%). The differences are explained below:

	2023	2022
	€000	€000
Profit before tax	<u>20,026</u>	<u>13,647</u>
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	3,805	2,593
Effects of:		
Expenses not deductible for tax purposes	184	159
Tax over provided in previous years	(209)	(30)
Higher rates on overseas earnings	4	4
Unrelieved foreign tax	305	789
Movements in other unrecognised deferred tax	291	(1,250)
Change in tax rate	112	-
Tax on profit	<u>4,492</u>	<u>2,265</u>

c. Tax included in group statement of total other comprehensive income

	2023	2022
	€000	€000
The tax (credit)/charge is made up as follows		
Deferred tax	<u>(2,909)</u>	<u>2,028</u>

Notes to the Financial Statements (continued)

12. Deferred taxation

Group

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

	2023 €000	2022 €000
Included in provision for liabilities (note 19)	(3,232)	(4,922)
	<u>(3,232)</u>	<u>(4,922)</u>

Total deferred tax assets and liabilities are as follows:

	Recognised		Unrecognised	
	2023 €000	2022 €000	2023 €000	2022 €000
Group				
Tax losses	-	-	2,065	3,403
Pension	(3,225)	(4,922)	-	-
Other timing differences	(7)	-	2,200	1,845
	<u>(3,232)</u>	<u>(4,922)</u>	<u>4,265</u>	<u>5,248</u>

As at 31 March 2023, management took the decision to continue not to recognise all deferred tax asset balances across the Group. Deferred tax assets of €4,265k (2022: €5,248k), consisting of tax losses and other timing differences, have not been recognised as there is insufficient evidence as to their recoverability in the foreseeable future. This decision is based upon the impact on the Group's business operations of the current uncertain economic environment across the EMEA region. Management believes that at this stage, there is insufficient evidence to suggest it is 'probable' that there will be future taxable profits available to utilise the deferred tax assets.

Of the €2,065k unrecognised deferred tax asset on tax losses as at 31 March 2023, €294k of the unrecognised deferred tax asset will expire on 31 March 2033 and €268k will expire on 31 March 2034. The remaining unrecognised deferred tax asset on tax losses of €1,503k has no expiry date.

	Group €000
Movements in the year:	
At 1 April 2022	(4,922)
Deferred tax charge in group profit and loss account	(1,432)
Credit to other comprehensive income (note 20)	2,909
Foreign exchange differences	213
Liability as at 31 March 2023	<u>(3,232)</u>

Company

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

	2023 €000	2022 €000
Included in provision for liabilities (note 19)	(3,232)	(4,922)
	<u>(3,232)</u>	<u>(4,922)</u>

Notes to the Financial Statements (continued)

12. Deferred taxation (continued)

	Recognised		Unrecognised	
	2023	2022	2023	2022
Company	€000	€000	€000	€000
Tax Losses	-	-	2,065	3,403
Pension	(3,225)	(4,922)	-	-
Other timing differences	(7)	-	2,110	1,778
	<u>(3,232)</u>	<u>(4,922)</u>	<u>4,175</u>	<u>5,181</u>

Factors that may affect future tax charges

Deferred tax assets of €4,175k (2022: €5,181k), consisting of tax losses and other timing differences, have not been recognised as there is insufficient evidence as to their recoverability in the foreseeable future. The assets should be recoverable against future trading profits.

Of the €2,065k unrecognised deferred tax asset on tax losses as at 31 March 2023, €294k of the unrecognised deferred tax asset will expire on 31 March 2033 and €268k will expire on 31 March 2034. The remaining unrecognised deferred tax asset on tax losses of €1,503k has no expiry date.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. The 25% rate was substantively enacted on 24 May 2021, prior to the balance sheet date. As such the 25% rate has been reflected in the measurement of deferred tax balances at the period end.

13. Intangible assets

Group & Company

	Software
Cost	€000
At 1 April 2022	6,655
Additions	-
Disposal	(1,958)
At 31 March 2023	<u>4,697</u>
Accumulated Amortisation	
At 1 April 2022	6,559
Amortisation charged in the year	55
Disposal	(1,957)
At 31 March 2023	<u>4,657</u>
Carrying amount	
At 31 March 2023	<u>40</u>
At 31 March 2022	<u>96</u>

Notes to the Financial Statements (continued)

13. Intangible assets (continued)

Group & Company

	Software
	€000
Cost	
At 1 April 2021	7,236
Additions	-
Disposal	(581)
At 31 March 2022	<u>6,655</u>
Accumulated Amortisation	
At 1 April 2021	7,071
Amortisation charged in the year	69
Disposal	(581)
At 31 March 2022	<u>6,559</u>
Carrying amount	
At 31 March 2022	<u>96</u>
At 31 March 2021	<u>165</u>

Notes to the Financial Statements (continued)

14. Tangible assets

Group	Leasehold improvements	Plant and equipment	Non- commissioned assets	Total
	€000	€000	€000	€000
Cost				
At 1 April 2022	1,304	3,873	4	5,181
Additions	487	254	-	741
Disposals	(639)	(1,078)	(4)	(1,721)
Exchange adjustments	1	4	-	5
At 31 March 2023	1,153	3,053	-	4,206
Accumulated Depreciation				
At 1 April 2022	1,005	3,667	-	4,672
Depreciation charged in the year	115	87	-	202
Disposals	(639)	(1,072)	-	(1,711)
Exchange adjustments	-	4	-	4
At 31 March 2023	481	2,686	-	3,167
Carrying amount				
At 31 March 2023	672	367	-	1,039
At 31 March 2022	299	206	4	509

Notes to the Financial Statements (continued)

14. Tangible assets (continued)

Company	Leasehold improvements	Plant and equipment	Non-commissioned assets	Total
	€000	€000	€000	€000
Cost				
At 1 April 2022	1,287	3,788	4	5,079
Additions	487	252	-	739
Disposals	(640)	(1,060)	(4)	(1,704)
Exchange Adjustments	2	(3)	-	(1)
At 31 March 2023	1,136	2,977	-	4,113
Accumulated Depreciation				
At 1 April 2022	987	3,592	-	4,579
Depreciation charged in the year	115	81	-	196
Eliminated in respect of disposals	(640)	(1,058)	-	(1,698)
Exchange Adjustments	-	(1)	-	(1)
At 31 March 2023	462	2,614	-	3,076
Carrying amount				
At 31 March 2023	674	363	-	1,037
At 31 March 2022	300	196	4	500

15. Investments

	Group		Company	
	2023	2022	2023	2022
	€000	€000	€000	€000
Subsidiary undertakings	-	-	5,527	5,527
	-	-	5,527	5,527

Movements in investments

Group	Other €000
Cost	
At 1 April 2022 and 31 March 2023	100
Accumulated Impairment	
At 1 April 2022 and 31 March 2023	100
Net book value	
At 31 March 2023	-
At 31 March 2022	-

Notes to the Financial Statements (continued)

15. Investments (continued)

Movements in investments

Company	Subsidiary undertakings	Other	Total
	€000	€000	€000
Cost			
At 1 April 2022 and 31 March 2023	32,206	100	32,306
Disposal of Turkey	(3)	-	(3)
At 31 March 2023	32,203	100	32,203
Accumulated Impairment			
At 1 April 2022 and 31 March 2023	26,679	100	26,779
Disposal of Turkey	(3)	-	(3)
At 31 March 2023	26,676	100	26,776
Net Book Value			
At 31 March 2023	5,527	-	5,527
At 31 March 2022	5,527	-	5,527

Details of the investments in which the group or company holds more than 20% of the nominal value of any class of share capital are as follows:

Name of undertaking	Country of registration (or incorporation) and operation	Registered office address	Nature of business	Proportion of ordinary shares held
OKI Systems Holdings Co Limited	United Kingdom	Blays House Wick Road, Englefield Green, Egham, Surrey, TW20 0HJ	Holding entity	100%
LLC "OKI Systems Rus"	Russia	Svetogor Business Center, Letnikovskaya str, 10/4 115114, Moscow, Russia	Warranty and servicing of ATM products	100%(a)
OKI Data Europe B.V.	Netherlands	De Riemsdijk 1, 4004 LC Tiel, Netherlands	Import and export of printers, consumables, accessories and other related activities.	100%

All of the above holdings are of ordinary shares and are held directly by OEL except for those noted below:

- OEL holds 99% and OKI Systems Holdings Co Limited holds 1% of LLC "OKI Systems Rus".
- OKI System ve Yazici Cozumleri Tic. Ltd Sti registered in Turkey has been liquidated on 4th April 2022.

Notes to the Financial Statements (continued)

15. Investments (continued)

The directors believe that the carrying value of the above investments are supported by the value of their underlying net assets and hence no impairment has been necessary for this financial year.

16. Stocks

	Group		Company	
	2023	2022	2023	2022
	€000	€000	€000	€000
Finished goods and goods for resale	24,779	22,118	24,494	21,729
	<u>24,779</u>	<u>22,118</u>	<u>24,494</u>	<u>21,729</u>

Stocks recognised as an expense during the year were net of €117,554k (2022: €117,104k). The group stock impairment provision for the year was €3,646k (2022: €3,348k).

17. Debtors

	Group		Company	
	2023	2022	2023	2022
Amounts falling due within one year	€000	€000	€000	€000
Trade debtors	6,471	11,976	6,399	11,859
Amounts owed by group undertakings	31	26	161	1,873
Other debtors	4,397	4,405	3,547	3,960
Prepayments and accrued income	1,830	2,815	1,788	2,783
	<u>12,729</u>	<u>19,222</u>	<u>11,895</u>	<u>20,475</u>

Trade debtors are stated after provisions for impairment of €19,415k (2022: €19,538k).

Included in other debtors totalling €4,397k (2022: €4,405k) is €730k (2022: €798k) in respect of long-term deposits and €2,092k (2022: €2,611k) in respect of VAT receivable.

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

18. Creditors: Amounts falling due within one year

	Group		Company	
	2023	2022	2023	2022
	€000	€000	€000	€000
Trade creditors	3,353	4,484	2,594	5,050
Amounts owed to group undertakings	20,854	25,919	29,006	34,632
Other creditors	1,503	1,809	1,494	1,809
Taxation and social security	3,818	2,888	3,574	2,828
Accruals and deferred income	6,425	8,421	6,330	8,315
	<u>35,953</u>	<u>43,521</u>	<u>42,998</u>	<u>52,634</u>

Included in other creditors totalling €1,503k (2022: €1,809k) is €65k (2022: €64k) in respect of VAT payable. Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Notes to the Financial Statements (continued)

19. Provisions for liabilities

	Group		Company	
	2023	2022	2023	2022
	€000	€000	€000	€000
Warranty provision	2,196	3,007	2,196	3,007
Employee service provision	1,471	1,390	1,471	1,390
Provision for restructuring	43	2,504	43	2,416
Others	1,565	205	1,565	205
	<u>5,275</u>	<u>7,106</u>	<u>5,275</u>	<u>7,018</u>
Deferred tax liabilities	3,232	4,922	3,232	4,922
	<u>8,507</u>	<u>12,028</u>	<u>8,507</u>	<u>11,940</u>

	Warranty provision	Provision for severance costs	Provision for restructuring	Others	Total
Group	€000	€000	€000	€000	€000
At 1 April 2022	3,007	1,390	2,504	205	7,106
Additional provisions in the year	1,703	168	-	1,430	3,301
Utilisation of provision	(2,514)	(96)	(2,460)	(70)	(5,140)
Exchange difference	-	9	(1)	-	8
At 31 March 2023	<u>2,196</u>	<u>1,471</u>	<u>43</u>	<u>1,565</u>	<u>5,275</u>

Notes to the Financial Statements (continued)

19. Provisions for liabilities (continued)

	Warranty provision	Provision for severance costs	Provision for restructuring	Others	Total
Company	€000	€000	€000	€000	€000
At 1 April 2022	3,007	1,390	2,416	205	7,018
Additional provisions in the year	1,703	168	-	1,430	3,301
Utilisation of provision	(2,514)	(96)	(2,372)	(70)	(5,052)
Exchange difference	-	9	(1)	-	8
At 31 March 2023	2,196	1,471	43	1,565	5,275

Provision for warranty costs

A provision is recognised for the estimated cost of manufacturer's warranty based on sales and product. Warranty period is between one to two years for standard warranty and three years for extended warranty and will be utilised within these periods.

Provision for severance costs

A provision is recognised for the estimated costs of severance indemnities and other employee benefits. Any settlement of the provisions will be dependent upon when the employee leaves the organisation.

Provision for restructuring

A provision is recognised for the restructuring costs relating to the reorganisation of the business. Any settlement of the provisions will be paid in 2023 or 2024, dependent upon the outcome any mediation.

Others

Other provision represents provisions for litigation claims which will be utilised when the legal proceedings are concluded.

20. Retirement benefit schemes

Defined benefit schemes

During the year ended 31 March 2008, the UK scheme was closed to future accrual on existing members. An actuarial valuation was carried out at 5 April 2022 by Mr Gordon Batchelor FIA, a fellow of the Institute of Actuaries, on behalf of Messrs Mercer.

Key assumptions	UK	
	2023	2022
	%	%
Discount rate	4.85	2.78
Expected rate of increase of pensions payment	2.66	2.95
Inflation assumption RPI	3.22	3.66
Rate of deferred pension increase (based on CPI)	2.87	3.26

Notes to the Financial Statements (continued)

20. Retirement benefit schemes (continued)

Mortality assumptions	2023	2022
	Years	Years
Retiring today	21.2	21.1
Retiring in 20 years	22.4	22.3

Amounts recognised in income statement:

Group	2023	2022
	€000	€000
Current service cost	232	235
Interest on defined benefit liability	2,220	1,795
Interest income on Scheme assets	(2,756)	(2,110)
Total income	(304)	(80)

Amounts taken to other comprehensive expense/(income):

Group	2023	2022
	€000	€000
Actuarial return on scheme assets	33,974	(1,543)
Actuarial changes related to obligations	(22,340)	(3,060)
Other gains and losses	(9)	(14)
Deferred tax	(2,909)	2,028
Total expense/(income)	8,716	(2,589)

The amounts included in the statements of financial position arising from obligations in respect of defined benefit plans are as follows:

Movements in the present value of defined benefit obligations / assets:

Group and company

	2023	2022
	€000	€000
Fair value of liabilities as at beginning of the year	(82,321)	(84,275)
Benefits paid	1,826	1,492
Interest cost	(2,220)	(1,795)
Exchange differences	3,334	(803)
Actuarial loss	22,340	3,060
At end of the year	(57,041)	(82,321)

Notes to the Financial Statements (continued)

20. Retirement benefit schemes (continued)

Group and company

	2023 €000	2022 €000
Fair value of assets as at beginning of the year	102,008	98,903
Current service cost	(232)	(235)
Benefits paid	(1,826)	(1,492)
Employer Contributions	5,400	236
Interest Income	2,756	2,110
Exchange differences	(4,188)	943
Return on plan assets excluding interest income	(33,974)	1,543
At end of the year	<u>69,944</u>	<u>102,008</u>

	Group and Company	
	2023 €000	2022 €000
	Schemes in surplus	Schemes in surplus
Equity instruments	8,286	14,414
Debt instruments	36,802	58,328
LDI	20,444	28,980
Cash	4,412	286
Actuarial value of assets	<u>69,944</u>	<u>102,008</u>
Actuarial value of liabilities	<u>(57,041)</u>	<u>(82,321)</u>
Net value of schemes in surplus	<u>12,903</u>	<u>19,687</u>

This disclosure relate to OEL Retirement Benefit Scheme. The group pension scheme comprises schemes operating in United Kingdom (Aggregate surplus €12,903k) (2022: €19,687k). The group has no deficit in pension scheme.

The plan assets do not include any of the Group's financial instruments, nor is any property occupied by any group entity.

The group provides a defined contribution schemes for its employees. The amount recognised as an expense for the defined contribution scheme was €1,039k (2022: €1,129k).

Contributions totalling €21k (2022: €40k) were payable to the scheme at the end of the year.

Notes to the Financial Statements (continued)

21. Called up share capital

Ordinary share capital	Group and Company	
	No.	€000
Issued and fully paid		
At 1 April 2022 and 31 March 2023		
'A' Ordinary shares of £1 each	33,000,000	51,366
'B' Ordinary shares of €1 each	90,000,000	90,000
		141,366

All the different classes of ordinary shares carry equal rights. There are no restrictions on the distribution of dividends and the repayment of capital.

'A' Ordinary shares of £1 each were translated into Euro at the exchange rate of £1 = €1.55654.

22. Reserves

Capital contribution reserve

Capital contribution reserve consists of a loan of €214,174k due to the parent company which was converted into reserves in FY16. €10,458k is the result of a Flexible Appointment Arrangement whereby OKI Europe Limited took on the pension related assets and liabilities of OKI (UK) Limited and OKI Systems (UK) Limited.

Merger reserve

The merger reserve of €6,864k arose on conversion of 16 subsidiaries into branches following a cross border merger in 2018. The amount represents the difference in the value of net assets received and the investment. The transfer was for no consideration.

Profit or loss account

The profit or loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

23. Operating lease commitments

Lessee

At 31 March the group and company had commitments under non-cancellable operating leases as set out below:

	Group		Company	
	2023	2022	2023	2022
	€000	€000	€000	€000
Not later than one year	1,276	1,616	1,227	1,585
Later than one year and not later than five years	3,057	3,553	3,032	3,523
Later than five years	1,169	573	1,169	573
	5,502	5,742	5,428	5,681

24. Controlling parties

The parent undertaking of OEL is OKI Electric Industry Co., Ltd.

The registered address of OKI Electric Industry Co., Ltd. is 1-7-12 Toranomom Minato-Ku, Tokyo 105-8460 Japan.

The financial position and results of OKI Europe Limited are consolidated in the financial statements of OKI Electric Industry Co., Ltd. the largest group undertaking.

The financial statements of OKI Electric Industry Co., Ltd. are available on company's official website www.oki.com/en/ir/ or from 1-7-12 Toranomom, Minato-ku, Tokyo, 105-8460, Japan.

Notes to the Financial Statements (continued)

25. Related party transactions

There were no related party transactions between the group and any entity which was not wholly owned by the OKI Group during the year.

26. Events after balance sheet date

There are no post balance sheet events to report.

27. Cash and cash equivalent

At the year end date, the Company had €1,046,000 cash held in Russia, which is restricted as a result of the ongoing invasion and sanctions imposed by the government in Russia.