

Registration number: 02203086

# **OKI Europe Limited**

## **Annual report and Financial statements**

31 March 2024

## Contents

	<b>Page(s)</b>
Company information	1
Strategic report	2 – 6
Directors' report	7 – 10
Independent auditors' report to the members of OKI Europe Limited	11 – 14
Group income statement	15
Group statement of comprehensive income	16
Group statement of financial position	17
Company statement of financial position	18
Group statement of changes in equity	19
Company statement of changes in equity	20
Notes to the financial statements	21 - 42

## Company information

### Directors

H Fukushima  
T Hagiwara  
T Katagiri  
J Kimoto  
S Miyasaka

### Registration number

02203086

### Registered office

Blays House  
Wick Road  
Englefield Green  
Egham  
Surrey  
TW20 0HJ

### Independent auditors

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
40 Clarendon Road  
Watford  
Hertfordshire  
WD17 1JJ

## Strategic report for the year ended 31 March 2024

The directors present their Strategic report for the year ended 31 March 2024.

OKI Europe Limited including its subsidiaries and branches for which the consolidated financial statements 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 EMEA professional printing and imaging markets with a strong focus on the business-to-business sector, 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, along with related consumable supplies and software utilities such as drivers and configuration tools.

OKI owns and develops most of the technology associated with its LED printing heads and their supplies. Crystal Film Bonding (CFB) technology has been integrated and proven effective over more than seventeen years of experience in the printer's market. This technology has now expanded into new realms.

### Significant transactions in the year ended 31 March 2024

Digital Imaging and Communications in Medicine (DICOM) embedded printers, a specific niche product related to high-definition medical images, have been discontinued. However, OKI printers can still handle such high toner coverage applications through external Raster Image Processor (RIP) software, which can manage high-density black toner prints on paper or film.

Mono printers and their consumables, targeting public administration applications, continue to offer large tender opportunities, with profitability secured by contracts lasting three to five years.

OEL plays a significant role in the high-speed colour LED/Laser product segment, focusing on the most profitable niches through unique printing applications beyond mono printing for the public sector. These industrial applications range from car number plates and premium food and drink labels to high-definition medical images.

Efforts are also being focused on professional 5-colour printers (including white/clear toner) and label printing segments, targeting end customers through direct engagement and Print Service Providers (PSPs).

Additionally, with the Transfer Media Printer (TMP) range, we have begun offering solutions for the luxury leather goods manufacturing sector, where personalisation is a key success factor.

### Review of the business

The market opportunity for printing hardware in the LED/laser segment in Western Europe, CEE and MEA regions for the year ended March 31, 2024, was approximately 8.88 million units (2023: 9.7 million units) as per IDC data. This represents a decline of approximately 8.4% from the previous year. This market 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 for the financial year ended March 31, 2024, was €130,675K, reflecting a 29% decrease compared to the previous year's €184,970K.

Global supply constraints due to the "Red Sea conflict" negatively impacted the last fiscal quarter, reducing the expected forecast and affecting both label printer installations and consumables.

### Equipment and accessories trends review

Worldwide hardcopy peripherals shipments decreased 7.9% year over year in the third quarter of 2023 according to IDC:

*The global hardcopy peripherals market recorded 19.5 million units shipped in the third quarter of 2023 (3Q23), down 7.9% compared to the third quarter of 2022. The decline was caused by sluggish consumer demand and a pessimistic economic outlook, according to new data from the International Data Corporation (IDC) Worldwide Quarterly Hardcopy Peripherals Tracker. In addition, the laser segment has been affected by cannibalization from the Ink Tank segment, which is valued for its cost-effectiveness.*

Notable highlights from the quarter include:

*The United States was the top geographic market with a year-over-year increase in shipments of 7.5%. Meanwhile, China and Western Europe, the next largest geographic regions, saw shipments decline 20.5% and 11.6%, respectively.*

## Strategic report for the year ended 31 March 2024 (continued)

### Consumables trends review

In 2023, the EMEA printer consumables market exhibited several key trends and challenges.

#### *Overall market decline:*

The market for printer consumables in EMEA saw a decline in both shipments and market value. Economic uncertainties, supply chain disruptions, and the shift to hybrid working models contributed to reduced demand. According to IDC, European shipments of consumables, including toner and ink cartridges, continued to experience a downturn from previous years.

#### *Retail and industrial segments:*

The industrial printer market saw a significant increase in shipments, with Q4 2023 witnessing an 8.4% growth compared to Q3 2023, and an 11.9% increase compared to Q4 2022. Growth was particularly strong in Western Europe and North America.

#### *Supply chain and market dynamics:*

The market continued to face supply chain challenges and raw material shortages. Despite these issues, the adoption of non-genuine consumables provided an alternative for many users, indicating a shift in consumer behaviour towards more cost-effective options (not in favour to printer manufacturers).

According to IDC report published on overall EMEA printer consumables market in 2023 was characterized by a mix of declining traditional segments and emerging growth opportunities in retail and industrial printing. The focus on innovation and sustainability is expected to drive future growth amidst ongoing economic and supply chain challenges. OKI is positioning on these segments.

### OKI achievements review

OKI Europe Limited has increased revenue sales on A3 colour workgroup (MC8 multifunction device) by 108% compared to last year (LY), and Pro9 series (professional white toner device) by 160% compared to LY.

OKI's colour A3 (20ppm - 40ppm) devices have a market share of over 22.1% across EMEA IDC data, demonstrating the Company's successful focus on higher-value products, professional printing, and business customers. This supports our strategy of not participating in the low-end toner market.

OEL has established transactions through OEM or Hybrid OEM sales, where OKI develops the main printer (or printer engine) for a complete end-customer solution. We have initiated this collaboration for photographic colour kiosks using OKI C844dnw (including a second tray) under a 5-year deployment contract, with over 1,500 printing kiosks across Europe. The main print applications are cardstock and photobooks.

### OKI actuals review

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. For the year ended 31 March 2024 the Company's net sales were €130,675K which was a decline of 29% compared to previous year.

A gross margin of 31% was achieved compared with 36.4% in previous year. The decline in the gross margin is due to competitive market across EMEA region also resulting in operating loss for the year ended 31 March 2024.

### OKI current and next actions review

For OEL, the year ended March 31, 2024, marked the continuation of efforts to develop key account business and diversify channel partners. This is aimed at accelerating the transition to selling devices designed for higher-value professional and industrial sectors (e.g., packaging and label printers), aligning with OKI Electric's strategic direction and objectives.

We will continue supporting A3 colour applications (printers and multifunction devices), as the OKI brand holds a strong sales position in the market (as evidenced by our achievements).

A challenging global market has impacted margins, however OEL looks forward to the future with confidence and will be introducing new products (330mm label printer) and focusing on higher value vertical industries, as part of the current Mid Term Plan 2023-2025.

### Label market size & growth (Smithers, "The Future of Printed Labels to 2026)

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.

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.

## Strategic report for the year ended 31 March 2024 (continued)

### Label market size & growth (Smithers, “The Future of Printed Labels to 2026) (continued)

Additionally, we are introducing a renewed EMEA Sales and Marketing function with a multi-faceted strategy aimed at optimising operations to drive higher demand generation and manage sales opportunities effectively, contrasting the previous regional/country approach. Key components include:

**Events and Marketing Operations:** Focuses on face-to-face branding, dealer events, and exhibitions, along with ROI and A&P management for resource allocation and sales impact measurement.

**New Business Development:** Involves technology co-creation with third-party integrators for new product introductions beyond printing into the EMEA market.

**Digital Marketing:** Emphasizes organic traffic, paid advertising, social media, newsletters, and the creation of new digital assets to enhance online engagement and lead generation.

**Tele-Marketing and Field Marketing:** Aims at building an end-user pipeline through direct communication, supporting reseller communities, and providing professional services skills for OEM/alliance partnerships.

**Trade and Product Marketing:** Supports the distribution channel with special pricing and promotional activities, managing leads, deals, and new product introductions, and integrating sales and pre-sales activities through funded head positions at resellers and distribution channels.

### 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 summarized below.

##### *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, recognizing 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.

## **Strategic report for the year ended 31 March 2024 (continued)**

### **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 €825,728 cash held in Russia, which is restricted as a result of the ongoing invasion and sanctions imposed by the government in Russia.

### **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.

### **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 7 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.

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**Strategic report  
for the year ended 31 March 2024 (continued)**

**Shareholder**

The Board is committed to openly engage with our shareholder, as we recognize 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.

**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 minimize waste and reduce carbon emission. OKI Group have a Mid to long term Environmental targets and vision for 2030/2050.

**Prevention of Global Warming**

FY2030: 42% CO2 emissions reduction at OKI sites and 25% CO2 emissions reduction at suppliers and from the use of products (compared to FY2020).

FY2050: Net zero CO2 emissions at OKI site and the entire value chain, Net zero power consumption by new products.

These are the targets of our ultimate parent group which also applies to OEL.

**Measures for OKI sites**

*Promote the following measures to achieve zero CO2 emissions at sites (Zero Energy Building (ZEB), etc.)*

Ensuring energy conservation: Increasing the efficiency of production facilities and facilities at each site, increasing the efficiency of all operations.

Introducing renewable energy: Installing renewable energy facilities at each site, contracting for electricity derived from renewable energy, etc.

**Measures for suppliers**

Strengthening communication with suppliers, procuring components from manufacturers with low CO2 emissions.

**Measures Taken When Using Products**

Power saving in hardware products, technology development, selection of power-saving parts, and reduction in the number of parts.

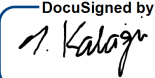
**Contribution to achieve Sustainable Development Goals (SDG's)**

FY2030: Through (a) and (b) below, contribute to achieving the targeted reductions in environmental impact set out by the 2030 SDGs.

- a) Generate innovative products and services and provide solutions conducive to resolving a wide range of environmental issues. Environmental Contribution Product Net Sales Ratio of 50% or more.
- b) Realize innovative technologies for manufacturing and creating things in the value chain, including workplaces.

FY2050: In addition to preventing global warming and adapting to climate change, we will promote innovation in products and services that contribute to solving environmental issues and support social infrastructure by promoting development and provision.

On behalf of the board:

DocuSigned by:  
  
T. Kalagin E21A69446...

**Director**

Date: 23 July 2024

## Directors' report for the year ended 31 March 2024

The directors present their Annual report and the audited consolidated and company financial statements for the year ended 31 March 2024.

### 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 Hagiwara  
M Gobbato (resigned on 30 April 2023)  
T Katagiri  
J Kimoto  
S Miyasaka

### 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 loss of €5,620k (2023 net profit: €15,534k) for the year and shows a closing shareholders' funds of €23,410k (2023: €31,346k) at 31 March 2024.

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 2024. 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.

### 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.

**Directors' report  
for the year ended 31 March 2024 (continued)**

**Stakeholder engagement**

The directors have considered the views and interests of a wide range of stakeholders including OKI Europe employees, customers, suppliers and wider environment and community. Considering and balancing this broad range of viewpoints is important to the directors' decision making process, to promote the long term success of the company.

The directors consider and discuss the information from across the organisation to help them understand the impact of the Company's strategies and operations. They also review strategic, operational and financial performance as well as information covering areas such as key risks, legal and regulatory compliance.

**Principal Decisions**

The Board meets daily or monthly through the management meetings. All decisions are made through these meetings, enabling the Board to retain oversight of any decisions made on its behalf.

Where a principal decision is to be made, an assessment if the impact of that principal decision on key stakeholders will be considered and will include matters such as how each key stakeholders' interest was considered as part of the assessment, details of any risks identified and resulting actions proposed to be taken to monitor and mitigate those risks. Consideration will also be given to any potential impacts on the Company's reputation and how that impact will be monitored.

Principal decisions, defined as those which: (i) are linked to matters of strategic importance; (ii) are commercially material matters of financial or operational importance; and (iii) impact key stakeholders, include:

- dividends.
- substantial changes to the customer relationship;
- significant capital expenditure; and
- matters that will substantially affect the Company's employees.

In line with the regulation and FRC guidance, and in accordance with the approach taken during the financial year under review, having considered the Company's principal risks and uncertainties as detailed in Strategic Report along with the business undertaken during the period under review no principal decisions were made in relation to the Company.

**Charitable contributions**

The Group made charitable donations during the year of €nil (2023: €4,744).

**Exceptional items**

During the year, the exceptional expense incurred as part of group restructuring was €nil (2023: Income of €1,197k).

**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.

<b>OKI Europe Limited energy usage for the year ended 31 March 2024</b>	<b>2024</b>	<b>2023</b>
Energy consumption used to calculate emissions/kWh	49,509	166,287
Emission from combustion of fuel for transport purposes tCO2e (Scope 1)	26.68	30.41
Emission in metric tons CO2e- Purchased electricity (Scope 2)	10.25	32.16
Intensity measurement ratio - TCO2e/sales revenue	0.00028	0.00034
Intensity metric: Sales revenue €'000	130,675	184,970

The reduction in usage above is attributable to the reduced office space in OEL HQ and reduction in company cars which has resulted in a decrease in CO2 emissions.

**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 tons CO<sub>2</sub>e per total € thousand sales revenue.

**Reducing our impact: Minimizing 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 15. 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 4.

**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:

	<b>2024</b>	<b>2023</b>	<b>Change</b>
	<b>€'000</b>	<b>€'000</b>	<b>%</b>
Turnover	130,675	184,970	(29)%
Operating (loss)/profit before exceptional items	(3,919)	18,546	(121)%

**Future developments**

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, and scan capabilities creates opportunities for printer-based product vendors, such as OKI, to replace traditional, expensive-to-maintain centralised copiers. Improved energy efficiency and the transition to colour are core OKI strengths, and the Company sees potential to grow colour page revenue and profit.

In parallel, OKI now focuses more on products and solutions targeting specific usages in industrial verticals, related to Print Service Providers, Packaging and Labels manufacturers, or end-users. The migration from traditional commercial high-volume printing to digital short-run printing is driven by the need for customized output using variable data. Digital colour printing is quick, inexpensive to set up, and easy to change, unlike traditional analog printing technologies. The Company sees a huge opportunity in serving these digital industries in the future to complement sales to the office equipment market.

OKI also develops strong relationships with business partners, such as Value-Added Resellers, System Integrators, and Label Converters, fostering a network of alliances with key, established market players. We strongly believe that OKI is best positioned to serve the needs of these customers through a vast array of products, from sheet-fed to roll-to-roll labels, backed by OKI's unique LED toner-based 4-colour and 5-colour printing technology and best-in-class quality and reliability.

## OKI's Exponential Technologies Towards the Future (beyond printing)

OKI is committed to leveraging technological innovation to address societal challenges and enhance operational efficiency. OKI has released its 242nd technical journal, highlighting advanced technologies and their potential to solve critical social issues.

### Edge Platform Concept:

#### Technologies:

QST® x CFB for GaN Devices: Enhances the efficiency and performance of vertical gallium nitride devices, crucial for power electronics.

Zero-Energy IoT for Infrastructure Monitoring: Implements energy-harvesting IoT sensors for continuous infrastructure health monitoring without external power sources.

Digital Twin for Traffic Flow Optimization: Uses digital twin technology to simulate and optimize real-time traffic management and reduce congestion.

Advanced Sensing Technologies: Utilizes optical fibres and metal cables for precise environmental sensing, enabling real-time data collection in harsh conditions.

#### Strategic initiatives

Business Transformation: Enhancing productivity and competitiveness, creating new solutions.

Social Impact: Addressing infrastructure safety, environmental conservation, job satisfaction, and productivity. Core

Competency: High-quality, reliable technologies, robust AI, sensor solutions, and zero-energy IoT.

## 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:

DocuSigned by:  
  
.....D07C24E21A69446.....  
T Katagiri  
**Director**  
Date: 23 July 2024

# 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 2024 and of the Group's loss 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 2024; 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 the 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 2024 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 Companies Act 2006 and relevant tax regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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](http://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's financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Fotis Kyrmizoglou (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Watford  
Date: 23 July 2024

**Group income statement**  
**for the year ended 31 March 2024**

	Note	2024 €000	2023 €000
Turnover	3	130,675	184,970
Cost of sales		(90,118)	(117,554)
<b>Gross profit</b>		<u>40,557</u>	<u>67,416</u>
Distribution costs		(24,251)	(26,368)
Administrative expenses		(20,238)	(22,089)
Other operating income/(expenses)		13	(413)
<b>Operating (loss)/profit before exceptional items</b>	4	<u>(3,919)</u>	<u>18,546</u>
Exceptional income	5	-	1,197
<b>Operating (loss)/profit</b>		<u>(3,919)</u>	<u>19,743</u>
Interest receivable and similar income	9	467	302
Interest payable and similar expenses	10	(247)	(19)
<b>(Loss)/profit before taxation</b>		<u>(3,699)</u>	<u>20,026</u>
Tax on (loss)/profit	11	(1,921)	(4,492)
<b>(Loss)/profit for the financial year</b>		<u><u>(5,620)</u></u>	<u><u>15,534</u></u>

All amounts are derived from continuing operations.

(Loss)/profit for the financial year and the previous financial year is all attributable to the owners of the parent company.

The notes on pages 21 to 42 form an integral part of the financial statements.

**Group statement of comprehensive income  
for the year ended 31 March 2024**

		<b>2024</b>	<b>2023</b>
	<b>Note</b>	<b>€000</b>	<b>€000</b>
<b>(Loss)/Profit for the financial year</b>		(5,620)	15,534
<b>Other comprehensive expense:</b>			
Actuarial loss on defined benefit pension schemes	20	(1,975)	(8,716)
Currency translation differences		(341)	(395)
<b>Other comprehensive expense for the year</b>		<u>(2,316)</u>	<u>(9,111)</u>
<b>Total comprehensive (expense)/income for the year</b>		<u><u>(7,936)</u></u>	<u><u>6,423</u></u>

Total comprehensive (expense)/income for the year is all attributable to the owners of the parent company.

The notes on pages 21 to 42 form an integral part of the financial statements.

**Group statement of financial position****As at 31 March 2024****Registration number: 02203086**

		<b>2024</b>	<b>2023</b>
		<b>€000</b>	<b>€000</b>
	<b>Note</b>		
<b>Fixed assets</b>			
Intangible assets	13	6	40
Tangible assets	14	973	1,039
Investments	15	-	-
		<u>979</u>	<u>1,079</u>
<b>Current assets</b>			
Stocks	16	19,632	24,779
Debtors	17	13,095	12,729
Defined benefit pension asset	20	11,262	12,903
Cash and cash equivalents	27	10,456	24,316
		<u>54,445</u>	<u>74,727</u>
<b>Creditors: amounts falling due within one year</b>	18	<u>(24,199)</u>	<u>(35,953)</u>
<b>Net current assets</b>		30,246	38,774
<b>Total assets less current liabilities</b>		<u>31,225</u>	<u>39,853</u>
Provisions for liabilities	19	<u>(7,815)</u>	<u>(8,507)</u>
<b>Net assets</b>		<u>23,410</u>	<u>31,346</u>
<b>Capital and reserves</b>			
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		<u>(368,404)</u>	<u>(360,468)</u>
<b>Total equity</b>		<u>23,410</u>	<u>31,346</u>

The financial statements on pages 15 to 42 were approved by the Board of directors and authorised for issue on 23 July 2024 and are signed on its behalf by:

DocuSigned by:  
  
 D07C24E21A60446...  
 T Katagiri  
 Director

The notes on pages 21 to 42 form an integral part of the financial statements.

**Company statement of financial position****As at 31 March 2024****Registration number: 02203086**

		2024		2023	
	Note	€000	€000	€000	€000
<b>Fixed assets</b>					
Intangible assets	13		6		40
Tangible assets	14		972		1,037
Investments	15		5,527		5,527
			<u>6,505</u>		<u>6,604</u>
<b>Current assets</b>					
Stocks	16	19,507		24,494	
Debtors	17	12,972		11,895	
Defined benefit pension asset	20	11,262		12,903	
Cash and cash equivalents		9,580		23,215	
		<u>53,321</u>		<u>72,507</u>	
Creditors: amounts falling due within one year	18	(32,686)		(42,998)	
			<u>20,635</u>		<u>29,509</u>
<b>Net current assets</b>			<u>20,635</u>		<u>29,509</u>
<b>Total assets less current liabilities</b>			<u>27,140</u>		<u>36,113</u>
<b>Provisions for liabilities</b>	19		(7,815)		(8,507)
<b>Net assets</b>			<u>19,325</u>		<u>27,606</u>
<b>Capital and reserves</b>					
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			(379,353)		(371,072)
<b>Total equity</b>			<u>19,325</u>		<u>27,606</u>

The Company's loss for the year ended 31 March 2024 was €6,029k (2023: profit of €15,259k).

The financial statements on pages 15 to 42 were approved by the Board of Directors and authorised for issue on 23 July 2024 and are signed on its behalf by:

DocuSigned by:  
  
 T Katagiri  
 Director

The notes on pages 21 to 42 form an integral part of the financial statements.

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**Group statement of changes in equity**  
**for the year ended 31 March 2024**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	€000	€000	€000	€000	€000
<b>Balance at 1 April 2022</b>	141,366	25,816	224,632	(366,891)	24,923
<b>For the year ended 31 March 2023</b>					
Profit for the financial year	-	-	-	15,534	15,534
<b>Other comprehensive expense:</b>					
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
<b>Balance at 31 March 2023</b>	141,366	25,816	224,632	(360,468)	31,346
<b>For the year ended 31 March 2024</b>					
Loss for the financial year	-	-	-	(5,620)	(5,620)
<b>Other comprehensive expense:</b>					
Actuarial loss on defined benefit plans (refer note 20)	-	-	-	(1,975)	(1,975)
Currency translation differences on overseas subsidiaries & branches	-	-	-	(341)	(341)
Total comprehensive expense for the year	-	-	-	(7,936)	(7,936)
<b>Balance at 31 March 2024</b>	141,366	25,816	224,632	(368,404)	23,410

The notes on pages 21 to 42 form an integral part of the financial statements.

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**Company statement of changes in equity  
for the year ended 31 March 2024**

	Called up share capital	Share premium account	Other reserves	Other reserve - Merger reserve	Profit and loss account	Total equity
	€000	€000	€000	€000	€000	€000
<b>Balance at 1 April 2022</b>	141,366	25,816	224,632	6,864	(377,510)	21,168
<b>For the year ended 31 March 2023</b>						
Profit for the financial year	-	-	-	-	15,259	15,259
<b>Other comprehensive expense:</b>						
Actuarial loss on defined benefit plans (refer note 20)	-	-	-	-	(8,716)	(8,716)
Currency translation differences on overseas subsidiaries & branches	-	-	-	-	(105)	(105)
Total comprehensive income for the year	-	-	-	-	6,438	6,438
<b>Balance at 31 March 2023</b>	141,366	25,816	224,632	6,864	(371,072)	27,606
<b>For the year ended 31 March 2024</b>						
Loss for the financial year	-	-	-	-	(6,029)	(6,029)
<b>Other comprehensive expense:</b>						
Actuarial loss on defined benefit plans (refer note 20)	-	-	-	-	(1,975)	(1,975)
Currency translation differences on overseas subsidiaries & branches	-	-	-	-	(277)	(277)
Total comprehensive expense for the year	-	-	-	-	(8,281)	(8,281)
<b>Balance at 31 March 2024</b>	141,366	25,816	224,632	6,864	(379,353)	19,325

The notes on pages 21 to 42 form an integral part of the financial statements.

## Notes to the financial statements for the year ended 31 March 2024

### 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 loss for the year was €6,029k (2023: €15,259k).

#### 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 2024. 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 for the year ended 31 March 2024 (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 loss of €5,620k (2023 net profit: €15,534k) for the year and shows a closing shareholders' funds of €23,410k (2023: €31,346k) at 31 March 2024.

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 2024. 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.

#### 1.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

## Notes to the financial statements for the year ended 31 March 2024 (continued)

### 1. Accounting policies (continued)

#### 1.6 Finance costs

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

#### 1.7 Tangible assets

Tangible 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

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.

#### 1.8 Intangible 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
----------	-------------------

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.

#### 1.9 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.

#### 1.10 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 for the year ended 31 March 2024 (continued)

### 1. Accounting policies (continued)

#### 1.11 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 realize 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.

#### 1.12 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 for the year ended 31 March 2024 (continued)

### 1. Accounting policies (continued)

#### 1.13 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 realized. 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.

#### 1.14 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.

#### 1.15 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.

#### 1.16 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 Statement of financial position.

##### Defined contribution pension schemes

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

## Notes to the financial statements for the year ended 31 March 2024 (continued)

### 1. Accounting policies (continued)

#### 1.17 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.

#### 1.18 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.

#### 1.19 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.

#### 1.20 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 for the year ended 31 March 2024 (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 analyzed by geographical market

	2024	2023
	€000	€000
United Kingdom	14,582	27,291
European Community	104,407	142,913
Non-European Community	11,686	14,766
	<u>130,675</u>	<u>184,970</u>

#### Turnover analyzed by class of business

	2024	2023
	€000	€000
Sale of goods	125,964	175,221
Rendering of services	4,711	9,749
	<u>130,675</u>	<u>184,970</u>

### 4. Operating (loss)/profit before exceptional items

Operating (loss)/profit before exceptional items for the year is stated after (crediting)/charging:

	2024	2023
	€000	€000
Gain on disposal of fixed assets	(6)	(16)
Exchange losses/(gains)	266	(432)
Depreciation and amortisation of owned fixed assets	337	257
Cost of stocks recognised as an expense	90,118	120,283
Stock impairment reversal recognised	(2,777)	(2,729)
Operating lease charges	2,112	2,388
	<u>2,112</u>	<u>2,388</u>

### 5. Exceptional income

	2024	2023
	€000	€000
Personnel redundancy reversal of provisions/(costs)	-	1,009
Termination of leases	-	57
Legal and consultancy fees	-	88
Other severance costs	-	(2)
Write-off of net assets of entities being liquidated	-	45
	<u>-</u>	<u>1,197</u>

## Notes to the financial statements for the year ended 31 March 2024 (continued)

### 6. Auditors' remuneration

	2024	2023
	€000	€000
<b>Fees payable to the Company's auditors and associates</b>		
<b>For audit services</b>		
Audit of the financial statements of the Group and Company	756	690
Audit of the Company's subsidiaries & branches	12	85
	<u>768</u>	<u>775</u>
<b>For other services</b>		
Tax advisory services	-	20
Audit related assurance services	29	-
	<u>29</u>	<u>20</u>

The directors have agreed with the Company's auditors that the auditor's liability to damages for breach of duty in relation to the audit of the company's financial statements for the year to 31 March 2024 and the financial statements of its UK subsidiaries whose statutory audits are governed by the same agreement with the auditor (the 'subsidiaries') will be limited to the greater of £5 million or 5 times the auditor's fees for the statutory audits, and that, in any event, the auditor's liability for damages will be limited to that part of any loss suffered by the Company and the subsidiaries as is just and equitable having regard to the extent to which the auditor, the Company, the subsidiaries and any third parties are responsible for the loss in question. The shareholders of the Company waived the need for approval of this liability limitation agreement, as required by the Companies Act 2006, by a resolution dated 12 January 2024.

### 7. Employees

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

	Group		Company	
	2024	2023	2024	2023
	Number	Number	Number	Number
Administration	72	71	70	64
Sales and marketing	87	95	87	95
Warehouse and distribution	8	8	4	5
Service	21	22	17	17
	<u>188</u>	<u>196</u>	<u>178</u>	<u>181</u>

Their aggregate remuneration comprised:

	Group		Company	
	2024	2023	2024	2023
	€000	€000	€000	€000
Wages and salaries	17,051	18,717	16,549	18,133
Social security costs	2,328	2,447	2,271	2,166
Other pension costs	969	1,039	910	968
	<u>20,348</u>	<u>22,203</u>	<u>19,730</u>	<u>21,267</u>

The amount of wages and salaries include redundancy cost of €1,286k (2023: €1,120k) in respect of the Group and €1,286k (2023: €1,120k) in respect of the Company.

## Notes to the financial statements for the year ended 31 March 2024 (continued)

### 8. Directors' remuneration

	2024 €000	2023 €000
Remuneration for qualifying services	781	960
Company pension contributions	8	15
Compensation for loss of office	-	482
	<u>789</u>	<u>1,457</u>

There were three (2023: three) directors eligible for the defined benefit and defined contribution company pension scheme and three (2023: one) director eligible for the defined contribution company pension scheme.

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

	2024 €000	2023 €000
Remuneration for qualifying services	257	287
Company pension contributions	3	5
Compensation for loss of office	-	482
	<u>260</u>	<u>774</u>

### 9. Interest receivable and similar income

	2024 €000	2023 €000
<b>Interest income</b>		
Interest on bank deposits	32	10
Other interest income	61	1
Net return on retirement benefit (refer note 20)	374	291
	<u>467</u>	<u>302</u>

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

### 10. Interest payable and similar expenses

	2024 €000	2023 €000
<b>Interest on financial liabilities measured at amortised cost</b>		
Interest on bank overdrafts and loans	2	12
	<u>2</u>	<u>12</u>
<b>Other finance costs</b>		
Other interest	245	7
	<u>247</u>	<u>19</u>

## Notes to the financial statements for the year ended 31 March 2024 (continued)

### 11. Tax on (loss)/profit

#### a. Tax on (loss)/profit

The tax charge is made up as follows:

	2024 €000	2023 €000
<b>Current tax</b>		
UK corporation tax on (loss)/profits of the year	-	-
UK tax over provided in previous years	29	(523)
Foreign tax	344	3,269
Foreign tax under/(over) provided in previous years	1,401	314
Total current tax	<u>1,774</u>	<u>3,060</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	147	1,320
Change in tax rate	-	112
Total deferred tax	<u>147</u>	<u>1,432</u>
Total tax charge	<u>1,921</u>	<u>4,492</u>

#### b. Factors affecting the total tax charge:

Tax assessed for the year is higher (2023: higher) than the standard rate of corporation tax in the UK for the year ended 31 March 2024 of 25% (2023: 19%). The differences are explained below:

	2024 €000	2023 €000
(Loss)/profit before tax	(3,699)	20,026
(Loss)/profit before tax multiplied by standard rate of corporation tax in the UK of 25% (2023: 19%)	(925)	3,805
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	184
Income not taxable	(84)	-
Tax under/(over) provided in previous years	1,430	(209)
Higher rates on overseas earnings	-	4
Unrelieved foreign tax	352	305
Movements in other unrecognized deferred tax	1,148	291
Change in tax rate	-	112
Tax on (loss)/profit	<u>1,921</u>	<u>4,492</u>

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

The tax credit is made up as follows

	2024 €000	2023 €000
Deferred tax	<u>(661)</u>	<u>(2,909)</u>

## Notes to the financial statements for the year ended 31 March 2024 (continued)

### 12. Deferred taxation

#### Group

The deferred tax included in the Group statement of financial position is as follows:

	2024 €000	2023 €000
Included in provisions for liabilities (note 19)	(2,816)	(3,232)

Total deferred tax assets and liabilities are as follows:

	Recognised		Unrecognised	
	2024 €000	2023 €000	2024 €000	2023 €000
Group	-	-	3,132	2,065
Tax losses	-	-	-	-
Pension	(2,816)	(3,225)	-	-
Other timing differences	-	(7)	1,789	2,200
	<u>(2,816)</u>	<u>(3,232)</u>	<u>4,921</u>	<u>4,265</u>

As at 31 March 2024, management took the decision to continue not to recognise all deferred tax asset balances across the Group. Deferred tax assets of €4,921k (2023: €4,265k), 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.

The €3,132k unrecognised deferred tax asset on tax losses as at 31 March 2024 has no expiry date.

	Group	
	2024 €000	2023 €000
<b>Movements in the year:</b>		
At 1 April	(3,232)	(4,922)
Deferred tax charge in group profit and loss account	(147)	(1,432)
Credit to other comprehensive income (note 20)	661	2,909
Foreign exchange differences	(98)	213
Liability as at 31 March	<u>(2,816)</u>	<u>(3,232)</u>

#### Company

The deferred tax included in the Company statement of financial position is as follows:

	2024 €000	2023 €000
Included in provision for liabilities (note 19)	<u>(2,816)</u>	<u>(3,232)</u>

## Notes to the financial statements for the year ended 31 March 2024 (continued)

### 12. Deferred taxation (continued)

	Recognised		Unrecognised	
	2024	2023	2024	2023
Company	€000	€000	€000	€000
Tax losses	-	-	3,132	2,065
Pension	(2,816)	(3,225)	-	-
Other timing differences	-	(7)	1,706	2,110
	(2,816)	(3,232)	4,838	4,175

#### Factors that may affect future tax charges

Deferred tax assets of €4,838k (2023: €4,175k), 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.

The €3,132k unrecognised deferred tax asset on tax losses as at 31 March 2024 has no expiry date.

The UK Government announced in the Budget on 3 March 2021 that the main rate of UK corporation tax would increase to 25% for the financial year beginning 1 April 2023. Prior to this date, the rate of UK corporation tax remained at 19%. The increase to 25% was substantively enacted on 24 May 2021 and therefore the UK deferred tax balances were re-measured at 31 March 2023. The current tax rate of 25% is applicable during the year.

### 13. Intangible assets

#### Group & Company

	Software
Cost	€000
At 1 April 2023	4,697
Additions	8
Disposals	(470)
Exchange	4
At 31 March 2024	4,239
<b>Accumulated amortisation</b>	
At 1 April 2023	4,657
Amortisation charge for the year	43
Elimination on disposals	(470)
Exchange	3
At 31 March 2024	4,233
<b>Carrying amount</b>	
At 31 March 2024	6
At 31 March 2023	40

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**Notes to the financial statements  
for the year ended 31 March 2024 (continued)**

**13. Intangible assets (continued)**

**Group & Company**

	<b>Software</b>
<b>Cost</b>	<b>€000</b>
At 1 April 2022	6,655
Additions	-
Disposals	(1,958)
At 31 March 2023	<u>4,697</u>
<b>Accumulated amortisation</b>	
At 1 April 2022	6,559
Amortisation charge for the year	55
Elimination on disposals	(1,957)
At 31 March 2023	<u>4,657</u>
<b>Carrying amount</b>	
At 31 March 2023	<u>40</u>
At 31 March 2022	<u>96</u>

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**Notes to the financial statements**  
**for the year ended 31 March 2024 (continued)**
**14. Tangible assets**

<b>Group</b>	<b>Leasehold improvements</b>	<b>Plant and equipment</b>	<b>Total</b>
	<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>Cost</b>			
At 1 April 2023	1,153	3,053	4,206
Additions	18	221	239
Disposals	(50)	(434)	(484)
Exchange adjustments	(2)	(5)	(7)
At 31 March 2024	<u>1,119</u>	<u>2,835</u>	<u>3,954</u>
<b>Accumulated depreciation</b>			
At 1 April 2023	481	2,686	3,167
Depreciation charged in the year	158	136	294
Disposals	(50)	(424)	(474)
Exchange adjustments	(1)	(5)	(6)
At 31 March 2024	<u>588</u>	<u>2,393</u>	<u>2,981</u>
<b>Carrying amount</b>			
At 31 March 2024	<u>531</u>	<u>442</u>	<u>973</u>
At 31 March 2023	<u>672</u>	<u>367</u>	<u>1,039</u>

## Notes to the financial statements for the year ended 31 March 2024 (continued)

### 14. Tangible assets (continued)

Company	Leasehold improvements	Plant and equipment	Total
	€000	€000	€000
<b>Cost</b>			
At 1 April 2023	1,136	2,977	4,113
Additions	18	221	239
Disposals	(50)	(417)	(467)
Exchange adjustments	(1)	4	3
At 31 March 2024	1,103	2,785	3,888
<b>Accumulated depreciation</b>			
At 1 April 2023	462	2,614	3,076
Depreciation charged in the year	158	135	293
Eliminated in respect of disposals	(50)	(406)	(456)
Exchange adjustments	2	1	3
At 31 March 2024	572	2,344	2,916
<b>Carrying amount</b>			
At 31 March 2024	531	441	972
At 31 March 2023	674	363	1,037

### 15. Investments

	Group		Company	
	2024	2023	2024	2023
	€000	€000	€000	€000
Subsidiary undertakings	-	-	5,527	5,527
	-	-	5,527	5,527

#### Movements in investments

##### Group

##### Cost

At 1 April 2023 and 31 March 2024

Other

€000

100

##### Accumulated impairment

At 1 April 2023 and 31 March 2024

100

##### Carrying amount

At 31 March 2024

-

At 31 March 2023

-

## Notes to the financial statements for the year ended 31 March 2024 (continued)

### 15. Investments (continued)

#### Movements in investments

Company	Subsidiary undertakings €000	Other €000	Total €000
<b>Cost</b>			
At 1 April 2023 and 31 March 2024	32,203	100	32,303
<b>Accumulated impairment</b>			
At 1 April 2023 and 31 March 2024	26,676	100	26,776
<b>Net book value</b>			
At 31 March 2024	5,527	-	5,527
At 31 March 2023	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 OHJ	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 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.

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.

## Notes to the financial statements for the year ended 31 March 2024 (continued)

### 16. Stocks

	Group		Company	
	2024	2023	2024	2023
	€000	€000	€000	€000
Finished goods and goods for resale	19,632	24,779	19,507	24,494
	<u>19,632</u>	<u>24,779</u>	<u>19,507</u>	<u>24,494</u>

Stocks recognised as an expense during the year were net of €90,118k (2023: €117,554k). The Group stock impairment provision for the year was €3,700k (2023: €3,646k).

### 17. Debtors: amounts falling due within one year

	Group		Company	
	2024	2023	2024	2023
	€000	€000	€000	€000
Trade debtors	7,287	6,471	6,936	6,399
Amounts owed by group undertakings	77	31	569	161
Other debtors	4,040	4,397	3,786	3,547
Prepayments and accrued income	1,691	1,830	1,681	1,788
	<u>13,095</u>	<u>12,729</u>	<u>12,972</u>	<u>11,895</u>

Trade debtors are stated after provisions for impairment of €19,266k (2023: €19,415k).

Included in other debtors totaling €4,040k (2023: €4,397k) is €734k (2023: €730k) in respect of long-term deposits and €2,169k (2023: €2,092k) 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	
	2024	2023	2024	2023
	€000	€000	€000	€000
Trade creditors	2,301	3,353	2,127	2,594
Amounts owed to group undertakings	12,026	20,854	20,823	29,006
Other creditors	1,894	1,503	1,870	1,494
Taxation and social security	2,157	3,818	2,142	3,574
Accruals and deferred income	5,821	6,425	5,724	6,330
	<u>24,199</u>	<u>35,953</u>	<u>32,686</u>	<u>42,998</u>

Included in other creditors totaling €1,894k (2023: €1,503k) is €31k (2023: €65k) 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 for the year ended 31 March 2024 (continued)

### 19. Provisions for liabilities

	Group		Company	
	2024	2023	2024	2023
	€000	€000	€000	€000
Warranty provision	2,406	2,196	2,406	2,196
Provision for severance costs	1,301	1,471	1,301	1,471
Provision for restructuring	-	43	-	43
Others	1,292	1,565	1,292	1,565
	4,999	5,275	4,999	5,275
Deferred tax liabilities	2,816	3,232	2,816	3,232
	7,815	8,507	7,815	8,507

	Warranty provision	Provision for severance costs	Provision for restructuring	Others	Total
Group & Company	€000	€000	€000	€000	€000
At 1 April 2023	2,196	1,471	43	1,565	5,275
Additional provisions in the year	2,388	151	-	-	2,539
Utilisation of provision	(2,178)	(323)	(43)	(274)	(2,818)
Exchange difference	-	2	-	1	3
At 31 March 2024	2,406	1,301	-	1,292	4,999

	Warranty provision	Provision for severance costs	Provision for restructuring	Others	Total
Group & Company	€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	2,196	1,471	43	1,565	5,275

## Notes to the financial statements for the year ended 31 March 2024 (continued)

### 19. Provisions for liabilities (continued)

#### 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. Severance costs will be paid when the employee leaves the Company.

#### Provision for restructuring

A provision is recognised for the restructuring costs relating to the reorganisation of the business.

#### 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	
	2024	2023
	%	%
Discount rate	5.08	4.85
Expected rate of increase of pensions payment	2.66	2.66
Inflation assumption RPI	3.15	3.22
Rate of deferred pension increase (based on CPI)	2.83	2.87
<b>Mortality assumptions</b>	<b>2024</b>	<b>2023</b>
	<b>Years</b>	<b>Years</b>
Retiring today	21.2	21.2
Retiring in 20 years	22.5	22.4
Amounts recognised in income statement:		
<b>Group</b>	<b>2024</b>	<b>2023</b>
	<b>€000</b>	<b>€000</b>
Current service cost	231	232
Interest on defined benefit liability	2,768	2,220
Interest income on Scheme assets	(3,404)	(2,756)
Total income	<u>(405)</u>	<u>(304)</u>

## Notes to the financial statements for the year ended 31 March 2024 (continued)

### 20. Retirement benefit schemes (continued)

#### Amounts taken to other comprehensive expense/(income):

Group	2024 €000	2023 €000
Actuarial return on scheme assets	4,438	33,974
Actuarial changes related to obligations	(1,793)	(22,340)
Other gains and losses	(9)	(9)
Deferred tax	(661)	(2,909)
Total expense	1,975	8,716

The amounts included in the Statement 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

	2024 €000	2023 €000
Fair value of liabilities as at beginning of the year	(57,041)	(82,321)
Benefits paid	1,903	1,826
Interest cost	(2,768)	(2,220)
Exchange differences	(1,606)	3,334
Actuarial gain	1,793	22,340
At end of the year	(57,719)	(57,041)

#### Group and company

	2024 €000	2023 €000
Fair value of assets as at beginning of the year	69,944	102,008
Current service cost	(231)	(232)
Benefits paid	(1,903)	(1,826)
Employer contributions	234	5,400
Interest income	3,404	2,756
Exchange differences	1,971	(4,188)
Return on plan assets excluding interest income	(4,438)	(33,974)
At the end of the year	68,981	69,944

## Notes to the financial statements for the year ended 31 March 2024 (continued)

### 20. Retirement benefit schemes (continued)

	Group and Company	
	2024	2023
	€000	€000
	Schemes in surplus	Schemes in surplus
Equity instruments	8,114	8,286
Debt instruments	37,799	36,802
LDI	22,552	20,444
Cash	516	4,412
Actuarial value of assets	68,981	69,944
Actuarial value of liabilities	(57,719)	(57,041)
Net value of schemes in surplus	11,262	12,903

This disclosure relates to OEL Retirement Benefit Scheme. The Group pension scheme comprises schemes operating in United Kingdom (Aggregate surplus €11,262k) (2023: €12,903k). 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 €969k (2023: €1,039k).

Contributions totaling €27k (2023: €21k) were payable to the scheme at the end of the year.

### 21. Called up share capital

Ordinary share capital	Group and Company	
	No.	€000
<b>Issued and fully paid</b>		
At 1 April 2023 and 31 March 2024		
'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 = €1.5565.

### 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 2017. €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.

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**Notes to the financial statements  
for the year ended 31 March 2024 (continued)**
**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	
	2024	2023	2024	2023
	€000	€000	€000	€000
Not later than one year	1,493	1,276	1,445	1,227
Later than one year and not later than five years	2,391	3,057	2,345	3,032
Later than five years	1,083	1,169	1,083	1,169
	<u>4,967</u>	<u>5,502</u>	<u>4,873</u>	<u>5,428</u>

**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 the Company's official website [www.oki.com/en/ir/](http://www.oki.com/en/ir/) or from 1-7-12 Toranomom, Minato-ku, Tokyo, 105-8460, Japan.

**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 equivalents**

At the year-end date, the Company had €325,727 cash held in Russia, which is restricted as a result of the ongoing invasion and sanctions imposed by the government in Russia.