20221014009931

Årsredovisning

för

Ricoh Sverige Holding AB

556734-5987

Räkenskapsåret

2021-04-01 - 2022-03-31

Fastställelseintyg

Undertecknad verkställande direktör i Ricoh Sverige Holding AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma den 30 september 2022. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Stockholm den 10 oktober 2022

Sören Krogh-Nielsen

20221014009932

Årsredovisning

för

Ricoh Sverige Holding AB

556734-5987

Räkenskapsåret

2021-04-01 - 2022-03-31

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20221014009333

Förvaltningsberättelse

Ägarförhållanden

Ricoh Sverige Holding AB är ett helägt dotterbolag till Ricoh Europe Holdings Plc, 20 Triton Street, London NW13BF, England (Org nr 6273215) som i sin tur ingår i den koncern vars moderbolag är Ricoh Company Ltd med säte i Tokyo, Japan (Corporate tax code 0080024).

Ricoh Sverige Holding AB har sitt säte i Solna kommun, Stockholms län.

Organisation och verksamheten

Ricoh Sverige Holding AB är moderbolag till Ricoh Sverige AB som erbjuder helhetslösningar för dokumenthantering, video- och interaktiv kommunikation, IT-infrastruktur/tjänster samt grafisk tryck/kommunikation. Bolaget har en nationell huvudorganisation på 8 orter i Sverige. Försäljning sker även via nära allierade återförsäljare (Ricoh Corporate IT-Partner) på 31 orter och även via andra IT-distributörer.

Väsentliga händelser under räkenskapsåret

Under sista kvartalet inleddes rekrytering av en ny VD i syfte att driva bolaget in i nästa utvecklingsfas.
Søren Krogh-Nielsen anställdes som VD i februari 2022.
Spridningen av coronaviruset och händelserna i Ukraina har ej väsentligt påverkat utvecklingen av företagets verksamhet, ställning och resultat.

Flerårsöversikt (Tkr)	**2021/22**	**2020/21**	**2019/20**
Nettoomsättning	0,0	0,0	0,0
Resultat efter finansiella poster	-1 183,2	-1 388,5	-702,0
Soliditet (%)	50,6	50,4	50,8

Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	10 808 973
årets förlust	-10 381
	10 798 592
disponeras så att	
i ny räkning överföres	10 798 592
	10 798 592

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning med noter.

20221014009934

Resultaträkning

Tkr

	Not	2021-04-01 -2022-03-31	2020-04-01 -2021-03-31
		0	**0**
Rörelsens kostnader			
Övriga externa kostnader		-243	-55
Personalkostnader	2	0	-171
		-243	**-226**
Rörelseresultat	7	**-243**	**-226**
Resultat från finansiella poster			
Räntekostnader och liknande resultatposter	3	-940	-1 163
		-940	**-1 163**
Resultat efter finansiella poster		**-1 183**	**-1 389**
Bokslutsdispositioner		1 183	1 167
Resultat före skatt		**0**	**-222**
Skatt på årets resultat	4	-10	43
Årets resultat		**-10**	**-179**

20221014090935

Balansräkning
Tkr

	Not	2022-03-31	2021-03-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	5	603 842	603 842
Uppskjuten skattefordran		35	46
		603 877	**603 888**
Summa anläggningstillgångar		**603 877**	**603 888**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		1 183	7 642
Övriga fordringar		571	571
		1 754	**8 213**
Kassa och bank		14 556	8 464
Summa omsättningstillgångar		**16 310**	**16 677**
SUMMA TILLGÅNGAR		**620 187**	**620 565**

20221014100936

Balansräkning

Tkr

	Not	2022-03-31	2021-03-31
EGET KAPITAL OCH SKULDER			
Eget kapital	6		
Bundet eget kapital			
Aktiekapital		5 595	5 595
		5 595	**5 595**
Fritt eget kapital			
Fri överkursfond		297 158	297 158
Balanserad vinst eller förlust		10 809	10 391
Årets resultat		-10	-179
		307 957	**307 370**
Summa eget kapital		**313 552**	**312 965**
Långfristiga skulder			
Skulder till kreditinstitut		301 000	307 000
Övriga skulder		0	597
Summa långfristiga skulder		**301 000**	**307 597**
Kortfristiga skulder			
Skulder till koncernföretag		5 631	0
Upplupna kostnader och förutbetalda intäkter		4	3
Summa kortfristiga skulder		**5 635**	**3**
SUMMA EGET KAPITAL OCH SKULDER		**620 187**	**620 565**

20221014009937

Noter

Tkr

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Redovisningsprinciperna är oförändrade jämfört med föregående år.

Tillgångar, avsättningar och skulder har värderats till anskaffningsvärden om inget annat anges nedan.

Finansiella tillgångar och skulder

Finansiella tillgångar och skulder redovisas i enlighet med kapitel 11 (Finansiella instrument värderade utifrån anskaffningsvärdet) i BFNAR 2012:1.

Värdering av finansiella tillgångar

Kundfordringar och övriga fordringar som utgör omsättningstillgångar värderas individuellt till det belopp som beräknas inflyta.

Skatt

Skatt på årets resultat i resultaträkningen består av aktuell skatt. Aktuell skatt är inkomstskatt för innevarande räkenskapsår som avser årets skattepliktiga resultat och den del av tidigare räkenskapsårs inkomstskatt som ännu inte har redovisats. Uppskjuten skattefordran redovisas för avdragsgilla temporära skillnader och för möjligheten att i framtiden använda skattemässiga underskottsavdrag. Värderingen baseras på hur det redovisade värdet för motsvarande tillgång eller skuld förväntas återvinnas respektive regleras. Beloppen baseras på de skattesatser och skatteregler som är beslutade före balansdagen och har inte nuvärdeberäknats.

Intäkter

Det inflöde av ekonomiska fördelar som företaget erhållit eller kommer att erhålla för egen räkning redovisas som intäkt. Intäkter värderas till verkliga värdet av det som erhållits eller kommer att erhållas, med avdrag för rabatter.

Ränta, royalty och utdelning

Ränta redovisas som intäkt enligt effektivräntemetoden.

Koncernbidrag och aktieägartillskott

Koncernbidrag som erhållits/lämnats redovisas som en bokslutsdisposition i resultaträkningen.

20221014009938

Koncernuppgifter

Ricoh Sverige Holding AB som utgör moderföretag för en koncern med dotterföretag, upprättar ej koncernredovisning med hänvisning till reglerna i Årsredovisningslagen 7 kap.2§. Ricoh Sverige Holding AB är ett helägt dotterföretag till moderbolagets Ricoh Europé Holdings PLC, 20 Triton Street, London NW13BF (Org.nr 6273215). Moderbolaget Ricoh Europé Holdings Plc ingår i en koncern där moderbolaget Ricoh Company Ltd med säte i Tokyo, Japan (corporate tax code 0080024) upprättar koncernredovisning för den största koncernen.

Nyckeltalsdefinitioner
Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Resultat efter finansiella poster
Resultat efter finansiella intäkter och kostnader men före bokslutsdispositioner och skatter.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Not 2 Anställda och personalkostnader
Bolaget har inte haft några anställda och några löner har ej betalats ut.

Not 3 Räntekostnader och liknande resultatposter

	2021-04-01 -2022-03-31	2020-04-01 -2021-03-31
Koncerninterna räntor som kapitaliserats på befintligt lån till Ricoh Finance Ltd	940	1 163
	940	**1 163**

Not 4 Aktuell och uppskjuten skatt

	2021-04-01 -2022-03-31	2020-04-01 -2021-03-31
Skatt på årets resultat		
Uppskjuten skatt	10	-46
Totalt redovisad skatt	**10**	**-46**

20221014009939

Not 5 Andelar i koncernföretag

Namn	Kapital-andel	Antal andelar	Bokfört värde
Ricoh Sverige AB	100	10 212 323	591 125
Ricoh Capital Sverige AB	100	100 000	12 717
			603 842

Not 6 Förändring av eget kapital, föregående år

	Aktie-kapital	Överkurs-fond	Balanserat resultat	Summa eget kapital
2021-03-31 Ingående balans	5 595	297 158	10 391	313 144
Årets resultat			-179	-179
2021-03-31 Utgående balans	**5 595**	**297 158**	**10 212**	**312 965**
Korrigering balanserad vinstmedel tidigare år			597	597
Årets resultat			-10	-10
2022-03-31 Utgående balans	**5 595**	**297 158**	**10 799**	**313 552**

Not 7 Transaktioner till närstående

Ricoh Sverige Holding AB har inte beviljat lån, lämnat garantier eller ställt säkerheter till eller till förmån för styrelseledamöter eller ledande befattningshavare inom bolaget. Ingen styrelseledamot eller ledande befattningshavare inom bolaget har några affärstransaktioner mellan sig och bolaget, vilka inte har utförts på marknadsmässig grund.

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Undertecknade försäkrar härmed att årsredovisningen har upprättats i enlighet med årsredovisningslagen och god redovisningssed, att aktuella redovisningsnormer har tillämpats och att lämnade uppgifter stämmer med faktiska förhållanden.

Stockholm 26/9 -22

Nicola Downing
Ordförande

Mats Lindbergh
Styrelseledamot

Søren Krogh-Nielsen
Verkställande direktör

Vår revisionsberättelse har lämnats 28 september 2022.

Deloitte AB

Anders Rinzén
Auktoriserad revisor

20221014090941

Deloitte.

REVISIONSBERÄTTELSE

Till bolagsstämman i Ricoh Sverige Holding AB
organisationsnummer 556734-5987

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Ricoh Sverige Holding AB för räkenskapsåret 2021-04-01 - 2022-03-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Ricoh Sverige Holding ABs finansiella ställning per den 31 mars 2022 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Ricoh Sverige Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen och verkställande direktören som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen och verkställande direktören ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen och verkställande direktören för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen och verkställande direktören avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens och verkställande direktörens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen och verkställande direktören använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.

20221014000942

- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens och verkställande direktörens förvaltning för Ricoh Sverige Holding AB för räkenskapsåret 2021-04-01 - 2022-03-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter och verkställande direktören ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Ricoh Sverige Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens och verkställande direktörens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt. Verkställande direktören ska sköta den löpande förvaltningen enligt styrelsens riktlinjer och anvisningar och bland annat vidta de åtgärder som är nödvändiga för att bolagets bokföring ska fullgöras i överensstämmelse med lag och för att medelsförvaltningen ska skötas på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot eller verkställande direktören i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

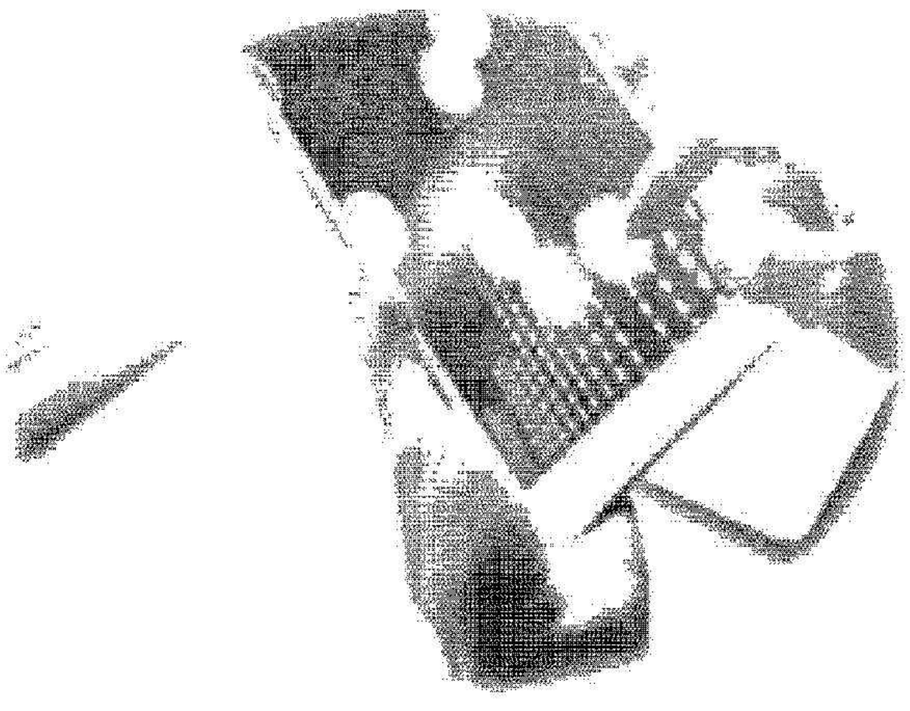
Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Umeå 2022-09-28

Deloitte AB

Anders Rinzén
Auktoriserad revisor



RICOH
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ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Ricoh Europe Holdings PLC

Registered number 06273215

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Company Information

Officers

David Mills
Akira Oyama
Seiya Iwanaga Appointed 1 July 2021

Company Secretary

Nicola Clare Downing

Registered Office

20 Triton Street
London
NW1 3BF

Auditor

Deloitte LLP
Statutory Auditor
1 New Street Square
London
EC4A 3HQ

Legal Advisor

Eversheds Sutherland LLP
1 Wood Street
London
EC2V 7WS

Strategic Report

Principal Activities

Ricoh Europe Holdings PLC ("the Company" or "the Parent Company" or "the Group") and its subsidiary undertakings (together "the Group", "Ricoh Europe", "us", "we", "our") engage in the development, production, sale, and provision of services for imaging systems, industrial printers, and network equipment. The Group operates through the following main segments: Office Printing, Office Services, Commercial and Industrial Printing. The Office Printing segment provides multifunction devices, printers, and copiers for offices. The Office Services segment deals with infrastructure construction, network communication support and visual communication products. The Commercial and Industrial Printing segment sells digital printing products, industrial inkjet heads, inkjet inks, industrial printers and maintenance services. The Group provides services and technologies to a broad range of customers of varying sizes that transform their business transactions and optimise document processes.

The financial results for the year ended 31 March 2022 are headed under '2022' and compared with the prior year ended 31 March 2021 headed under '2021'.

Our Business Summary

For the year ended 31 March 2022, the Group's consolidated revenue was £2,789.4m, an increase of 3.3% compared to the year ended 31 March 2021 of £2,701.3m. Revenue remains behind pre-Covid revenues of £3,001.9m in the year ended 31 March 2020, largely due to stock shortages from global supply chain issues affecting the Group's ability to fulfil customer orders.

Office Printing business revenue decreased by 1.4% (2021: decreased by 22.7%) due to a strengthening of sterling against euro. If the impact of foreign exchange movements is ignored, Office Printing revenue increased 3.4% year on year as the segment recovers from the impact of Covid-19, with fewer restrictions and office closures and now accounts for 51.1% (2021: 53.5%) of Ricoh Europe's consolidated revenue. This segment realised an operating profit margin of 19.3% (2021: 20.5%).

The Group leverage their technological advantage and effective pricing strategy in printing technology, whilst providing value-adding services on a subscription basis in the Office Services segment, such as: data digitisation services, working space and time management, web meetings, e-learning and remote work support to its customers. This strategic focus has helped the Group strengthen its Office Services business, with revenue increasing by 8.9% (2021: 31.1%) and is driven by the recovery from Covid-19 and new acquisitions. The Office Services business accounts for 33.5% (2021: 33.5%) of Ricoh Europe's consolidated revenue, with an operating profit margin of 5.3% (2021: 7.5%).

The Group achieved an operating profit of £102.2m for the year ended 31 March 2022, being a substantial increase from the prior year of £20.7m, as a result of the recovery from Covid-19, cost control measures and with the prior year including a £63.7m charge for rationalisation provision (2022: net charge £0.1m).

Profit for the year as a percentage of sales increased to 2.7% from 0.2%.

The revenue and profit increases in the year arise predominantly due to the recovery from Covid-19 across the Group, with the easing of restrictions and acquisition of four new businesses in the year (see note 30 for further details on the acquisitions). However, these have been counteracted by headwinds, including inflationary cost pressures, the global semiconductor shortage and supply chain issues restricting supply. These headwinds have been exacerbated in the final quarter with the Russian – Ukraine conflict, which is expected to delay a global recovery.

Despite these headwinds, we continue to be optimistic about our opportunities and product offering and expect to see a continued recovery going into 2023.

The Group has continued to focus on maintaining a strong balance sheet. At 31 March 2022, the Group's net assets were £1,454.4m (2021: £1,473.3m) being 1.3% lower than prior year. Total assets increased £13.2m to £3,260.8m as a result of increased cash on hand and intangible assets from business combinations being offset by declines in finance lease receivables, which is in line with general industry trend. This has been offset by an increase in total liabilities from £1,774.3m to £1,806.4m.

The Group intangible assets have increased £66.2m to £540.6m, largely due to new acquisitions as discussed further below and in Note 30. Group inventory has increased by 7.3% to £253.9m (2021: £236.7m) due to a recovery in trade from Covid-19 pandemic.

Finance lease receivables decreased by 9.2% to £708.8m (2021: £780.7m), primarily due to reduced activations and changes to the basis of the expected credit loss calculation as discussed in note 13. Trade receivables increased by 0.5% on the prior year to £504.7m, despite a 3.3% increase in revenue for the year and arises due to continued strength in collections activity, resulting in a 9.7% year on year decrease in receivables overdue by more than 90 days, with sales ledger debtor days also falling from 48.0 in the prior year to 45.1.

Strategic Report *(continued)*

Whilst challenging market conditions outlined above have added significant pressure on the Group's sales and profitability, the business has maintained strong operating cash flows of £294.4m (2021: £516.2m), partly driven by strong working capital management, including collection of cash from receivables. The business aims to grow by expanding its printing technology and increasing the value provided to its Office Services customers, whilst maintaining the quality range of products in the Office Printing business.

During the year, the Group acquired three Office Services companies, building on the four acquisitions made in the prior year. The new acquisitions are aligned to Ricoh's growth strategy to 'empower digital workplaces, wherever they may be'. These acquisitions strengthened our IT and Cloud Services offering across Europe and comprised Avantage Groep BV (April 2021), Pamafe Informatica LDA and Pamafe 2 Service LDA (December 2021) and Axon Ivy AG (January 2022).

The Group also acquired one Office Printing company, New Office Automation Srl. in July 2021 to expand our offering in the Italian market.

Total consideration (initial and contingent) was £73.1m. See note 30 Business Combinations for additional information.

In line with our strategy, we continue to accelerate our growth by better aligning as ONE RICOH, being more customer focused and integrating our offerings to position the Group as a value adding digital services company. As we balance our business to ensure future success in line with market trends, we have seen a change in revenue profile from Office Printing to Office Services. This is also aligned to our recent strategic acquisitions. Along with this change in revenue, we will also see a change in our gross profit margin. Whilst Office Printing will remain our primary profit contributor, we know that we will be a lower margin business because of the impact of the changing revenue mix, and the declining print market, which has been accelerated by the Covid-19 impact on remote working.

In response we are continuing our focus on driving our operating model changes in line with our strategic plans:

- Streamlining our structure – this is to ensure we remove duplication and expand our shared services support for our back-office functions (Finance, HR, Marketing and Service Support); and
- Transforming our service – this is to ensure we have the right size organisation for the volume of work and type of market demand.

Key Performance Indicators (KPIs)

The Board monitor the Group's progress against its strategic objectives and the financial performance of its operations on a regular basis. Performance is assessed against the strategy, budgets and forecasts using financial and non-financial measures. The most significant KPIs are shown below:

Financial KPIs	**2022 £m**	2021 £m	Var.%
Net Assets	**1,454.4**	1,473.3	-1.3%
Net Current Assets	**491.9**	570.1	-13.7%
Cash and Cash Equivalents	**301.3**	256.1	17.7%
Revenue	**2,789.4**	2,701.3	3.3%
Operating Profit	**102.2**	20.7	393.7%
Net Profit Margin %	**2.7%**	0.2%	1,057.4%
EBITDA	**196.3**	112.4	74.6%
Net Debt to EBITDA (times)	**2.7**	4.8	-43.8%
EBITDA Gross Interest Coverage (times)	**25.5**	17.0	50.0%
Sales Ledger Debtors Days*	**45.1**	48.0	-6.0%
Inventory Cover Days**	**58.2**	54.0	7.8%

Refer to above for "Our Business Summary" section for a qualitative analysis of the first six KPIs.

* Sales Ledger Debtors Days ratio compares trade receivables balances at a point in time with total billing achieved in previous months. This ratio has improved from 48.0 to 45.1 showing solid collection activity.

** Inventory Cover Days ratio is used as a measure of stock rotation in the business based on formula: Gross inventory / (Q4 revenue / Q4 cost of sales) x 90). There is an increase of this ratio from 54.0 days to 58.2 days, which is predominately due to supply chain issues leading to an increase in stock levels held, and delays in fulfilling customer orders.

Strategic Report *(continued)*

Key Performance Indicators *(continued)*

The reconciliation of EBITDA to Profit for the year is shown below:

	2022	2021
	£m	£m
Profit for the year	**74.1**	6.2
Taxation	**24.9**	11.4
Net interest expense	**3.3**	3.1
Depreciation of property, plant, and equipment	**24.1**	31.1
Depreciation of right of use assets	**42.7**	37.2
Amortisation of intangible assets	**27.2**	23.4
EBITDA	**196.3**	112.4

The Group EBITDA of £196.3m increased by 74.6% from the prior year as a result of the recovery from Covid-19 as well as the prior year including £67.3m expense relating to a rationalisation provision (2022: net charge £0.1m).

Net Debt to EBITDA ratio has improved to 2.7 (2021: 4.8) reflecting the recovery in operating profit. Net Debt includes external interest-bearing borrowings less cash, cash equivalents and deposits. Refer to note 32 for a reconciliation of net debt.

EBITDA Gross Interest Coverage increased from 17.0 to 25.5 as a result of the increase in EBITDA.

Non-Financial KPIs

Market Share for Office and Production copiers decreased by 2.1%, from 16.9% to 14.7% due to stock shortages arising from supply chain issues. The information relates to the years ended 31 March 2022 and 31 March 2021 respectively (Western Europe region) (Resource: IDC).

Total headcount increased by 1.0% versus prior year. The increase in the average number of employees in the year is attributed mainly to the new acquisitions discussed above. The Company has continued to achieve its objectives of attracting and retaining the best people with the right capabilities, encouraging innovation, monitoring and controlling expenses, as well as sharing knowledge and best practices within the group.

	UK	**Rest of EMEA**	**Total**
Headcount 2022	2,613	12,623	15,236
Headcount 2021	2,811	12,232	15,043
Movement	(198)	391	193

Objectives and Strategies

The Board's decision making is focused around ensuring that the Group is sustainable in the long term. Each year, the Board assesses opportunities and risks for the Group. The Group Management Policy provides the guidance and direction to achieve the Mid-Term Plan and execute our growth strategies successfully.

The Group's objective is to grow sales and profitability by empowering the digital workplace for its clients. Ricoh improves workplaces using innovative technologies and services enabling businesses and individuals to work smarter.

The key strategies employed by the Group to support this objective include:

- To become a relations-based Group, which adopts a customer first approach, offering tailored hardware and software solutions to add value to businesses and create solutions that empower digital workplaces for our customers;
- To have self-motivated employees, with the right skills to sell, service and support the Group's products;
- To draw on support and innovation from the Group's internal partners in areas of research and development, manufacturing, supply chain management and central service support to help achieve the objective; and
- To strengthen the corporate brand and position the Group to support the introduction of new products to new and existing market segments.

Strategic Report *(continued)*

Objectives and Strategies *(continued)*

The Group's strategic direction includes a focus on growth of the Office Service segment by acquisition. Ricoh's acquisition strategy therefore represents a key part of the Group's direction and business decisions. The acquisition strategy is based on four pillars having as the target to empower the Digital workplace and transformation of the business into a Digital Service Company:

- To strengthen service offerings in existing locations and expand coverage to new geographical areas enabling Ricoh to deliver high-end IT services across Europe
- To acquire competencies in key IT areas including Datacentre transformation, Cyber Security and associated services
- Gain specialist staff
- Driving growth in our profitable IT Services business, enhancing and enabling Ricoh's transformation into a "Digital Services Company"

Ricoh Global

The Group operates in conjunction with its parent company, Ricoh Company, Ltd ("Ricoh"). Ricoh operates worldwide in approximately 200 countries. The ultimate parent's global headquarters are in Tokyo.

Ricoh is a global technology group that has been transforming the way people work for more than 80 years. Under its corporate brand message – ***imagine. change.*** – Ricoh continues to empower companies and individuals with services and technologies that inspire innovation, enhance sustainability and boost business growth.

Over recent years Ricoh has responded to the changing demands of the modern workplace and now provides a full range of end-to-end solutions in the following core areas:

- Office solutions
- Commercial and Industrial Printing
- IT services
- Managed document services
- Communication services
- Advanced manufacturing services
- Outsourcing services
- Sustainability management services
- Application services
- Workplace services

Ricoh has a strong global direct sales and service network model which means our customers can rely on one partner for all their global needs. Ricoh Global Services provides a single point of contact on an EMEA and global basis through its teams based in EMEA, the Americas, China, Japan, and Asia Pacific. This ensures that Ricoh is working closely with its customers to meet their needs at a local and global level. For more information visit www.ricoh-europe.com/services-solutions/index.aspx.

Board Matters

During the year, Seiya Iwanaga was appointed as a Director of the Company on 1 July 2021 replacing Kyoichiro Fujimoto who resigned in the prior period on 30 September 2020.

On 1 April 2022, Nicola Downing was appointed CEO of Ricoh Europe with David Mills taking on the role of Chairman of Ricoh Europe.

Future Trends

The Group expects to continue to develop relationships with significant global customers, maintain and enhance its competitive product range, leverage strategic relationships with other business partners and develop revenue and profit opportunities.

Nicola Downing, the CEO of Ricoh Europe provided a strong message of support and solidarity to our customers and partners: "Providing the right collaboration tools to create a positive working experience for everyone, no matter where they are. After two years of 'on again, off again' restrictions, the world of work continues to evolve. Employees are rightfully looking to their employers to lead this change at work. Creating a workplace that truly embraces hybrid working is the next vital step in the journey."

Ricoh continues to actively monitor the situation regarding Covid-19. Please refer to the Risks and Uncertainties section for further details.

Strategic Report *(continued)*

Future Trends *(continued)*

With the rise of digital transformation, the traditional print market is going through a significant evolution and these market developments are part of a global business transformation which will give Ricoh a strong and healthy position in the future across every area of the market.

Ricoh is committed to providing employees with opportunities to cross and upskill where appropriate. Please refer to the Employee Engagement section for further details.

Ricoh clients, partners and employees can stay up to date with the latest news and developments from Ricoh at:

- Ricoh Europe website https://www.ricoh-europe.com/
- Facebook: www.facebook.com/ricoheurope
- Twitter: www.twitter.com/ricoheurope
- LinkedIn: https://www.linkedin.com/company/ricoh-europe
- YouTube: www.youtube.com/ricoheurope

Enabling Smarter Working

At Ricoh we believe that the greatest asset of a company is the imagination of its people. By thinking creatively and collaborating with each other, people can improve the way communities live and work together.

From the very beginning, Ricoh has been energised by this belief in the power of creative ideas. The company's founder, Kiyoshi Ichimura, nurtured a unique pool of thinkers, motivated by professional pride, who refused to be limited by tradition. They envisioned a world where information could be copied precisely and distributed at the touch of a button, a world where critical business knowledge was available anywhere, anytime.

Ricoh made this vision a reality through a potent combination of technology, engineering and quality manufacturing. Its printers, copiers and fax machines spearheaded the era of office automation and revolutionised business operations. More recently, managed document services have established Ricoh's reputation as a global document expert.

Today, Ricoh is a truly international company. It fosters genuine partnerships with its customers through exceptional standards of service. With Ricoh's technical ability and IT knowledge on their team, these companies can reduce costs, eliminate waste and streamline processes, yielding tangible benefits for their own customers.
Most importantly, by freeing employees to think creatively, and making institutional wisdom more readily available, Ricoh promotes business transformation that is profound and lasting.

Ricoh is always thinking ahead. It is designing products and services tailored to specific industries, emerging markets and businesses large and small. It is creating solutions that answer local needs and breathing new life into established forms of knowledge sharing. Through cloud computing, remote monitoring, and other innovations, Ricoh is making information more mobile, and personal. Its consumer products are also enhancing the way people interact with the world around them, whether through an award-winning line of digital cameras, or online data storage services.

Ricoh views business, society, and the planet as interconnected. It strives to be a company people are proud to work for, going beyond compliance to encourage responsible growth wherever possible. By linking its commitment to forward-thinking business strategies, it promotes development that is profitable and sustainable at customer sites as well as its own operations. Every day, all over the world, Ricoh helps people harness the power of collective imagination to enjoy a more productive, fulfilling and sustainable quality of life.
To learn more visit www.ricoh-europe.com/about-us/

Ricoh *imagine. change.*

We are always moving forward with new ideas and new ways of improving lives. Change is driven by imaginative thinking. That is the proposition of the Ricoh brand ***imagine. change***.

These two words describe the way we work with each other, the way we bring value to our customers' businesses and the way we interact with the market. They express our belief in the creative potential of individuals and organisations, and our emphasis on forward thinking and positive results. For those who want to transform their business and leverage the collective knowledge and imagination of their people, the solution is as simple as *imagine. change.* It is more than just a tagline, it is the essence of the Ricoh brand experience.

Ricoh EMEA Sponsorship

At Ricoh Europe we inspire change and positive results through the imaginative thinking of our people. It is how we bring value to our customers. With the Ricoh Sport Sponsorship and Connected Business programmes, we express our belief in the creative potential of individuals and organisations.

Strategic report *(continued)*

Ricoh Thought Leadership Reports

Through Ricoh sponsored research programmes, Ricoh Europe provides insights into the challenges of technology led change and its impacts on the workplace of the future. A series of insight and reports are available at www.ricoh-europe.com/insights.

Recent papers focus on the opportunities to establish more agile and flexible businesses, as well as megatrends such as digital transformation, hybrid working and the future of work. Ricoh addresses key challenges through a business size focused lens to help inform small, mid-size and enterprise leaders.

Section 172 Statement

The Board of Directors, in line with their duties under Section 172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its stakeholders as a whole, and in doing so have regard to a range of matters when making decisions for the long term to assess:

a) the likely consequences of any decision in the long term;
b) the interests of the company's employees;
c) the need to foster the company's business relationships with suppliers, customers and others;
d) the impact of the company's operations on the community and the environment;
e) the desirability of the company maintaining a reputation for high standards of business conduct; and
f) the need to act fairly between members of the company.

Through an open and transparent dialogue with our key stakeholders, we have been able to develop a clear understanding of their needs, assess their perspectives and monitor their impact on our strategic ambition and culture. As part of the Board's decision-making process, the Board and its Committees consider the potential impact of decisions on relevant stakeholders while also having regard to a number of broader factors, including the impact of the Company's operations on the community and environment, responsible business practices and the likely consequences of decision in the long term.

The relevant Directors' Section 172 obligations addressed in the Strategic Report are as follows:

Section 172 obligations	Relevant Strategic Report Reference Section	Summary
a)	- Our Business Summary (page 2) - Objectives and Strategies (page 4) - Enabling Smarter Working (page 6) - Risks and Uncertainties (page 8)	Ricoh is committed to provide the highest quality equipment and services to its customers. The Board is responsible for ensuring that the Group is sustainable in the long term. The Board assess opportunities for growing and future trends and manages risks and uncertainties raised from the complex business environment.
b)	- Employee Engagement (pages 12-17)	The Company is committed to being a responsible business. Ricoh's employees are at the heart of our business and a central pillar for Ricoh transformation and growth following "People First" strategy, promotion engagement and two-way dialogue. The Board places considerable value on communicating with its employees and has continued to keep them informed on matters affecting them through the Ricoh Employee Forum (REF). The Board, in conjunction with the REF have considered the impacts on employees from three key events during the year, being the group wide restructuring plan announced in the prior year, the recovery from Covid-19 pandemic and inflationary pressures. The Board closely monitors the restructuring programme announced in the prior year, ensuring this remains necessary to protect employees of the wider group. The Board has additionally considered the impact of Covid-19 on the EMEA workforce and continues to make use of government support schemes in order to protect the livelihoods of employees. The Board has also considered external factors, such as levels of inflation, in decisions affecting employee remuneration.

Strategic Report *(continued)*

Section 172 Statement *(continued)*

Section 172 obligations	Relevant Strategic Report Reference Section	Summary
c)	- Business Relationships (pages 10-11) - Enabling Smarter Working (page 6)	Our corporate philosophy (The Ricoh Way) forms the cornerstone of how Ricoh conducts business and manages its relationships with stakeholders: Customer satisfaction is core for the business, expecting high standards from suppliers, working for employee's engagement, understanding importance of effective communication with Investors and the Community.
d)	- Corporate Social Responsibility (pages 9-10)	The management is committed to align Ricoh's activities to the United Nations Sustainable Developments Goals (SDGs), achieving the right balance between People, Planet and Prosperity.
e)	- Our Business Summary (page 2-3) - Enabling Smarter Working (page 6)	Ricoh is committed to continue providing exceptional standard of service. The Company believe the greatest assets of the company is the imagination of its people to achieve better solutions for customer whilst maintaining a high-level reputation for best practices and ethics and integrity which is a standard of the Ricoh Group.
f)	- Building Talent Through Diversity and Inclusion (pages 15-16)	Ricoh is proud to be equal opportunity employer. Inclusion and diversity are integral to Ricoh's success. Ricoh is committed to fostering a culture of inclusiveness and excellence.

Risks and Uncertainties

The key risks and uncertainties facing the Group are:

***Supply Chain Risk*:** There is an ongoing risk related to global supply chain issues, arising from chip shortages, limited ship container capacity as well as wider political factors (see political risks below). This continues to affect the ability of the Group to fulfil customer orders and has led to an increase in levels of stock held by the Group.

The Group continues to manage supply chain risk through proactive stock management, including allocation of stock to operating companies based on actual order mix and the trialling of a new global container loading efficiency programme.

Competitor risk: Failure to compete with competitors in areas including price, product range, quality and service could have an adverse effect on the Group's financial results. The Group continues to develop relationships with significant global customers, maintain and enhance its competitive product range, leverage strategic relationships with other business partners and develop revenue and profit opportunities. Please refer to Future trends and developments section for more details.

People risk: Failure to attract, retain and motivate the best people with the right capabilities at all levels of the operation would be detrimental to the success of the Group. Please refer to Employee engagement section to find out how the Group manages its people risk.

Political risk: As the Group operates in multiple countries it is exposed to political risk. In February 2022, Russia invaded Ukraine which has led to sanctions being applied on Russia. As a result of this, Ricoh Europe no longer provides shipments of stock directly to its subsidiaries in Russia, *Ricoh Rus LLC* and *Ricoh Rus SCM LLC.* This has had limited impact on the Group's performance in the current year but is expected to adversely affect Group performance in the year ending March 2023. This conflict has also exacerbated supply chain issues and inflationary pressures, which may also affect the Group's future financial performance.
The Group continues to closely monitor developments in the UK political arena, and the external economic environment.

Strategic Report *(continued)*

Risks and Uncertainties *(continued)*

Financial risk management

Foreign currency risk: Certain forecast transactions and assets are exposed to foreign currency risk. The risk is managed by forward and swap contracts to lock in exchange rates, and offsetting exposure by matching assets and liabilities within the Group, thereby reducing volatility. In the opinion of the directors, our policy for managing FX risk remains appropriate.

Interest rate risk: The Interest rate risk is the impact on the Group's earnings and profitability due to movement in interest rates. The risk is managed by the Treasury desk through the selection of interest rate periods associated with internal loans to maintain interest margins.

An interest rate benchmark reform process was completed in the year. The Group considered the impact in each of the following areas and assessed where documents or arrangements could contain reference to Libor or other IBOR: i) external counterparties ii) internal counterparties iii) treasury documentation iv) parent documentation. The impact assessed was minimal and relevant documents were amended as required.

Credit risk: Credit risk arises principally from trade, finance lease and other receivables. The Group places a high importance on risk management and ensuring that all customers and vendors have a sound financial base. The Group monitors customer credit limits on a continual basis to minimise bad debts and maintain control. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Additional monitoring processes have been implemented since the start of the Covid-19 pandemic and remain in place.

Liquidity & cash flow risk: The Group does not have significant external long-term loans at 31 March 2022, and short-term borrowings are part of careful cash flow management process and well covered by cash balances and short-term receivables from customers with a good payment track record. The Group's non-hardware and services business generates relatively stable cash flow, reflecting the non-capital-intensive nature of the business. In addition, the ability of the Group to decrease capital expenditure and dispose of assets as necessary, supports its liquidity. To manage cash and liquidity, the Group operates a central pooling of bank balances of its subsidiaries across Europe in conjunction with its subsidiary undertaking, Ricoh Europe Finance Limited (the Treasury company) that manages exposure for the Group entities. The Group's strong relationships with financial institutions, financial risk management and financial support available from, and committed to by its ultimate parent company Ricoh Company, Ltd, underpin its liquidity. Therefore, management considers the liquidity risk as reasonably low.

Corporate Social Responsibility

Sustainability

Aligning Ricoh's business activities to the United Nations Sustainable Development Goals (SDGs) and achieving the right balance between People, Planet and Prosperity is at the heart of our approach to sustainability.

We believe that we can help resolve social issues through business. That's why, we carried out a comprehensive materiality assessment to establish which sustainability issues represented risks and/or opportunities for our business. We identified the following seven priority issues which are aligned to specific SDGs:

- Creativity from work
  We will help our customers enhance their "creativity from work" by providing them with digital technologies and services.

- Quality of Life enhancement
  As part of our Printed Memories programme, we have printed over 1,000 3D brains which are used by our charity partner Alzheimer's Research for educational purposes at events and conferences.

- Zero-carbon society
  We have launched the world's first solid-state dye-sensitized solar cell (DSSC) modules. This innovation can generate electricity from indoor light and produce new, renewable energy to allow electronics to maintain a charge.

- Circular Economy
  We have set weight targets for each of our products which has enabled us to use resources more efficiently and lower our environmental impact by making products smaller and lighter.

Strategic report *(continued)*

Corporate Social Responsibility *(continued)*

- Stakeholder engagement
  In 2019, we joined B4IG – Business for Inclusive Growth - a global CEO-led coalition of 40 companies fighting against inequalities of income and opportunities. We are members of a working group focused on bridging the digital divide to help communities that do not have adequate access to digital infrastructure, tools or skills.

- Open innovation
  We have been working with Utrecht University on its Teaching and Learning Lab which is equipped with a variety of our products including video conferencing, Theta cameras, Interactive Whiteboards and projectors. This annual programme aims to develop projects and activities to help students, professors and researchers make the best use of technology for teaching & learning.

- Diversity & Inclusion
  We are committed to creating a diverse and inclusive workplace where employees feel valued at work.

The Group publishes an annual integrated report which can be obtained from:
https://www.ricoh.com/about/integrated-report/download/

For more information on our approach to sustainability, please visit:
https://www.ricoh-europe.com/about-us/sustainability/index.html

Environment

The Group is committed to reducing the environmental impact of its own operations. It has established an Environmental Action Plan which focuses on five key pillars, meeting and exceeding key current European regulations and guidance standards:

- Energy conservation and prevention of global warming
- Resource conservation and recycling
- Pollution prevention
- Biodiversity conservation
- Enhance the basis for environmental management

We maintain certification to ISO 14001 in many locations and are in the process of standardising our approach across the region.

Charitable donations
Each year, the Group measures employee participation in charitable activities and biodiversity conversation programmes. During the year, the Group made financial donations of £0.5m (2021: £1.1m). This amount includes financial donations, labour (man-hours) and donated products converted into their monetary value.

Business Relationships

The Ricoh Way is our global corporate philosophy that encompasses our Founding Principles "Love your neighbour, Love your country, Love your work" - formulated in 1946 by our founder Kiyoshi Ichimura. This philosophy forms the cornerstones of how we do business and encourages us to constantly improve and contribute to the wellbeing of all stakeholders - including our families, customers, and society as a whole. For more information, please visit: https://www.ricoh-europe.com/about-us/values-vision-mission/index.html

Customers
Customer satisfaction is at the core of everything we do. We undertake regular customer satisfaction surveys to ensure that we continually listen to our customers, understand and respond to their needs and meet their expectations. For more information, please visit: https://www.ricoh.com/sustainability/society/consumer/

Suppliers
We expect our suppliers to comply with the standards outlined in the Ricoh Group Supplier Code of Conduct which covers topics including human rights, environmental conservation and as of 2016, a clause on the freedom of association based on the International Labour Organization (ILO) Convention. For more information, please read our Ricoh Group Supplier Code of Conduct:
https://www.ricoh.com/-/Media/Ricoh/Sites/com/csr/fair/pdf/supplier.pdf#page=1

Employees
Employee engagement is important to us. We undertake regular global Gallup employee engagement surveys which enables us to listen to our employees and implement local initiatives based on their feedback. For more information, please visit: https://www.ricoh.com/sustainability/society/labor

Strategic Report *(continued)*

Corporate Social Responsibility *(continued)*

Investors

We understand the importance of communicating effectively with our shareholders through multiple channels of communication such as our Annual General Meetings, investor meetings and financial announcements. For more information, please visit: https://www.ricoh.com/IR

Community

In 2017, we launched the Printed Memories programme in partnership with Alzheimer's Research. The programme focuses on creating a positive impact through volunteering, fundraising and raising awareness of dementia which is one of the leading causes of death in Europe. Since the start of our partnership, we have raised over £0.5m for the charity which has helped fund vital research and support families, friends and people affected by dementia.
https://www.ricoh-europe.com/about-us/sustainability

Energy and carbon reporting

We have reported on all sources of Greenhouse gas (GHG) emissions and energy usage as required under The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended.

Gas, electricity and transport fuel consumption in KWh and tCO_{2e} for the year ended 31 March 2021 and 2022

	FY2021-22[1]		FY2020-21	
	KWh	tCO_{2e}	KWh	tCO_{2e}
Transport[2]				
Fleet petrol	854,521	191	977,058	218
Fleet diesel	8,659,277	2,044	8,335,821	1,967
Business travel[3]	3,431,941	788	-	-
Transport total	12,945,739	3,023	9,312,879	2,185
Gas[4]	570,856	105	593,121	109
Electricity: location-based[5, 6]	1,228,217	261	1,172,299	273
Totals	14,744,812	3,389	11,078,299	2,567
Electricity : market-based[7]	1,228,217	0	1,172,299	10

	KWh/emp	tCO_{2e}/emp	KWh/emp	tCO_{2e}/emp
Carbon Intensity Factor[8]	6,727	1.55	4,103	0.95

1. Data is combined for sites and activities in the UK, operated by the Company and its UK subsidiary, Ricoh UK Limited.

2. Average blended biofuels conversion factors used.

3. FY2020 Ricoh business travel data not available.

4. Excludes premises where there is no gas meter.

5. Excluded premises where there is no electricity meter.

6. 2020 and 2021 UK Government published conversion factors (condensed version).

7. Electricity purchases backed by Renewable Energy Guarantees of Origin (REGO) certificates.

8. Carbon intensity based on permanent staff numbers only.

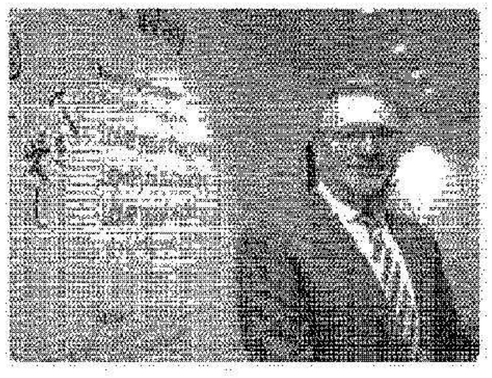
Strategic Report *(continued)*

Employee Engagement

Management's Commitment to Employee Consultation and Feedback

In Ricoh, employees are the heart of our business, and whilst technology is transforming businesses across all industries, we recognised that our people are central to our vision for Ricoh's transformation and growth.

Our "People First" strategy captures the innovative spirit of our brand and the passion of our people. We are committed to creating an engaging environment that fosters development and constructive working relationships, encourages open two-way dialogue, and recognises that the diverse ideas of our employees are critical to our effectiveness, innovation, and business results. Our Ricoh Way values reflect the ethos and qualities that will ensure success in this regard.



Investing in our people has been key to Ricoh's success throughout its history and continues to be front and centre of our strategy as we move forward."
David Mills, Chairman, Ricoh Europe

"I'm passionate about building a diverse and inclusive organisation where everyone feels comfortable to bring their true selves to work. We are always thinking about people, and we know that we must embrace the collective talents and perspectives of all individuals for our business to thrive." Nicola Downing, CEO, Ricoh Europe

As we look to the future, we want to leverage digital technology and service to boost productivity, foster creativity and help people achieve a sense of fulfilment through work, promoting engaged and energetic employees who are equipped to think beyond the scope of their current roles and responsibilities, developing skills and talents to contribute to our future growth.

Promoting Engagement and Two-way Dialogue

We endeavour to provide employees with information on matters of concern to them and to regularly encourage their engagement and feedback. This is achieved on both a transnational basis through our Ricoh Employee Forum (REF), and at a local level through Works Councils, unions, and through employee representative bodies in our Operating Companies (OpCo), working in accordance with local legislation and guidelines.

Communication forums, meetings and briefings are conducted to inform and consult with employees on a regular basis so that employees' views can be considered in making decisions which are likely to affect their interests.

In this regard, the REF continues the voluntary agreement in the sense of the Directive 2009/38/EC of the European Parliament and of the Council of 6 May 2009, on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale Groups of undertakings for the purposes of informing and consulting employees ("the Directive"), which was first signed on 15 July 1996.

Meetings of the REF Steering Committee are held weekly, with quarterly updates from the Board, and an annual training session.

The REF Steering Committee communicate regularly with delegates to provide updates and consult on topics involving two or more countries. There is also an annual REF Plenary meeting where the Board, senior management, and HR directors provide information on the Group's financial position, strategic business and HR plans, and updates on key programmes.

Strategic Report *(continued)*

Employee engagement *(continued)*

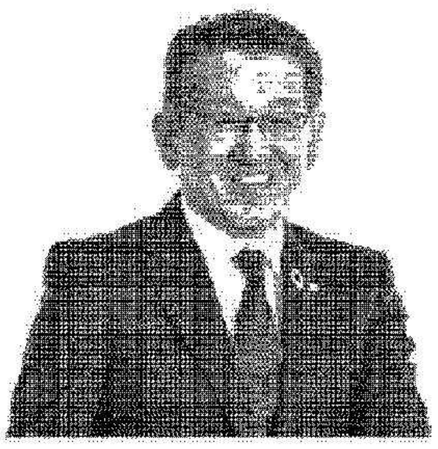
Ricoh Europe management, HR and the REF work together to:

- Promote constructive two-way dialogue related to transnational topics at a European level between management and employees, as outlined in the REF Agreement dated 21 June 2012
- Ensure information and consultation on transnational matters of importance to Ricoh Company, Ltd., within the Ricoh Europe region, which have a significant impact on the Ricoh Group, and are deemed material for maintaining and improving the Group's competitiveness by informing and exchanging views with employees
- Address the needs of Ricoh employees working across Europe for relevant and appropriate information and a discussion with management on transnational matters which affect them; and
- Ensure that its composition and operation satisfy the specific needs of the Ricoh Group by considering the Company's aims, values, and organisational structure.

Members of the REF represent Works Councils within the UK and the European Union and are elected by their peers.

In addition to the information exchange provided through the REF, local works councils, and employee representative bodies in our OpCos, all employees across EMEA have access to information on financial and economic factors affecting the performance of the Group. Through regular local business meetings, Town Hall sessions, and intranet portals, employees receive information and can provide feedback.

Ricoh Company, Ltd's corporate intranet provides direction and alignment on global goals and programmes, and regular updates on matters of importance for Ricoh's employees.



"We are always thinking about people – how to help them work more creatively and feel fulfilment from their work." – Jake Yamashita, CEO Ricoh Company Ltd

Love your neighbour: The Ricoh Way

Diversity and inclusion are more than just words for us at Ricoh – they are at the very core of our founding principles.

In fact, loving our neighbour is part of our DNA. In EMEA, we believe that all our neighbours – colleagues, customers, partners, and communities – play a vital role in our success. We value their perspectives and celebrate their achievements. We believe that diversity creates innovation, and that inclusion drives a sense of belonging.



Together, we are building a culture where all our colleagues feel that they belong, that they are engaged, and that they are empowered to attain fulfilment through work.

Investing in our People

"Engaged and self-motivated employees are at the heart of our strategy."
Bev Cunningham, SVP, Ricoh Europe Human Resources

Strategic Report *(continued)*

Employee engagement *(continued)*

In Ricoh, we will continue to operate as a responsible business, demonstrating integrity, transparency, and accountability at all times. In that context, our Diversity and Inclusion policy provides Ricoh with:

- A commitment & platform to engage our people's passion
- Accountability to our customers and stakeholders,
- The power to attract and retain the best talent,
- Credentials to win new business, and
- The opportunity to become an employer of choice and outshine the competition.

Making a positive and long-lasting impact on our people and the communities where we work and live are important to us. Ensuring we nurture a thriving, vibrant organisation, where employees can bring their whole selves to work, is at the heart of the actions we take to deliver against this commitment.

Our approach centres on attracting, developing, and empowering our employees who together enable Ricoh's success and most importantly, deliver exceptional results to our customers.

Attracting and recruiting the best people

Our recruitment processes ensure that we provide equal opportunities at all career stages. They have been established with the aim of attracting diverse and talented people.

Developing and rewarding people

Our people are central to our success and working in a diverse and inclusive culture is not only recognised as key for driving positive business growth, but also helps create wellbeing, a sense of achievement, and fulfilment.

We continue to invest heavily in career development and progression, with a range of technical, behavioural, and leadership programmes to enhance skills through customized learning opportunities and regional programmes. These include leadership programmes such as Horizon, an executive-level leadership programme; Aurora, for aspiring female senior leaders; and the launch of Mirai, Ricoh's global 'Digital Services Leaders of the Future' program.

We have invested in digital cross-skilling and up-skilling following a skills-based organisation approach to equip motivated employees with the skills to support our growth as a Digital Service Company. The initial cohorts of the Scala programme, for digital upskilling of successful service and sales delegates, has redeployed 100 graduates. 70 successful delegates from 16 Opcos have commenced SCALA 3, our third instalment of the programme, with anticipated graduation in January 2023.

Increased investment in our people's ongoing skills building and competency development equips and encourages all employees to take ownership for their development.

Empowering people to be their best

Establishing an inclusive and thriving culture is a strategic priority, and providing an environment where all employees can do their best and share their talents and innovation is supported through:

- Hybrid / remote working to create access to a new pool of talent such as people with disabilities, people in remote locations, and single parents;
- Development of diverse cross-functional international teams who are more agile, innovative, and have a broader and more diverse vision; and
- Increased ability to meet the needs of a diverse client base.

We develop our talent to deliver business success and lead the evolution of a connected, customer-centric Ricoh.

We provide a unified approach to help our people reach their potential, supported by leadership development programmes, technical and professional capability development, and the establishment of communities of practice.

Employee Engagement

We continually measure employee engagement so that we can take positive action and continue to nurture a culture where Ricoh employees enjoy work, feel motivated to do a great job, and gain recognition for their contributions.

Strategic Report *(continued)*

Employee engagement *(continued)*

In our shared commitment to the Ricoh Way, we regularly survey employees to learn their views, with 10,000+ employees in EMEA participating in our 2021 survey. Our next survey is scheduled for November 2022.

Survey results are published and reviewed at regional and local levels. Results are communicated and workshop activities are conducted that draws on the results to identify improvement action plans at the regional, business units, and team levels.

To engage, empower and enable self-motivated employees, and promote actions to increase engagement, we have continued popular programmes, workshops, and activities as follows:

The "Love My Work" initiative has implemented four common actions across the region;

- Regular all employee **Town Hall meetings** to increase communications and share information;
- **'Skip Level' Meetings** to create a transparent and open culture and improve two-way communication;
- The **Imagine. Change. Awards** to recognise individual effort and reinforce the Ricoh Way values;
- **iCoach,** which provides the structure and tools for managers and employees to have constructive one-to-one conversations around performance, development, sharing an opinion, and change; and
- **INvolve** mandatory workshops to equip all managers to have meaningful performance and developmental discussions with their teams.

Building Talent Through Diversity and Inclusion

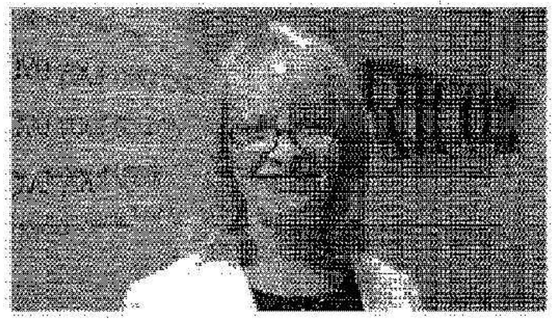
Ricoh is proud to be an equal opportunity employer and positively encourages applications from suitably qualified and eligible candidates, regardless of gender, national origin, disability, age, sexual orientation, gender reassignment, religion or belief, marital or civil partnership status, pregnancy and maternity.



Inclusion and diversity are integral to our success at Ricoh, and we believe that each of our employees, clients and stakeholders bring unique perspectives and talents. We are committed to fostering a culture of inclusiveness and excellence where individuals feel confident in bringing their whole selves to work and are empowered to demonstrate the positive behaviours which contribute fully to Ricoh's vision and goals and have set up a new Diversity and Inclusion Council to help achieve these goals.

Ricoh strives to enable fulfilment through work by continuing with programmes to create a constructive leadership culture, through regional and local management and leadership development programmes. As part of our initiatives to promote an inclusive environment across all EMEA entities, Ricoh has taken ongoing actions to increase the number of women in leadership, with outreach in all aspects of the employee lifecycle, and to support networking, collaboration, and mentoring. This includes the EMEA Women's Leadership Forum (EWLF). Established in 2019, the forum includes senior female leaders across the EMEA region, comprised of OpCo and Division CEO & Director-level women across EMEA, including alumni of "Aurora", a pan-European programme launched in January 2019 with the aim of helping female leaders at various stages in their career to develop networks.

The Women in Sales Awards programme celebrates the outstanding achievements of women in Sales roles across Europe and is helping to promote greater awareness of the need for gender diversity in sales and in executive leadership teams, encouraging women to enter and excel in traditionally male-dominated fields.



At Ricoh, our female leadership programme has gone from strength to strength in building a network of confident and effective future business leaders. At the same time, our female mentoring programme continues to support the development of mentees' personal skills while encouraging knowledge and perspective sharing with mentors (both male and female). We have also kept the UN's Sustainable Development Goals (SDGs) at the heart of our business strategy. This includes SDG #5 to 'achieve gender equality and empower all women and girls'.
Nicola Downing, CEO, Ricoh Europe

Strategic Report *(continued)*

Employee engagement *(continued)*

We continue to sponsor programmes that develop the talents, background and capabilities of individuals and teams, and enhance our outreach and external networks through cross-company, cross-sector mentoring, coaching, and networking programmes. Four cohorts have participated since 2016, and in 2020, we broadened our focus by introducing the Mission INCLUDE programme, with the focus to create change, advancement, and inclusion beyond gender, championing diverse talent and inclusion across the organisation. Our newly created Diversity and Inclusion Council is actively involved in promoting activities and events to ensure a continued focus on promoting these important programmes and networks.

International Women's Day (IWD) 2022

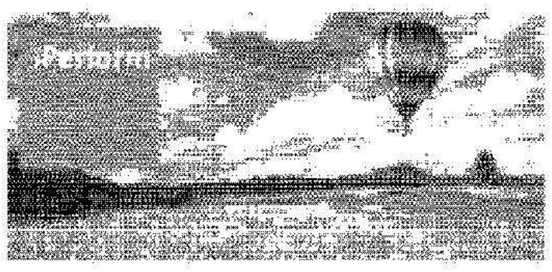
Our annual International Women's Day activities exemplifies Ricoh's commitment to an inclusive culture, with over 2000+ people joining a pan-EMEA virtual event in March 2022.

The celebrations promoted the achievements of Ricoh Women and invited all Ricoh Employees to pledge how they would "Choose to Challenge," the theme of IWD 2021, encouraging us all to "choose to challenge and call out gender bias and inequality," and promote an inclusive and diverse workplace.

As a follow-up to the event, a series of "Female Leaders at Ricoh" videos were broadcast throughout March 2022, featuring alumni of the Aurora programme talking about their leadership journey, to inspire other females in their careers.

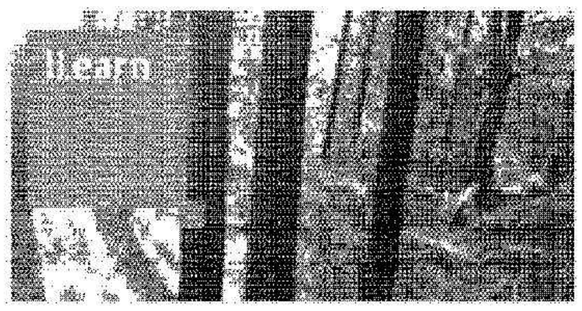
Building Culture of Commitment and Growth

Our Ricoh Way values support a culture of commitment and growth. The Ricoh Way underpins everything we do and provides a foundation for our delivery to customers globally and are reflected in our reward and recognition programmes.



Our performance management programmes seek to embed behaviours that demonstrate Ricoh Way values, and employees are encouraged to agree objectives with their managers which are aligned with the company as a whole, are personally fulfilling, and support their career development. Our iPerform platform provides a consistent framework and system across EMEA, so all employees have an equal opportunity to have meaningful performance discussions and planning with their managers.

Learning and Development resources and tools provide support through our interactive eLearning platform and portal, enabling employees to take ownership of their immediate and long-term development. Regional Sales, Technical and Corporate Academies align with the business to provide learning and skills development programmes and approaches to achieve the organisation's strategy and goals. This includes special programmes to promote up-skilling and cross-skilling of service and sales employees to support Ricoh's digital transformation, employee engagement and development, and management and leadership development.



In addition to internal development programmes that promote engagement and fulfilment at work, employees are encouraged to continue their development and service through voluntary community activities, and partnerships with external organisations. These include partnerships with external organisations, and company-sponsored programmes that are actively tackling social challenges such as the Charity Miles initiative, where 48 teams and 300 people took part, travelling an enormous 50,971 miles (approx. twice around the planet) raising money for charitable causes, including the EMEA Printed Memories programme in support of Alzheimer's Awareness and Research.

Ricoh's global mission statement states that, "We are committed to providing excellence to improve the quality of living and to drive sustainability." Inherent in this is our vision to be the most trusted global company. Our Ricoh Way values reflect the ethos and qualities that will ensure success in this regard. In alignment with Ricoh's commitment to the UN's Sustainability Development Goals (SDG's People Quality of Life goals (Goal 3, Good Health and Well-being; Goal 4, Quality Education; and Goal 11, Sustainable Cities and Communities), our Learning & Development community provide resources and tools to support leveraging of information and communication technology and distance learning.

We are cultivating essential values for Ricoh employees and building an environment that champions diversity and safe and secure workplaces and remain committed to best practices under Article 4 of the Human Rights Violation Prevention Standard of the Ricoh Group. This includes Ricoh Group's Global Whistleblowing system that all directors and employees can use to report incidents directly to Ricoh's Audit and Supervisory Board Members.

Strategic Report *(continued)*

Employee engagement *(continued)*

To support ethics and sustainability in business, annual compulsory training and refresher courses run on a regular basis to ensure that all employees are aware of our focus on ensuring business is conducted and managed through ethical and sustainable practices: this includes Code of Conduct and Environmental mandatory training, anti-Money Laundering and Information Security Management (ISMS) refreshers.

Our ISO compliance programme provides a standard and aligned Integrated Management System approach, and a single Management System for all EMEA countries and functions. The programme is aligned for all Ricoh Europe trading bodies (OpCos) and includes Information Security along with Quality and Environment (ISO27001, ISO9001 and ISO14001) certifications. This combined programme is being deployed throughout 2021 to enable consistent Compliance and Risk Management across the region.

We are also committed to promoting a work environment where people are treated with dignity and respect. These values should be reflected in the way we interact with each other, our customers and our suppliers. To ensure that we consistently demonstrate and promote these values we run interactive workshops and engagement sessions with employees on an ongoing basis.

Approved by the Board of Directors and signed by the Company Secretary on its behalf



D. Mills
Director

30 September 2022

Directors' Report

The Directors present their Annual Report on the affairs of the Group together with consolidated financial statements and auditor's report, for the year ended 31 March 2022.

The Strategic Report sets out those matters required by section 416(4) of the Companies Act 2006 to be disclosed in the Directors' Report which are considered to be of strategic importance:

- Future developments of the company
- Engagement with employees
- Engagement with suppliers, customers and others
- Energy and carbon reporting
- Financial risk management

Going concern

An assessment of the financial performance for the Group has been carried out based on the balance sheet, financing position and the potential impact of our principal risks and uncertainties.

Our balance sheet remains strong supported by robust cash collection and the Group has no significant concerns over recoverability of trade receivables due to a diverse customer base. Future cash flows and profitability are supported by healthy margins, a continued focus on cost control and the crystallisation of savings from our ongoing restructuring projects. Refer to 'Our business summary' and 'Key performance indicators' section of the Strategic Report for further details.

The Directors have prepared and reviewed a Group forecast to September 2023. The base case scenario in the Group's going concern assessment is based on the Group's most recent budget to 31 March 2023 rolled forward to September 2023, with significant effort made to assess and forecast the performance of individual operating entities and the wider Group. We expect sales to grow in the going concern period relative to the year to 31 March 2022, through improvements in supply chain issues and the acquisitive strategy with a resultant increase in operating profits. Risks and opportunities were prudently assessed and as such, the budget to 31 March 2023 forms the most reliable, relevant and holistic picture for going concern.

The Directors have also developed a reasonably possible worst-case downside scenario. This scenario forecasts that Office Printing and Commercial Printing revenues will decline by 10% from the base case scenario due to the ongoing impact of supply chain disruptions, whilst Office Services revenues will remain in line with budget as a result, of growth in the business and recent acquisitions. In addition, the downside scenario considers the possible impact of the Russia-Ukraine conflict and hyperinflation in Turkey on the business. These factors result in a reduction in revenue of 8.5% against base case.

In the going concern assessment, the Group expects to be able to call back, on demand, funds held by the ultimate parent company of €25.9m, and accordingly, has treated these amounts as available funds in the Group's net cash/(debt) assessment.

The Group forecasts, in both base case and downside scenarios, being in a net debt position for the assessed period. This is mainly attributable to outflow for settling intergroup loans, the restructuring plans with costs saving benefits being crystallised outside of our going concern assessment period, as well as outflows for uncommitted M&A activities and discretionary, undeclared dividends. As a result, the ultimate parent company has provided an uncapped committed facility such that the Group can continue to meet commitments as they fall due throughout the going concern period. In reaching conclusions over going concern, the Group has assessed the intention and ability of the ultimate parent company to provide such support.

Accordingly, the Directors consider there to be no material uncertainties that may cast significant doubt on the Group's ability to continue to operate as a going concern. The Directors have formed a judgement that there is a reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing of these Financial Statements. For this reason, they continue to adopt the going concern basis in the preparation of these Financial Statements.

Employees

Details of the number of employees and related costs can be found in note 7 to these Financial Statements.

Ricoh is an equal opportunity employer and positively encourages applications from suitably qualified and eligible candidates, regardless of sex, race, disability, age, sexual orientation, gender reassignment, religion or belief, marital or civil partnership status, or pregnancy and maternity. More details can be found in the Strategic Report. The Group is committed to giving full and fair consideration to applications for employment from people with disabilities and to continuing the employment of staff who become disabled and arranging appropriate training to achieve this.

Directors' Report *(continued)*

Accounts and Dividends

The profit for the financial year ended 31 March 2022 of £74.1m (2021: profit of £6.2m) has been transferred to reserves. A dividend of £91.9m was declared, approved and paid in the year ended 31 March 2022 to the parent company Ricoh Company Ltd (2021: £245.5m) and £0.6m was paid to non-controlling interest (2021: £0.6m). In addition to this, Ricoh Capital Limited, a subsidiary of the Company, paid a preference share of £20.4m to Ricoh Capital Solutions Limited, a non-controlling interest shareholder. As at the date of signing these financial statements, the Directors have not proposed dividends for the financial year ending 31 March 2023.

Directors

The Directors of the Company who served during the year, and up to the date of signing, were:
David Mills
Akira Oyama
Seiva Iwanaga (appointed 1 July 2021)

There were no contracts existing during, or at the end of the year in which any director is, or was, materially interested which are, or were, significant in relation to the Group's business.

Directors' Insurance and Indemnities

The Company provides indemnity arrangements for its directors and officers and the directors and officers of its subsidiaries, as listed in note 15 of these financial statements, which are qualifying third-party indemnity arrangements compliant with the requirements of the Companies Act 2006. These provisions were made during the year and remain in force at the date of this report. No claims were made during course of the year.

Post Balance Sheet Events

Refer to Note 31 for details.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

Disclosure of information to the auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Board of Directors and signed by the company secretary on its behalf



30 September 2022

D. Mills
Director

Registered Office
20 Triton Street
London NW1 3BF
Registered in England
No. 6273215

Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group financial statements in accordance with United Kingdom adopted international accounting standards. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the IASB. The directors have chosen to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing the parent company financial statements, the directors are required to:

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

In preparing the group financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the members of Ricoh Europe Holdings PLC

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Ricoh Europe Holdings plc (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2022 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 40.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining a letter of Support from the ultimate parent company, Ricoh Company Ltd;
- An assessment of the ability and intention of Ricoh Company Ltd to provide this support;
- An assessment of the cash flow forecast for 12 months from the date of signing;
- Analysing the current financing facilities including the nature of facilities and repayment terms;
- Performing sensitivity analysis on management's model; and
- Evaluating the integrity of the model used to prepare the forecasts, which includes testing of clerical accuracy of those forecasts and our assessment of the historical accuracy of forecasts prepared by management.

The group is primarily funding by intercompany debt and as such no loan covenants exist.

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 parent 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.

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

Independent auditor's report to the members of Ricoh Europe Holdings PLC *(continued)*

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and in-house legal about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, tax legislation and pension legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including significant component audit teams and relevant internal specialists such as tax, valuations, pensions and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements

Independent auditor's report to the members of Ricoh Europe Holdings PLC *(continued)*

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address them are described below:

i. Revenue recognition due to classification of leases as finance leases instead of operating leases. The procedures performed to address this risk include:
   a. Evaluation of the appropriateness of the Group's criteria for classification of leases as finance or operating;
   b. Testing of a sample of new leases in the year, assessing whether the Group's classification is appropriate, tracing to contract with customer and ensuring resulting accounting entries are accurately recorded; and
   c. Test of associated controls on classifcation of leases.

ii. Impairment of long-lived assets, including goodwill (Office Printing CGU only), pinpointed to the appropriateness of revenue growth rates used in the five-year forecast period, the terminal value growth rate and the discount rate. The procedures performed to address this risk include:
   a. Evaluation of the appropriateness of revenue growth rates in the five-year forecast period, and the terminal value growth rates, through discussions with management and our business understanding, and comparison to historical performance and external industry forecasts;
   b. Engaging of valuation audit specialists to develop independent estimates of the post-tax discount rates by benchmarking against other entities in the same industry; and
   c. Obtaining an understanding of the relevant controls in repect of the impairment reviews carried out and key review controls associated with Ricoh Europe Holdings PLC's budgeting process.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

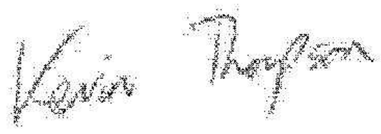
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors'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

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Ricoh Europe Holdings PLC *(continued)*

Use of our report

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



Kevin Thompson (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
1 New Street Square
London, United Kingdom

30 September 2022

Consolidated Statement of Comprehensive Income for year ended 31 March 2022

	Note	2022 £m	2021 £m
Revenue	3	**2,789.4**	2,701.3
Cost of sales		**(1,495.2)**	(1,477.7)
Gross profit		**1,294.2**	1,223.6
Selling and distribution expenses		**(1,001.2)**	(968.0)
Administrative expenses		**(170.9)**	(219.7)
Impairment loss relating to financial assets and contract assets	6	**(7.9)**	(14.3)
Impairment loss relating to right of use assets	12	**(12.8)**	(0.9)
Other income	30	**0.8**	-
Operating profit		**102.2**	20.7
Net finance costs	4	**(2.0)**	(1.0)
Net other finance costs	5	**(1.3)**	(2.1)
Dividend income		**0.1**	-
Profit before tax		**99.0**	17.6
Taxation	9	**(24.9)**	(11.4)
Profit for the year		**74.1**	6.2
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Actuarial gains/(losses) on defined benefit pension plans	23	**64.2**	(39.4)
Income tax (charge)/credit on other comprehensive income	9	**(17.7)**	10.8
Items that are reclassified subsequently to profit or loss:			
Net foreign exchange differences on translation of foreign operations		**(19.2)**	(74.8)
Other comprehensive income / (losses) for the year, net of income tax		**27.3**	(103.4)
Total comprehensive income / (losses) for the year		**101.4**	(97.2)
Profit for the year attributable to:			
Owners of the Company		**72.9**	5.7
Non-controlling interest		**1.2**	0.5
		74.1	6.2
Total comprehensive income / (losses) attributable to:			
Owners of the Company		**100.2**	(97.6)
Non-controlling interest	28	**1.2**	0.4
		101.4	(97.2)

The results above relate to continuing activities.

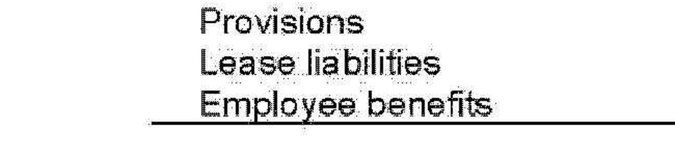
The accompanying notes on pages 29 to 78 form part of the financial statements.

Consolidated Balance Sheet

	Note	2022 £m	2021 £m
Assets			
Non-current assets			
Property, plant and equipment	10	**45.4**	52.2
Intangible assets	11	**540.6**	474.4
Right-of-use assets	12	**93.8**	118.6
Finance lease receivables	13	**429.8**	482.9
Trade and other receivables	14	**22.6**	23.2
Investments	15	**2.5**	2.4
Deferred tax assets	16	**52.8**	70.5
		1,187.5	1,224.2
Current assets			
Inventories	17	**253.9**	236.7
Finance lease receivables	13	**279.0**	297.8
Trade and other receivables	14	**1,198.7**	1,201.0
Derivative assets	25	**0.9**	2.7
Current tax assets		**39.5**	29.1
Cash and cash equivalents	18	**301.3**	256.1
		2,073.3	2,023.4
Total assets		**3,260.8**	3,247.6
Current liabilities			
Loans and borrowings	19	**(719.3)**	(674.2)
Trade and other payables	20	**(709.7)**	(630.8)
Derivative liabilities	25	**(8.4)**	(6.9)
Current tax liabilities		**(26.2)**	(21.5)
Other financial liabilities	30	**(4.4)**	(5.2)
Provisions	21	**(78.7)**	(88.4)
Lease liabilities	22	**(34.7)**	(26.3)
		(1,581.4)	(1,453.3)
Non-current liabilities			
Loans and borrowings	19	**(2.3)**	(1.6)
Trade and other payables	20	**(0.6)**	(8.0)
Deferred tax liabilities	16	**(26.8)**	(18.1)
Other financial liabilities	30	**(19.7)**	(15.6)
Provisions	21	**(26.2)**	(24.0)
Lease liabilities	22	**(70.5)**	(93.5)
Employee benefits	23	**(78.9)**	(160.2)
		(225.0)	(321.0)
Total liabilities		**(1,806.4)**	(1,774.3)
Net assets		**1,454.4**	1,473.3
Equity			
Share capital	24	**2.0**	2.0
Share premium	24	**559.5**	559.5
Merger reserve	24	**54.9**	54.9
Cumulative translation reserve		**4.2**	23.4
Retained earnings		**797.2**	797.5
Equity shareholder's funds		**1,417.8**	1,437.3
Non-controlling interest	28	**36.6**	36.0
Total equity		**1,454.4**	1,473.3

The accompanying notes on pages 29 to 78 form part of the financial statements.

These financial statements were approved by the Board of Directors on 30 September 2022 and were signed on its behalf by:



D. Mills
Director

Company registered number: 06273215

Consolidated Statement of Changes in Equity

	Share capital £m	Share premium £m	Merger reserve £m	Cumulative translation reserve £m	Retained earnings £m	Equity shareholder's funds £m	Non-controlling interest £m	Total equity £m
Balance at 1 April 2021	**2.0**	**559.5**	**54.9**	**23.4**	**797.5**	**1,437.3**	**36.0**	**1,473.3**
Profit for the year	**-**	**-**	**-**	**-**	**72.9**	**72.9**	**1.2**	**74.1**
Remeasurements of defined benefit plans (note 23)	**-**	**-**	**-**	**-**	**64.2**	**64.2**	**-**	**64.2**
Tax on other comprehensive income (note 9)	**-**	**-**	**-**	**-**	**(17.7)**	**(17.7)**	**-**	**(17.7)**
Exchange differences	**-**	**-**	**-**	**(19.2)**	**-**	**(19.2)**	**-**	**(19.2)**
Total comprehensive income for the year	**-**	**-**	**-**	**(19.2)**	**119.4**	**100.2**	**1.2**	**101.4**
Dividend paid (note 24)	**-**	**-**	**-**	**-**	**(112.3)**	**(112.3)**	**(0.6)**	**(112.9)**
Other movements	**-**	**-**	**-**	**-**	**(7.4)**	**(7.4)**	**-**	**(7.4)**
Balance at 31 March 2022	**2.0**	**559.5**	**54.9**	**4.2**	**797.2**	**1,417.8**	**36.6**	**1,454.4**

	Share capital £m	Share premium £m	Merger reserve £m	Cumulative translation reserve £m	Retained earnings £m	Equity shareholder's funds £m	Non-controlling interest £m	Total equity £m
Balance at 1 April 2020	2.0	559.5	54.9	98.1	1,062.1	1,776.6	36.2	1,812.8
Profit for the year	-	-	-	-	5.7	5.7	0.5	6.2
Remeasurements of defined benefit plans (note 23)	-	-	-	-	(39.4)	(39.4)	-	(39.4)
Tax on other comprehensive income (note 9)	-	-	-	-	10.8	10.8	-	10.8
Exchange differences	-	-	-	(74.7)	-	(74.7)	(0.1)	(74.8)
Total comprehensive income for the year	-	-	-	(74.7)	(22.9)	(97.6)	0.4	(97.2)
Dividend paid (note 24)	-	-	-	-	(245.5)	(245.5)	(0.6)	(246.1)
Other movements	-	-	-	-	3.8	3.8	-	3.8
Balance at 31 March 2021	2.0	559.5	54.9	23.4	797.5	1,437.3	36.0	1,473.3

Refer to note 24 for further details on dividends paid.

In the year ended 31 March 2022, the other movement of £7.4m (2021: credit £3.8m) is a write-off of historical tax balances no longer required.

The accompanying notes on pages 29 to 78 form part of the financial statements.

Consolidated Cash Flow Statement

	Note	2022 £m	2021 £m
Cash flows from operating activities			
Profit before tax		**99.0**	17.6
Adjustments for:			
Depreciation and amortisation	6	**94.0**	91.7
Foreign exchange losses	6	**5.1**	7.7
Loss on sale of property, plant and equipment	6	**0.1**	0.1
Impairment on right of use assets	12	**12.8**	-
Impairment of goodwill	11	**-**	0.9
Impairment on trade and other receivables	6	**7.6**	10.2
Impairment on finance lease receivables	6	**0.3**	4.1
Net finance expenses	4,5	**3.3**	3.1
Dividend income		**(0.1)**	-
(Decrease)/increase in provisions	21	**(7.8)**	56.3
Increase/(decrease) in other financial liabilities	30	**6.1**	11.3
Increase/(decrease) in fair value of derivative financial instruments	25	**3.3**	19.8
Pension related movements	23	**(19.4)**	(37.8)
Operating cash flows before working capital changes		**204.3**	185.0
Changes in:			
(Increase)/decrease in trade and other receivables	14	**(7.3)**	280.4
(Increase)/decrease in inventories	17	**(19.8)**	27.6
Decrease in finance lease receivables	13	**64.4**	43.8
Increase/(decrease) in trade and other payables	20	**88.9**	(2.2)
Cash generated from operating activities		**330.5**	534.6
Tax paid		**(36.2)**	(18.4)
Net cash from operating activities		**294.3**	516.2
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment	6,10	**4.1**	13.5
Interest received	4	**5.7**	5.6
Purchase of intangible assets, property, plant and equipment, including assets under the course of construction	10,11	**(43.0)**	(37.6)
Acquisition of subsidiaries, net of cash acquired	30	**(63.6)**	(62.0)
Dividend income		**0.1**	-
Net cash used in investing activities		**(96.7)**	(80.5)
Cash flows from financing activities			
Proceeds from/(repayment of) borrowings		**75.7**	(331.7)
Interest paid	4	**(5.2)**	(3.3)
Interest paid IFRS 16	4	**(2.5)**	(3.3)
Principal payments of obligation under IFRS 16		**(40.1)**	(40.7)
Dividend paid		**(112.9)**	(246.1)
Net cash used in financing activities		**(85.0)**	(625.1)
Net increase/(decrease) in cash and cash equivalents		**112.6**	(189.4)
Cash and cash equivalents at 1 April		**199.2**	431.3
Effect of exchange rate change on cash and cash equivalents		**(44.6)**	(42.7)
Cash and cash equivalents at 31 March	18	**267.2**	199.2

Refer to note 18 for a reconciliation between cash and cash equivalents in the consolidated balance sheet, and cash and cash equivalents in the consolidated cash flow statement.

The accompanying notes on pages 29 to 78 form part of the financial statements.

Notes to the Consolidated Financial Statements

1. Basis of Preparation

1.1. Introduction

The consolidated Group financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards as issued by the IASB. The Financial Statements have been prepared on the historical cost basis, except for certain assets and liabilities, including some financial instruments measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for the assets at the time of transaction.

Ricoh Europe Holdings PLC ("the Company") is a private company limited by shares, registered in England and Wales and incorporated in the United Kingdom. The address of the Company's registered office is 20 Triton Street, London NW1 3BF.
Ricoh Europe Holding PLC (the Company) financial statements as well as accounting policies and disclosure notes have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework"; these are presented in notes 34 to 40 of this report.

These financial statements are presented in pound sterling in decimal millions.

The significant Group accounting policies are included within the relevant notes to the Financial Statements in note 2 Application of Accounting Standards.

1.2. Basis of Consolidation

The Group Financial Statements include the results of Ricoh Europe Holdings PLC (the Company), a private company limited by shares and incorporated in the United Kingdom, and all of its subsidiary undertakings, made up to 31 March 2022. The Financial Statements of subsidiary undertakings are consolidated from the date that control passes to the Group using the acquisition method of accounting and up to the date control ceases. All transactions with subsidiaries and intercompany profits or losses are eliminated on consolidation. The consolidated financial statements are prepared on a going concern basis.

During year ended 31 March 2022, the Group made a number of significant acquisitions (see note 30 Business Combinations for the list of acquired entities and more details).

Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities, generally accompanying by a shareholding of more than half of the total shares issued and the related voting rights. As from the date that these criteria are met, the financial data of the relevant companies are consolidated.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Associates are those entities which the Group has significant influence. Significant influence is defined as, the Group has power to participate in the financial and operation policy decisions of the investee but not control or joint control over those policies. Significant influence is presumed to exist when the Group holds greater than 20% but less than 50% of the voting power of another entity unless there is evidence to the contrary.

1.3. Going Concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. This conclusion is based on review of the Group balance sheet, financing position, the potential impact of principal risks and uncertainties, a cash flow forecast prepared to September 2023, including a reasonably possible worst-case downside scenario and a letter of support provided by the ultimate parent company guaranteeing access to an uncapped, committed facility. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements. Refer to the directors' report on page 18 for further details.

Notes to the Consolidated Financial Statements *(continued)*

2. Application of Accounting Standards

2.1 Significant Accounting Policies

The significant accounting policies set out below, with the exception of those set out in note 2.2.3 Adoption of New Standards, have been applied in preparing the financial statements for the year ended 31 March 2022.

2.1.1 Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over the net of the acquisition-date fair value of the identifiable assets acquired and the liabilities assumed.

Impairment of Goodwill

Goodwill is not amortised, instead the Group tests it annually for impairment.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's Cash Generating Units (CGUs) expected to benefit from the synergies of the combination. Refer to note 11 for details of the Group's identified CGUs.

CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

The impairment test date is 31 December for all CGUs, except for Pamafe and Axon Ivy, which were both acquired in the year, and have impairment testing dates of 31 March. This is a change from the prior year, where all CGUs had an impairment test date of 31 March, except DocuWare GmbH. This change has been done to align the impairment testing date with that of the ultimate parent company.

As the impairment test date is prior to the year-end date, an evaluation of whether impairment indicators exist is performed between the impairment testing date and the year-end date, and if such indicators exist, an impairment test is performed.

2.1.2 Intangible Assets Other Than Goodwill

The Group recognises identifiable intangible assets where it is probable that future economic benefits attributable to the asset will flow to the Group, and we can reliably measure the cost of the asset. We amortise all intangible assets, other than goodwill, over their useful economic life. The method of amortisation reflects the pattern in which the assets are expected to be consumed. If the pattern cannot be determined reliably, the straight-line method is used.

Acquired Intangible Assets - Customer Relationships, brand and technology
Intangible assets such as customer relationships, brand and technology acquired through business combinations are recorded at fair value at the date of acquisition and subsequently carried at amortised cost. Assumptions are used in estimating the fair value of these relationships and contracts and include management's estimates of revenue and profits to be generated by them.

Software
Computer software comprises licences purchased from third parties and the cost of internally developed software. Computer software licences purchased from third parties are initially recognised at cost.

Assets under construction
Intangible assets in the course of construction are carried at cost, less any recognised impairment loss. Cost includes all directly attributable costs necessary to bring the asset into working condition. Amortisation of these assets commences when the assets are ready for their intended use.

See note 11 Intangible Assets for more details.

Notes to the Consolidated Financial Statements *(continued)*

2. Application of Accounting Standards *(continued)*

2.1 Significant Accounting Policies *(continued)*

Useful Life of Intangible Assets
Each class of intangible assets is examined individually for every acquisition to determine an appropriate useful life. Intangible assets amortisation is recognised over their useful lives, using the straight-line method, on the following bases:

Customer relationships and technology	-	between 3 and 20 years
Software	-	between 3 and 12 years

Impairment of intangible assets
Intangible assets with finite useful lives are tested for impairment if events or changes in circumstances (assessed at each reporting date) indicate that the carrying amount may not be recoverable. When an impairment test is performed, the recoverable amount is assessed by reference to the higher of the net present value of the expected future cash flows (value in use) of the relevant cash generating unit and fair value less costs to dispose. Refer to above note 2.1.1 for impairment of goodwill accounting policy, which includes intangible assets.

Where an impairment loss on an intangible asset subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

2.1.3 Property, Plant and Equipment

Property, plant and equipment, including assets acquired under financial leases, are included at historical costs, net of accumulated depreciation and any impairments charges. Property, plant and equipment acquired through business combinations are initially recorded at fair value and subsequently accounted for on the same basis as our existing assets.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected to arise from the continued use of the asset. The difference between the sale proceeds and the net book value at the date of disposal is recognised in operating costs. Residual values and useful lives are reassessed annually, if necessary, changes are recognised prospectively.

Depreciation is recognised in order to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives assigned to principal categories of assets are as follows:

Machinery and equipment	-	between 2 and 10 years
Fixtures and furniture	-	between 2 and 10 years
Vehicles	-	Up to 5 years
Buildings short leasehold	-	up to a maximum of the remaining non-cancellable lease period
Held for use in operating leases (as lessor)	-	between 3 and 6 years

Impairment of property, plant and equipment
We test property, plant and equipment for impairment if events or changes in circumstances (assessed at each reporting date) indicate that the carrying amount may not be recoverable. When the impairment test is performed, we assess the recoverable amount by reference to the higher of the net present value of the expected future cash flows (value in use) of relevant asset and their fair value less costs to dispose. If it is not possible to determine the recoverable amount for the individual asset, then we assess impairment by reference to the relevant cash generating unit. For more details, please refer to note 10. Refer also to above note 2.1.1 and 2.1.2 for impairment of goodwill and intangible assets, which is also relevant to property, plant and equipment.

2.1.4 Revenue Recognition

Revenue from contracts with customers
Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control over a product or service to a customer. Revenue presents amounts received or receivable for goods and other related services provided in the normal course of business, excluding intra-Group sales, trade discounts, VAT and other sales related taxes.

Notes to the Consolidated Financial Statements *(continued)*

2. Application of Accounting Standards *(continued)*

2.1 Significant Accounting Policies *(continued)*

The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

(a) The Group performance does not create an asset with an alternate use to the Group and the Group has an enforceable right to payment for performance completed to date.

(b) The Group performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

(c) The customer simultaneously receives and consumes the benefits provided by the Group performance as the Group performs.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied. The Group has elected to apply the output method in allocating the transaction price to performance obligations where revenue is recognised over time. Please refer to accounting policy

(d) Critical judgements in applying the Group's accounting policies.

When the Group satisfies a performance obligation by delivering the promised goods or services it creates accrued income on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to deferred revenue. There are no significant financing components as the Group receives consideration within one year after satisfying the performance obligation.

Sales of goods revenue
The Group performance obligation with respect to physical goods is to deliver and install a finished product to a customer. The transfer of control to the customer at the point of installation and customer acceptance. Revenue is recognised at that point in time.

Where a customer wishes to return goods, the Group will primarily aim to replace and remediate any issues with delivery or installation of the product ordered. If resolution is not achieved, the Group will refund the product and revise the revenue recognised accordingly.

Service revenue
Service revenues are mostly obtained from maintenance contracts that have been concluded for machines sold or leased out or from business services activities. Revenues are recognised pro-rata over the period of the contract or based on satisfaction of performance obligation. If service contracts have been invoiced in advance, the considerations are included in the balance sheet as deferred income.

Warranties
The Group makes provisions for product warranties since customers do not have the option to purchase a warranty separately, A warranty, or a part of a warranty, does not provide a customer with service in addition to the assurance that the product complies with agreed-upon specifications. Provision is made for refunds and returns based on historical rates. There are no significant amounts for warranty or other similar obligation.

Other sources of revenue
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when shareholders' rights to receive payment have been established.

Contract costs
Commission costs are incurred when obtaining a contract. Therefore, these costs that relate to performance obligations to be satisfied in future periods have been capitalised and subsequently amortised over the average lifetime of the contract.

Operating leases revenue
Revenue arising from operating leases is recognised on a straight-line basis over the period of each lease.

Notes to the Consolidated Financial Statements *(continued)*

2. Application of Accounting Standards *(continued)*

2.1 Significant Accounting Policies *(continued)*

2.1.5 IFRS 16 Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (with a lease term of 12 months or less) and leases of low value assets (less than €5k).

For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits are consumed.

The lease term is the non-cancellable period of the lease, together with:

- optional renewable periods if the lessee is reasonably certain to extend; and
- periods after an optional termination date if the lessee is reasonably certain not to terminate early.

Each lease condition is individually assessed for whether they are reasonably certain to exercise. If there are extension or termination options, each individual entity assesses weather they are reasonably certain to take the option. If yes, the lease duration includes the extended period when calculating lease liabilities. The extension and termination options are mainly included in real estate leases for offices and warehouses.

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate. The Group has used its incremental borrowing rate (IBR) to calculate the present value of the lease payments.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Notes to the Consolidated Financial Statements *(continued)*

2. Application of Accounting Standards *(continued)*

2.1 Significant Accounting Policies *(continued)*

2.1.5 IFRS 16 Leases *(continued)*

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

The Group as a Lessor

The Group enters into lease agreements as a lessor with respect of renting and leasing of office print and production print hardware equipment.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

2.1.6 Foreign Currency Translation

The consolidated financial statements are presented in Sterling which is the Company's functional and the Group's presentational currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates.

In preparing the financial statements of the Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in a foreign exchange translation reserve in respect of that operation attributable to the owners of the company are reclassified to profit or loss.

Notes to the Consolidated Financial Statements *(continued)*

2. Application of Accounting Standards *(continued)*

2.1 Significant Accounting Policies *(continued)*

2.1.6 Foreign Currency Translation *(continued)*

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

2.1.7 Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost is based on the weighted average principle and includes costs directly related to the units of production, such as direct labour, and a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods. Net realisable value represents the estimated selling price less costs to completion and appropriate selling and distribution costs.

Provision is made, where necessary, for slow moving, obsolete and defective inventories. See note 17 for details.

2.1.8 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) 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 balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows discounted at pre-tax rate that reflects current market assessment of the time value for money and risks specific to the liability.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

2.1.9 Financial Instruments

(i) Recognition

Financial assets and liabilities are recognised in balance sheet when the Group becomes party to the contractual provisions of the instrument and are initially measured at fair value. Financial instruments are recognised and derecognised on a settlement date where the purchase or sale of the instrument is under a contract whose terms require delivery of the instrument within the timeframe established by the market concerned. Transaction costs directly attributable to the acquisition of financial instruments at fair value through profit or loss are recognised immediately in profit or loss.

Financial Instruments measured fair value through profit or loss

Derivative financial instruments held by the Group primarily consist of foreign exchange forward and swap contracts used to mitigate exposure to foreign currency risk. The contracts effectively lock in a fixed rate for the purchase or sale of a currency on a future date to reduce volatility on foreign currency positions at future spot rates. The derivatives are for non-trading purpose and not in a hedge accounting relationship. Forward contracts with positive fair value are reported as financial as assets and forward contracts with negative fair value are reported as financial liabilities. Changes in fair value of the derivatives are measured using mark-to-market valuation and is recognised immediately in profit or loss.

Financial Instruments measured fair value through other comprehensive income

Equity instruments measured at fair value through other comprehensive income. The Group has made an irrevocable election to present subsequent changes in the fair value of equity instruments measured at fair value through other comprehensive income as permitted by IFRS 9.

Notes to the Consolidated Financial Statements *(continued)*

2. Application of Accounting Standards *(continued)*

2.1 Significant Accounting Policies *(continued)*

2.1.9 Financial Instruments *(continued)*

(i) Recognition *(continued)*

Trade and Other Receivables
Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Finance Lease Receivables
Finance lease receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and Other Payables
Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Other financial liabilities
Other financial liabilities represent contingent consideration for business combinations and are recognised initially at fair value. A discounted cash flow method is used to capture the present value of the Group arising from the contingent consideration. As the discounted cashflow relies on unobservable inputs, contingent consideration is classified as level 3 in the fair value hierarchy. The key inputs in the discounted cash flow are discount rates, calculated using a weight average cost of capital of the acquired company and future cash flows, which are based on forecast projections of the acquired company. Changes in either the discount rate or future projections are not expected to have a material impact on the contingent consideration recognised.

Subsequent to initial recognition they are measured at fair value through the statement of comprehensive income.

Interest-Bearing Loans
Interest-bearing loans are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash Equivalents and Bank Overdraft
The Group has arranged cash pool facilities with HSBC on behalf of its Ricoh Europe's subsidiaries as part of cash flow management. In accordance with IAS 32 'Financial Instruments: Presentation', cash balances are presented gross within cash and cash equivalents and loans and borrowings. Accounts that are overdrawn, but often fluctuate between positive and overdrawn, are presented as negative cash and cash equivalents for the purposes of the cash flow statement within loans and borrowings, as per IAS 7 'Cash flow statements'.

Cash and cash equivalents comprise current balances with banks, are subject to insignificant risk of changes in value and have an original maturity of three months or less. All are held at amortised costs on the balance sheet, equating to fair value.

(ii) Impairment of Financial Instruments

The Group has applied the simplified approach to recognise a lifetime loss allowances for expected credit losses (ECLs) on trade receivables, finance lease receivables, contract assets (as defined in IFRS 15) and intercompany receivables.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking and macroeconomic information.

For trade receivable and contract assets, the expected credit loss calculation is based on most recent three year's historic loss rate and an average credit loss rate. Please refer to note 14 Trade and Other Receivables for more details.

For finance lease receivable, the Group calculates the expected loss by assessing the actual credit losses for the last 6 years, calculating an average credit loss rate and applying it to the activations relating to the average term of the lease portfolio. See note 13 Finance Lease Receivables for more details.

Credit impaired financial assets
At each reporting date, we assess whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Notes to the Consolidated Financial Statements *(continued)*

2. Application of Accounting Standards *(continued)*

2.1 Significant Accounting Policies *(continued)*

2.1.9 Financial Instruments *(continued)*

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	This has applied for debtors past due <90 days. The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
In default	This has applied for debtors past due >=91 days. Counterparty has net liabilities or there is other evidence indicating the asset is credit impaired.	Lifetime ECL
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the company has no realistic prospect of recovery.	Amount is written off

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no realistic prospect of recovery.

2.1.10 Employee Benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) is deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of and having maturity dates approximating to the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan, reductions in future contributions to the plan or on settlement of the plan and takes into account the adverse effect of any minimum funding requirements.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement.

All actuarial gains are recognised in the period they occur directly into equity through the Statement of Comprehensive Income.

The Company is the sponsoring employer of a Group wide defined benefit pension plan. As there is no contractual agreement or stated Group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plan is recognised fully by the sponsoring employer, which is the Company. No contributions are payable by the participating entities to the Company in relation to the Group-wide defined benefit pension plan.

Notes to the Consolidated Financial Statements *(continued)*

2. Application of Accounting Standards *(continued)*

2.1 Significant Accounting Policies *(continued)*

2.1.10 Employee benefits *(continued)*

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

2.1.11 Taxation

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Such assets and liabilities are not recognised on the balance sheet if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.1.12 Non-controlling Interest

The interest of minority shareholders is stated at the non-controlling interest's proportion of the fair values of the assets and liabilities recognised.

2.1.13 IFRS 8 Operating segments

The Group is exempt from the disclosures required under IFRS 'Operating Segments', as it does not have any publicly traded securities.

2.1.14 IAS 20 Government grants and assistance

Income received in the form of government grants is accounted for under IAS 20 'Government grants' and recognised in the income statement in the period in which the associated costs for which the grants are intended to compensate are incurred. The grant income is recognised as a reduction in the corresponding expense in the income statement, at the point in time where there is reasonable assurance that the Group will comply with any associated conditions and that the grant will be received.

During the year, the Group received the government grants support packages related to wages and related taxes support. These grants were made available by several national governments in response to the Covid-19 pandemic, and included the UK Government's Coronavirus Job Retention Scheme. In addition, government support has been paid directly to employees in certain countries in response to Covid-19. Refer to note 6 for further detail.

Notes to the Consolidated Financial Statements *(continued)*
2. Application of Accounting Standards *(continued)*

2.2 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In applying the Group's accounting policies, which are described in note 2.1 Significant Accounting Policies, the Directors are required to make judgements other than those involving estimations that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

All critical judgements and key sources of estimation uncertainty are in line what those identified in the prior period. The only exception is the judgement around recognition of restructuring provision, which is no longer applicable in the current year, as the restructuring programme has commenced.

2.2.1 Critical judgements in applying the Group's accounting policies

a. Judgement in determining the timing of satisfaction of performance obligations

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. The Group has assessed that based on the contracts entered into with customers and the provisions of relevant laws and regulations, the Group recognises revenue over time in the following circumstances:

- Where contracts are entered into to provide services (print services, maintenance etc.), the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs. These will be considered as one performance obligation in line with customer expectations irrespective of the number of inputs that may be required to fulfil print service obligations.
- Where the Group's ongoing performance creates or enhances an asset (e.g. consulting services) that the customer controls as the asset is created or enhanced.
- When the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Where none of the above criteria are met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

b. Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assesses the impact of inputs costs and effort required to fulfil performance obligations agreed in a contract (see d below). This takes account of any variable consideration due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

In determining the impact of variable consideration, the Group uses the "most-likely amount" method in IFRS 15 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts. The Group track on a periodic basis the quantity of customer usage of its services in order to define elements of variable consideration to recognise as part of the contract.

c. Transfer of control in contracts with customers

In cases where the Group determines that performance obligations are satisfied at a point in time, revenue is recognised when control over the assets is transferred to the customer or benefits of the services being provided is received and consumed by the customer. It requires judgement to determine the point in time at which the performance obligation is satisfied. Indicators considered to determine the moment of the transfer of control are, but not limited to the following: right to payment, legal title, physical possession, risks and rewards of ownership and customer acceptance.

d. Allocation of transaction price to performance obligation in contracts with customers

The Group has elected to apply the output method in allocating the transaction price to performance obligations where revenue is recognised over time. The Group considers that the use of the output method, which requires revenue recognition on the basis of the Group's efforts to the satisfaction of performance obligation, provides the best reference of revenue earned to reflect benefits of services provided to the customer based on their usage of machines or Group resources over time of the contract.

Notes to the Consolidated Financial Statements *(continued)*

2. Application of Accounting Standards *(continued)*

2.2.1 Critical judgements in applying the Group's accounting policies *(continued)*

e. Judgement in classification of finance and operating leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Group takes into account both qualitative and quantitative factors when deciding how to classify a lease as finance or operating lease. Quantitative factors include the length of the lease relative to the useful lives of the assets, and the amount of guaranteed lease payments. Qualitative factors include the transfer of ownership of the assets to the customer at the end of the lease.

f. Judgement in determining cash generating units (CGUs) for testing of impairment of long-lived assets

The determination of our CGUs is judgemental. The identification of CGUs involves an assessment of whether the asset or Group of assets generate largely independent cash flow. This involves consideration of how our core assets are operated and whether these assets generate independent revenue streams. To align with the Group's strategic business operations, impairment on property, plant, equipment, goodwill, and other intangibles are allocated in cash generating units - Office Printing, Office Services, Commercial & Industrial Printing. Each non-integrated acquisition that has separate management reporting also forms its own individual CGU.

2.2.2 Key Sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

a. Pension Obligations

The cost of defined benefit pension plans and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions, which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Changes in these assumptions can have a significant impact on the projected defined benefit obligations, funding requirements and periodic costs incurred. See note 23 Employee Benefits for sensitivity analysis.

b. Estimating Value in Use for testing impairment of long-lived assets

Estimating Value in Use for Impairment Testing of Office Printing and Commercial & Industrial Printing CGUs

Our value in use calculations requires estimates in relation to uncertain items, including management's expectations of future revenue growth, operational costs, profit margins, operating cash flows, long-term growth rate and discount rate for each CGU.

Please see note 11 Intangible Assets for further details in respect of the above assumptions, including reasonably possible sensitivity scenarios and their impact on the impairment conclusions.

2.2.3 Adoption of New and Revised Standards

The following amended standards and interpretations have not or are not expected to have a significant impact on the Group's financial statements.

New and revised IFRS Standards that are effective for the current year

- Interest Rate Benchmark Reform amendments to IFRS 9 and IFRS

Notes to the Consolidated Financial Statements *(continued)*

2. Application of Accounting Standards *(continued)*

2.2.3 Adoption of New and Revised Standards *(continued)*

New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and their impact is not expected to be material.

- IFRS 17 (including the June 2020 Amendments to IFRS 17)
- Amendments to IFRS 10 and IAS 28
- Amendments to IAS 1
- Amendments to IFRS 3
- Amendments to IAS 16
- Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018-2020 Cycle
- Amendments to IAS 1 and IFRS Practice Statement 2
- Amendments to IAS 8
- Amendments to IAS 12

3. Revenue

(i) Revenue by geographical market

Year ended 31 March	**UK & Ireland 2022 £m**	**Rest of Europe 2022 £m**	**Rest of World 2022 £m**	UK & Ireland 2021 £m	Rest of Europe 2021 £m	Rest of World 2021 £m
Total revenue per region	**474.5**	**2,177.0**	**137.9**	413.4	2,177.4	110.5

(ii) Revenue by class of business

	2022 £m	2021 £m
Revenue from contract with customers	**2,070.6**	1,928.1
Leasing revenue	**718.8**	773.2
Total revenue	**2,789.4**	2,701.3

(iii) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time.

Year ended 31 March	**Timing of revenue recognition**	**2022 £m**	2021 £m
Goods	At a point in time	**726.0**	685.0
Services	Over time	**1,344.6**	1,243.1
Revenue from contracts with customers		**2,070.6**	1,928.1

(iv) Contract balances

	1 April 2021	**Decrease due to transfer to receivables**	**Increase due to cash received**	**Revenue recognised in the period**	**31 March 2022**
	£m	£m	£m	£m	£m
Contract liabilities	118.8	-	145.0	(118.8)	145.0
Contract assets	134.7	(134.7)	-	164.8	164.8

Contract asset balance as at 1 April 2020 was £175.7m and contract liabilities were £84.3m.

Notes to the Consolidated Financial Statements *(continued)*

3. Revenue *(continued)*

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on service contracts. The contract assets are transferred to receivables when they are billed.

The contract liabilities primarily relate to the advance consideration received from customers. The £118.8m recognised in contract liabilities at the beginning of the period has been recognised as revenue for the period ended 31 March 2022.

(v) Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. This will relate to fixed basic charges set out on inception in service contracts that will continue into future periods, whilst any variable usage service charges have not been included as amounts are more susceptible to factors (Customer activity) outside of The Group's influence.

	£m
Year ended 31 March 2023	206.6
1 April 2023 to 31 March 2027	206.5
1 April 2027 and thereafter	3.7

As shown in this section, the Group disclosed information in line with IFRS 15 paragraph 120 and therefore does not apply the practical expedient in IFRS 15 paragraph 121.

(vi) Contract costs

The Group has capitalised commission fees as contract costs £35.7m at 31 March 2022 (£36.9m at 31 March 2021). During the year, the amount of amortisation was £23.3m and the impairment loss recognised was £0.1m.

4. Net finance income and costs

Year ended 31 March	**2022 £m**	2021 £m
Finance income		
Interest receivable on deposits	**-**	0.1
Amounts received from Ricoh Group undertakings	**2.8**	2.5
Other interest receivable	**2.9**	3.0
	5.7	5.6
Finance costs		
Bank loans and overdrafts	**(1.0)**	(2.0)
Amounts paid to Ricoh Group undertakings	**-**	(0.1)
Other interest paid	**(4.2)**	(1.2)
Interest expense on lease liabilities IFRS 16	**(2.5)**	(3.3)
	(7.7)	(6.6)
Net finance costs	**(2.0)**	(1.0)

5. Other Finance Income and Expenses

Year ended 31 March	**2022 £m**	2021 £m
Other finance income		
Income on pension scheme assets (note 23)	**9.6**	10.4
Other finance expenses		
Interest expense on pension scheme liabilities (note 23)	**(10.9)**	(12.5)
Net other finance expenses	**(1.3)**	(2.1)

Notes to the Consolidated Financial Statements *(continued)*

6. Profit for the Year

The profit for the year has been arrived at after charging/(crediting):

Year ended 31 March	**2022 £m**	2021 £m
Employee remuneration* (note 7)	**776.8**	737.5
Depreciation of property, plant and equipment (note 10)	**24.1**	31.1
Depreciation of right of use assets (note 12)	**42.7**	37.2
Amortisation of intangible assets (note 11)	**27.2**	23.4
Impairment of intangible assets (note 11)	**-**	0.9
Impairment of right of use assets (note 12)	**12.8**	-
Impairment loss on financial assets and contract assets	**7.9**	14.3
Loss/(gain) on disposal of property, plant and equipment	**0.1**	0.1
Inventory recognised as expense in the year	**857.9**	889.2
Inventory write-down to net realisable value	**2.0**	1.8
Net restructuring charge – included in administrative expenses (note 21)	**0.1**	68.4
Research and development expenditure	**11.2**	9.8
Exchange gain on foreign currency transactions		
- Exchange loss/(gain) under IFRS 9	**17.2**	41.5
- Exchange (gain)/loss under IAS 21	**(22.3)**	(49.2)
Audit fees:		
- Audit of consolidated financial statements	**0.6**	0.6
- Audit of financial statements of subsidiaries	**2.7**	2.2
- Other audit related services	**0.5**	0.7

*The total amount of government support payroll assistance received by the Group amounted to £15.0m (2021: £53.0m) and is offset within employee costs in the consolidated statement of comprehensive income. These grants relate to support packages made available by several national governments in response to the Covid-19 pandemic, such as the UK Government's Coronavirus Job Retention Scheme. The three countries who received the largest share of relief are France £6.3m, Germany £3.7m and UK £1.9m. We used government support schemes across the business, and this has allowed us to see continued cost savings through a form of payroll support, although schemes differed in nature across countries. In addition, government support has been paid directly to employees in certain countries in response to Covid-19. The Group benefited from £9.3m of cost savings for government support paid directly to employees.

This table which splits out government assistance by Statement of Comprehensive Income line:

	2022 £m	2021 £m
Cost of sales	**6.7**	23.6
Selling and distribution expense	**6.3**	20.5
Administrative expense	**2.0**	8.9
Total	**15.0**	53.0

7. Staff Numbers and Costs

The average monthly number of full-time equivalent employees (including directors) was:

Year ended 31 March	**Number of employees 2022**	2021
Areas of employment		
Selling and distribution	**5,159**	5,147
Service	**7,704**	7,524
Administration	**2,373**	2,372
	15,236	15,043

The aggregate payroll costs of these persons were as follows:

Year ended 31 March	**2022 £m**	2021 £m
Wages and salaries	**631.6**	595.0
Social security costs	**120.3**	118.0
Pension costs - defined benefit (note 23)	**9.6**	9.7
- defined contribution (note 23)	**15.3**	14.8
	776.8	737.5

Notes to the Consolidated Financial Statements *(continued)*

8. Directors' Remuneration

Year ended 31 March	**2022 £m**	2021 £m
Directors' emoluments	**1.0**	0.9

Highest paid director:		
Directors' emoluments	**0.8**	0.7

	2022	2021
Number of directors included in money purchased pension schemes	**1**	1

Directors do not have share options and did not receive awards during the year in the form of shares under long-term incentive schemes (2021: nil). The Directors' emoluments include a £36,467 pension contribution for the highest paid Director (2021: £35,000).

9. Taxation

Recognised in the Income Statement

Year ended 31 March	**2022 £m**	2021 £m
United Kingdom corporation tax		
Corporation tax based on the profit for the year	**-**	(1.9)
Adjustments in respect of previous years	**0.3**	1.5
	0.3	(0.4)
Overseas tax		
Current year	**31.4**	29.6
Adjustments in respect of previous years	**(0.3)**	(2.9)
	31.1	26.7
Total current tax charge	**31.4**	26.3
Deferred tax (note 16)		
Origination and reversal of temporary differences	**(1.8)**	(16.9)
Change in tax rate	**(4.4)**	0.5
Adjustment in respect of previous years	**(0.3)**	1.5
Total deferred tax credit	**(6.5)**	(14.9)
Total income tax expense on profit	**24.9**	11.4

Income Tax Recognised in Other Comprehensive Income

Year ended 31 March	**2022 £m**	2021 £m
Income tax charged / (credited) directly to other comprehensive income	**17.7**	(10.8)

Income tax recognised directly in equity

	2022 £m	2021 £m
Income tax charged directly to equity	**6.5**	3.8

Reconciliation of effective tax rate

Year ended 31 March	**2022 £m**	2021 £m
The current income tax expense for the year is higher (2021: higher) than the standard rate of corporation tax in the UK of 19% (2021: 19%).		
Profit before taxation	**99.0**	17.6
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	**18.8**	3.3
Effects of:		
Expenses not deductible for tax purposes	**0.5**	2.8
Effect of tax rates in foreign jurisdictions	**10.9**	5.2
Adjustments to tax charge in respect of previous years	**(0.3)**	0.1
Effect of tax rate change on deferred tax balances	**(4.4)**	0.5
Other	**(0.6)**	(0.5)
Total income tax expense for the year	**24.9**	11.4

Notes to the Consolidated Financial Statements *(continued)*

9. Taxation *(continued)*

Factors affecting the future tax charge

On 23 September 2022 the UK Government announced that the corporation tax will remain at a rate of 19% (2021: 19%). An increase in the rate to 25%, effective 1 April 2023, had previously been enacted, however, on 23 September 2022, the UK Government announced that legislation will be introduced in due course so that the increase to 25% will not take effect and the UK corporation tax rate will remain at 19%.

10. Property, Plant, and Equipment

	Buildings short leasehold £m	Held for use operating leases £m	Machinery and equipment £m	Fixtures and furniture £m	Vehicles £m	Total £m
Cost						
At 1 April 2020	26.0	105.6	125.8	35.7	0.6	293.7
Exchange differences	(0.8)	(3.9)	(4.0)	(1.3)	-	(10.0)
Acquisition of businesses	0.1	-	1.6	0.3	0.1	2.1
Additions	1.8	16.9	8.5	5.0	0.1	32.3
Disposals	(3.0)	(20.6)	(13.9)	(6.3)	-	(43.8)
At 31 March 2021	**24.1**	**98.0**	**118.0**	**33.4**	**0.8**	**274.3**
At 1 April 2021	24.1	98.0	118.0	33.4	0.8	274.3
Exchange differences	(0.2)	(0.2)	(0.7)	(0.2)	(0.2)	(1.5)
Acquisition of businesses	0.3	0.9	0.4	0.3	0.3	2.2
Additions	1.0	16.1	3.7	1.3	0.1	22.2
Disposals	(1.3)	(15.6)	(17.8)	(4.1)	(0.1)	(38.9)
Transfers*	-	-	(5.9)	-	-	(5.9)
At 31 March 2022	**23.9**	**99.2**	**97.7**	**30.7**	**0.9**	**252.4**
Depreciation						
At 1 April 2020	19.8	80.7	97.6	31.8	0.5	230.4
Exchange differences	(0.8)	(3.3)	(3.4)	(1.2)	0.1	(8.6)
Charge for the year	2.0	15.5	10.3	3.2	0.1	31.1
Disposals	(2.0)	(14.0)	(9.9)	(4.9)	-	(30.8)
At 31 March 2021	**19.0**	**78.9**	**94.6**	**28.9**	**0.7**	**222.1**
At 1 April 2021	19.0	78.9	94.6	28.9	0.7	222.1
Exchange differences	(0.2)	(0.3)	(0.7)	(0.3)	(0.2)	(1.7)
Charge for the year	2.3	14.3	4.4	2.8	0.3	24.1
Disposals	(1.3)	(12.3)	(17.3)	(3.7)	(0.1)	(34.7)
Transfers*	-	-	(2.8)	-	-	(2.8)
At 31 March 2022	**19.8**	**80.6**	**78.2**	**27.7**	**0.7**	**207.0**
Net book value						
At 31 March 2022	**4.1**	**18.6**	**19.5**	**3.0**	**0.2**	**45.4**
At 31 March 2021	5.1	19.1	23.4	4.5	0.1	52.2

*In the year, machinery and equipment with a cost of £5.9m and accumulated depreciation of £2.8m were identified as being classified incorrectly. These amounts should have been recognised as software, and both cost and accumulated depreciation was transferred to software, recognised in note 11.

Notes to the Consolidated Financial Statements *(continued)*

11. Intangible Assets

	Customer relationships & technology £m	Goodwill £m	Software £m	Assets under construction £m	Total £m
Cost or valuation					
At 1 April 2020	140.0	419.7	303.6	-	863.3
Exchange differences	(4.5)	(10.1)	(12.3)	-	(26.9)
Acquisition of businesses	25.6	54.4	-	-	80.0
Additions	-	-	3.0	6.0	9.0
Disposals	-	-	(0.5)	-	(0.5)
At 31 March 2021	**161.1**	**464.0**	**293.8**	**6.0**	**924.9**
At 1 April 2021	161.1	464.0	293.8	6.0	924.9
Exchange differences	(3.9)	(4.5)	(2.9)	-	(11.3)
Acquisition of businesses	34.8	45.6	-	-	80.4
Additions	-	-	5.5	9.2	14.7
Disposals	-	-	(34.9)	-	(34.9)
Transfers	-	-	21.1	(15.2)	5.9
At 31 March 2022	**192.0**	**505.1**	**282.6**	**-**	**979.7**
Amortisation and impairment					
At 1 April 2020	84.0	131.9	222.6	-	438.5
Exchange differences	(2.9)	-	(9.1)	-	(12.0)
Charge for the year	9.0	-	14.4	-	23.4
Disposals	-	-	(0.3)	-	(0.3)
Impairment*	-	0.9	-	-	0.9
At 31 March 2021	**90.1**	**132.8**	**227.6**	**-**	**450.5**
At 1 April 2021	90.1	132.8	227.6	-	450.5
Exchange differences	(3.4)	(0.9)	(2.2)	-	(6.5)
Charge for the year	11.4	-	15.8	-	27.2
Disposals	-	-	(34.9)	-	(34.9)
Transfers	-	-	2.8	-	2.8
At 31 March 2022	**98.1**	**131.9**	**209.1**	**-**	**439.1**
Net book value					
At 31 March 2022	**93.9**	**373.2**	**73.5**	**-**	**540.6**
At 31 March 2021	71.0	331.2	66.2	6.0	474.4

Software

SHARE: The Group has a bespoke ERP system developed in-house. This is used across Europe by operating companies and shared service centres. As at 31 March 2022, the net book value of the asset was £54.7m and it will be fully depreciated by 2031.

Assets under construction

OSCAR is a pan-EMEA, business enablement project, designed to support Ricoh's strategy for growth by ensuring that we have the right systems, processes and technology infrastructure in place. The solution that underpins OSCAR is Oracle Fusion – a digital business platform hosted in Oracle Cloud. As at 31 March 2021, the intangible asset was under construction, with a carrying value of £6.0m. During the year, £9.2m of additions were capitalised to create a product that was ready for use in February 2022, at which point depreciation commenced. Following this date, a further £0.6m was capitalised for further enhancements to the software. As at 31 March 2022, the net book value of the asset was £15.7m and the product will be full depreciated by 2032.

Notes to the Consolidated Financial Statements *(continued)*

11. Intangible Assets *(continued)*

Identifiable Other Intangible Assets as a Result of Acquisitions

In the year ended 31 March 2022, the Group has continued to acquire companies in line with Ricoh's MTP strategy for growth to provide a portfolio of services that brings new digital offerings to the market and build geographic market coverage across the breadth of our region. The Group completed four acquisitions and recognised intangible assets for customer relationships and the brand as follows:

Acquiree Name	Intangible asset type	Intangible Asset Value at acquisition date £m
Avantage	Customer Relationship	**7.5**
Pamafe	Customer Relationship	**4.8**
Axon Ivy	Customer Relationship	**19.8**
New Office Automation (NOA)	Customer Relationship	**2.7**

Annual Impairment Testing Methodology

For the purposes of impairment testing, long-life assets (tangible assets, right-of-use assets, goodwill and intangible assets) are allocated to the cash generating units ("CGUs") and tested for impairment annually. Goodwill is not amortised, instead the Group tests it annually for impairment with the recoverable amount being the value in use.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects the time value of money. If the carrying amount of an asset or a CGU exceeds the recoverable amount, an impairment loss is recognised. The impairment loss recognised related to a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit.

At the end of each reporting period, the Group assesses whether there are any indications that an impairment loss recognised in prior periods for an asset or CGU may no longer exist or may have decreased. If any such indication exists in an asset or CGU, the recoverable amount of the asset or CGU is estimated. In cases in which the recoverable amount exceeds the carrying amount of the asset or CGU, the impairment loss is reversed. The carrying amount after the reversal of the impairment loss will not exceed the carrying amount, net of depreciation and amortisation, that would have been determined if no impairment loss had been recognised in prior years. Impairment loss recognised for goodwill is not reversed in subsequent periods.

The Group has identified the following CGUs:

- Three main CGUs according to business lines (Office Printing, Office Services and Commercial & Industrial Printing).
- 14 companies acquired representing 14 individual "Office Services - Growth" CGUs, which are managed separately and not integrated (for example, separate financial reporting and separate IT systems), with independent customer populations. This includes all new acquisitions within 2021, excluding NOA, which was hived up into its immediate parent company, Ricoh Italia SRL, following acquisition and forms part of the Office Services CGU.
- Docuware GmbH

CGUs with significant long-life assets**	Carrying amount of long-lived assets £m	Carrying amount* £m	Recoverable amount £m	Headroom £m
Office Printing	331.7	604.7	802.8	198.1
Commercial & Industrial Printing	25.3	94.6	196.1	101.5
DocuWare GmbH	128.8	90.7	486.3	395.6

**Carrying amount includes net working capital, as the recoverable amount includes changes in net working capital.*
*** The aggregate carrying amount of long-life assets for CGUs with individually insignificant long-life assets is £123.7m.*

Notes to the Consolidated Financial Statements *(continued)*

11. Intangible Assets *(continued)*

Key assumptions

The recoverable amount (value in use) is determined through the analysis of discounted cash flow forecasts, based on the Board approved budget, that takes account of the expected impact of Covid-19. The budget is extrapolated for four additional years using external market data where applicable, before application of a long-term (terminal) growth rate. Terminal value for long-term growth rate is determined based on external industry forecasts specific to the geographical location in which the CGU operates. A terminal value is then applied for future years, using long term growth rates of between -3.2% and 6.0% (2021: -3.5% to 5.0%).

Management has used a post-tax discount rate ranging between 8.1% and 10.4% (2021: 8.8% to 20.2%), equivalent to each CGU's weighted average cost of capital. This has been determined as reflecting current market assessments of the time value of money and risks specific to the industry and the Group. Individual discount rates have been applied to each CGU depending on local circumstances.

The Directors have determined that the CGU with the most significant estimation uncertainty and requiring sensitivity disclosure is Office Printing being the largest CGU. The Directors also note that the decline in headroom in the Office Printing CGU to £198.1m (2021: £295.7m) is as a result of the longer-term decline facing the Office Printing industry, as well as higher expected input costs due to inflation and supply chain issues. As a result, the Directors believe that this CGU remains a key source of estimation uncertainty as these challenges continue.

In the prior year, the Commercial & Industrial Printing CGU was also considered to have significant estimation uncertainty. However, in the current year, the Directors no longer consider there to be significant estimation uncertainty for this CGU as a result of the significant headroom of 114% along with expected longer term market growth. As a result, no sensitivity disclosures have been made for this CGU.

Management has performed sensitivity analysis on the key assumptions in the impairment model using reasonably possible changes in the key assumptions, both individually and in combination. Management has considered reasonably possible changes in key assumptions that would cause the carrying amounts of goodwill, intangible or other long-life assets to exceed the value in use for each asset.

The key assumptions made by management for the Office Printing CGU are discussed below, along with sensitivity scenarios showing the change needed in the assumption for the recoverable amount to equal the carrying value.

Assumption 1: short term cash flows including impact of principal risks and uncertainties

Office Printing
In preparing the discounted cash flow calculations for the Office Printing CGU, the Directors have considered a pessimistic scenario as at 31 March 2022 taking account of the continued impact of supply chain disruption limiting revenue growth, inflationary pressures on costs limiting growth in margin and other costs savings and a potential reduction in activity in the Russian market as a result of the Russia-Ukraine conflict, in the current financial year.

In such a scenario, assumed revenue growth has been reduced from the original budget such that revenue growth in the year-ending March 2023 is up only 1.0% on the current period which is then used as a revised base for years going forward, with external market data used to calculate revenue growth for future years. This results in the recoverable amount and headroom reducing by £144.0m from base case.

For the recoverable amount to equal the carrying value, revenue growth for the year-ending March 2023 would need to be -2.3% on the current year.

Assumption 2: long-term growth rate

Office printing
The Directors have applied a long-term growth rate of -3.2% (2021: -3.5%), based on IDC printing industry forecasts for annuity click revenues that include the impact of supply chain issues and the future outlook on printer hardware sales.

For the recoverable amount to equal the carrying value, a long-term growth rate of -10.0% would need to be used.

Assumption 3: discount rate

Office printing
The Directors have applied a post-tax discount rate of 8.4% for base case (2021: 9.6%).

The discount rate would need to increase to 12.2% for the recoverable amount to equal the carrying value.

Notes to the Consolidated Financial Statements *(continued)*

12. Right-of-use assets

Right-of-use assets

Cost	Buildings £m	Vehicles £m	Office Equipment £m	Total £m
At 1 April 2020	135.3	41.3	5.9	182.5
Exchange differences	(4.2)	(1.6)	-	(5.8)
Acquisition of businesses	1.0	0.7	-	1.7
Additions	20.9	6.0	-	26.9
Disposals	(16.2)	(6.8)	-	(23.0)
At 31 March 2021	**136.8**	**39.6**	**5.9**	**182.3**
At 1 April 2021	136.8	39.6	5.9	182.3
Exchange differences	(0.8)	(0.3)	-	(1.1)
Acquisition of businesses	2.2	1.1	-	3.3
Additions	15.8	14.9	5.0	35.7
Disposals	(34.5)	(20.4)	-	(54.9)
At 31 March 2022	**119.5**	**34.9**	**10.9**	**165.3**
Accumulated Depreciation				
At 1 April 2020	25.5	13.2	1.1	39.8
Exchange differences	(1.5)	(1.1)	-	(2.6)
Charge for the year	22.5	13.0	1.7	37.2
Disposals	(3.9)	(6.8)	-	(10.7)
At 31 March 2021	**42.6**	**18.3**	**2.8**	**63.7**
At 1 April 2021	42.6	18.3	2.8	63.7
Exchange differences	(0.4)	(0.2)	-	(0.6)
Charge for the year	26.4	12.3	4.0	42.7
Disposals	(30.8)	(16.3)	-	(47.1)
Impairment	11.5	1.3	-	12.8
At 31 March 2022	**49.3**	**15.4**	**6.8**	**71.5**
Carrying amount				
At 31 March 2022	**70.2**	**19.5**	**4.1**	**93.8**
At 31 March 2021	**94.2**	**21.3**	**3.1**	**118.6**

The Group leases several assets including buildings and vehicles, with an average lease term of 6.3 years. The average lease term for office equipment is 5 years.

During the year, an impairment of £12.8m was posted relating to impairment of the Office Services CGU. As the CGU was fully impaired in prior years, and the value in use remains below the CGU carrying amount, an impairment of long-life assets was required, which has been posted to the statement of comprehensive income.

Each lease's conditions and options are individually assessed for reasonable probability of occurrence. Extension option and termination options are mainly included in real estate leases for offices and warehouses.

Amounts recognised in the income statement

	2022 £m	2021 £m
Depreciation expense on right-of-use assets	**42.7**	37.2
Interest expense on lease liabilities	**2.5**	3.3

At 31 March 2022, the Group has no material commitment for short-term leases or low value leases.

The total cash outflow for leases amount to £40.1m (2021: £44.0m) for the reporting period.

Notes to the Consolidated Financial Statements *(continued)*

13. Finance Lease Receivables

Year ended 31 March	Minimum lease payments 2022 £m	2021 £m
Undiscounted lease payments analysed as:		
Recoverable after 12 months	**461.4**	520.3
Recoverable within 12 months	**311.1**	333.9
	772.5	854.2

	2022 £m	2021 £m
Net investment in the lease analysed as:		
Recoverable after one year	**429.8**	482.9
Recoverable within one year	**279.0**	297.8
	708.8	780.7

Disclosure required by IFRS 16

The Group entered into finance leasing arrangements as a lessor for printing machines and equipment to its customers. The average term of finance leases entered into is 4 years. During the year, the finance lease receivables decreased primarily due to reduced activations.

Residual risk on equipment under lease is not significant, because of the existence of a secondary market with respect to the equipment and existence option for an extension of arrangement with the customer.

Amounts receivable under finance leases

Year ended 31 March	2022 £m	2021 £m
Year 1	**311.1**	333.9
Year 2	**214.9**	236.5
Year 3	**146.2**	161.4
Year 4	**75.5**	89.4
Year 5	**23.9**	30.5
Onwards	**0.9**	2.5
Undiscounted lease payments	**772.5**	854.2
Less: unearned finance income	**(63.7)**	(73.5)
Present value of minimum lease payments receivable	**708.8**	780.7

The following table presents the amounts include in profit or loss.

	2022 £m	2021 £m
Gross margin on sales of machines as finance leases	**116.3**	127.0
Finance income on the net investment in finance leases	**47.9**	53.0
Total	**164.2**	180.0

Notes to the Consolidated Financial Statements *(continued)*

13. Finance Lease Receivables *(continued)*

Impairment of finance lease receivables

The Group has applied the simplified approach to recognise loss allowances for expected credit losses (ECLs) on finance lease receivables.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

For finance lease receivable, the Group calculate the expected loss by assessing the actual credit losses for the last 6 years, calculating an average credit loss rate and applying it to the Activations relating to the average term of the lease portfolio.

Additional Covid related impairment continues to be booked on top of expected credit losses. Covid related impairment has been calculated by segmenting receivables according into "Cautionary Industries" as defined by Moody's Heat Map of industry sectors more likely to be impacted by Covid losses. Specific customers were identified within these segments, for additional impairment provision.

14. Trade and Other Receivables

Year ended 31 March	**2022 £m**	2021 £m
Current		
Trade receivables	**504.7**	502.2
Amounts owed by related parties	**22.3**	42.8
Loans owed by related parties	**323.8**	349.4
Prepayments	**113.2**	109.2
Contract assets	**164.8**	134.7
Contract costs	**18.9**	20.1
VAT receivable	**20.2**	18.5
Other receivables	**30.8**	24.1
	1,198.7	1,201.0
Non-current		
Contract costs	**16.8**	16.8
Other receivables	**5.8**	6.4
Total other receivables	**22.6**	23.2

Trade receivables disclosed above are classified and measured at amortised cost and are therefore measured at amortised cost. The Directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

Trade receivables are considered past due once they have passed their contracted due date. Trade receivables are non-interest bearing and are generally on terms of 30-90 days. Receivables between related parties are due for settlement on a 30-day basis.

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on service contracts. The contract assets are transferred to receivables when they are billed.

The contract costs are related to capitalised commission fees.

The Group does not hold any collateral or other credit enhancements over any of its trade receivables nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Loans owed by related parties are unsecured interest-bearing loans with rates in between 0.59% and 3.62%. Repayment dates for the loans range from April 2022 to March 2023.

The Group recognises contract assets £164.8m (2021: £134.7m) to align with the requirements of IFRS 15.

Notes to the Consolidated Financial Statements *(continued)*

14. Trade and Other Receivables *(continued)*

Expected Credit Loss Provision

The ageing of trade receivables and allowance for bad debt at 31 March 2021 and 2022 was as follows:

Year ended 31 March	**Gross 2022 £m**	**Allowance 2022 £m**	**Net 2022 £m**
Trade receivables			
Not past due	**394.4**	**(0.6)**	**393.8**
90 days and less overdue	**101.4**	**(0.7)**	**100.7**
91-180 days overdue	**9.6**	**(2.3)**	**7.3**
181 days and more overdue	**23.9**	**(21.0)**	**2.9**
	529.3	**(24.6)**	**504.7**

Trade receivables	Gross 2021 £m	Allowance 2021 £m	Net 2021 £m
Not past due	395.0	(1.0)	394.0
90 days and less overdue	92.0	(0.4)	91.6
91-180 days overdue	12.8	(2.4)	10.4
181 days and more overdue	24.3	(18.1)	6.2
	524.1	(21.9)	502.2

Impairment of trade and other receivables

The Group has applied the simplified approach to recognise loss allowances for expected credit losses (ECLs) on trade and other applicable receivables (contract assets and other receivables). When measuring expected credit losses the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The Group calculates the ECL% based on most recent three year's historic loss rate, calculated based on an average credit loss rate.

15. Investments

Year ended 31 March	**2022 £m**	2021 £m
Cost		
At 1 April	**135.1**	141.0
Additions	**0.2**	0.3
Disposals	**(133.3)**	-
Exchange difference	**0.5**	(6.2)
At 31 March	**2.5**	135.1
Impairment		
At 1 April	**132.7**	138.7
Disposals	**(133.3)**	-
Exchange difference	**0.6**	(6.0)
At 31 March	**-**	132.7
Net Book Value	**2.5**	2.4

During the year, the liquidation of Ricoh India Limited was completed and this was classified as a disposal.

Notes to the Consolidated Financial Statements *(continued)*

15. Investments *(continued)*

The investment above are mainly comprised of investments in other entities and corporate bonds.

	2022 £m	2021 £m
Investment in Nemetschek ODD	**1.3**	1.1
Corporate bonds	**1.1**	1.1
Others	**0.1**	0.2
At 31 March 2022	**2.5**	2.4

Subsidiary undertakings

The subsidiary undertakings and other holdings of Ricoh Europe Holdings PLC at 31 March 2022 are listed on the next page along with registered address. For entities with non-controlling interests that are material, the country of registered address is also the main country where the principal business activity takes place.

Entity	**Registered Address**	**Principal Activity**	**Ordinary shares held %**
Ricoh Austria GmbH +	Thomas-Klestil Platz, 13/1/13, Vienna 1030 Austria	*	100%
Ricoh Capital Austria GmbH +	As above	Leasing	100%
Ricoh Belgium N.V. +	Medialaan 28 A, 1800 Vilvoorde, Belgium	*	100%
Ricoh Capital Belgium N.V. +	As above	Leasing	100%
Upfront SPRL	Rue de la Technique, 151400 Nivelles, Belgium	*	100%
Vector Holdings NV ^	Burchthof 8, 8580, Avelgem Belgium	*	100%
Orbid NV ^	29 Axxes Business Park Blok C, Guldensporenpark, 9820 Merelbeke, Belgium	*	100%
Ricoh Czech Republic s.r.o +	Jihlavska 1558/2114000 Praha 4, Czech Republic	*	100%
Ricoh Danmark A/S +	Delta Park 37, 2665 Vallensbaek Strand, Denmark	*	100%
Ricoh Capital Danmark A/S	As above	Leasing	100%
Ricoh UK Limited +	800 Pavilion Drive, Northampton, NN4 7YL, UK	*	100%
Ricoh Europe ASP Limited +	20 Triton Street, London NW1 3BF, UK	Service	100%
Ricoh Europe Finance Limited +	As above	Treasury	100%
Ricoh Europe PLC +	As above	Service	100%
Ricoh Capital Limited +	As above	Leasing	100%
Ricoh Finland OY +	Niittytaival 1302200 Espoo, Finland	*	100%
Ricoh Capital Finland OY +	As above	Leasing	100%
Ricoh France SAS +	7/9 Avenue Robert Schuman, Parc Icade, 94150 Rungis, France	*	100%
Ricoh Capital France SAS	As above	Leasing	100%
Rex Rotary SAS	3 rue Jesse Owens, 93631 Saint Denis La Plaine, France	*	100%
Ricoh Deutschland GmbH	Vahrenwalder Str 315, 30179 Hannover, Germany	*	100%
Ricoh Capital Deutschland GmbH	As above	Leasing	100%
Datavision Deutschland GmbH	Am Trippelsberg 45, 40589 Düsseldorf, Germany	*	100%

Notes to the Consolidated Financial Statements *(continued)*

15. Investments *(continued)*

Entity	Registered Address	Principal Activity	Ordinary shares held %
Ricoh Hungary KFT +	2040 Budaörs, Puskás Tivadar út 14, Hungary	*	100%
Ricoh Capital Hungary KFT +	2040 Budaörs, Puskás Tivadar út 14, Hungary	Leasing	100%
Ricoh Ireland Limited +	1st Floor Unit 160 - Airside Business Park , Swords, Dublin	*	100%
Ricoh Capital Ireland Limited +	As above	Leasing	100%
Ricoh Italia SRL +	Via Vittor Pisani 6, 20124 Milano, Italy	*	100%
Ricoh Capital Italia SRL +	As above	Leasing	100%
NPO Sistemi SRL^	As above	*	100%
NPO Torino Srl	Lungo Dora Pietro Colletta 81, 10153, Torino Italy	*	65%
NPO Sistemas de Informative do Brasil Ltd	Av Paulista 171, 4 Andar Bela Vista, Sao Paulo 01311-000 Brazil	*	33.8%
NPO USA Inc	c/o Ivan Gittardi CPA LLC, 234 West 39th Street, 2nd floor, New York NY 10018-4412 USA	*	65%
Esprime SRL ^^^	Via Mangili Cesare 6 20121 Milan Italy	*	16%
Mauden SRL^	Via Giorgio Stephensen 43/!, 20157 Milan, Italy	*	100%
Ricoh Luxembourg PSF Sarl +	Rue du Puits Romain, nr 37,L-8070 Bertrange, LU	*	100%
Ricoh Europe Holdings BV +	Prof. W. H. Keesomlaan 1,Amstelveen, 1183 DJ, Netherlands	Holding	100%
Ricoh Europe (Netherlands) BV	As above	Service	100%
Ricoh Europe SCM BV	Blankenweg 24,4612 RC, Bergen op Zoom, Netherlands	*	100%
Ricoh International BV	Prof. W. H. Keesomlaan 1, Amstelveen, 1183 DJ, Netherlands	*	100%
Ricoh Nederland BV	Magistratenlaan 2, 5223 MD 's-Hertogenbosch, Netherlands	*	100%
Ricoh Capital Nederland BV	As above	Leasing	100%
Avantage Groep BV	Blaak 16, 3011 TA Rotterdam	*	100%
Avantage Managed Solutions BV	As above	*	100%
Ricoh Norge AS +	Innspurten 13, allewood Oslo 0663 Norway	*	100%
Dalheim Kontormaskiner AS	Gamle Forusveien 25, 4031 Stavanger, Norway	*	27.7%
Ricoh Capital Norway AS +	Innspurten 13, allewood Oslo 0663 Norway	Leasing	100%
Ricoh Polska Sp. z.o.o. +	ul Zwirki i Wigury18A,02-092 Warsaw, Poland	*	100%
Ricoh Capital Polska Sp. z.o.o. +	As above	Leasing	100%
Simplicity SP Zoo ^	Prosta 20, 00-850 Warsaw, Poland	*	100%
Ricoh Rus LLC +^	Kozhevnicheskaya Street, House 14, Building 5, Moscow 115114, Russia Federation	*	100%
Ricoh Rus SCM LLC +^		*	100%
Ricoh Portugal Unipessoal Lda +	Via Engº Edgar Cardoso, nº 23 - 1º,4400-676 Vila	*	100%
Ricoh Lease Portugal Unipessoal Lda +	Nova de Gaia, Portugal	Leasing	100%

Notes to the Consolidated Financial Statements *(continued)*

15. Investments *(continued)*

Entity	Registered Address	Principal Activity	Ordinary shares held %
Totalstor Solucoes De Armazenmento De Dados SA ^	Estrada de Alfragide, no 67 Alfrapark - Edificio F, 2 Norte, 2610-008 Amadora, Portugal	*	100%
Pamafe Informatica Lda ^	Rua do Castrol 194 – RC 4150-241 Porto	*	100%
Pamafe 2 – Service Lda ^	As above	*	100%
Ricoh Slovakia s.r.o +	Vajnorska 100, Bratislava 831 04, Slovakia	*	100%
Ricoh South Africa (Pty) Ltd ^^	28 Milkyway Avenue, Linbro Business Park, Frankenwald, Sandton, Gauteng 2065 South Africa	*	69.9%
Ricoh Capital South Africa (Pty) Ltd +	As above	Leasing	100%
Ricoh South Africa Holdings Pty Ltd +^^	As above	Holding	92%
Ricoh South Africa Calico Holdings Pty Limited ^^	As above	Holding	46.9%
Ricoh Espana SLU. +	Avenue Cantabria 2, 28108 Alcobendas, Madrid Spain	*	100%
Ricoh Spain IT Services SLU	As above	*	100%
Ricoh Capital Spain SLU +	As above	Leasing	100%
IPM Espana SLU ^	3-5 Josefa Valcarcel Street, 28027 Madrid Spain	*	100%
Ricoh Sverige Holding AB +	Röntgenvägen 3, 171 29 SOLNA, Sweden	Holding	100%
Ricoh Sverige AB	As above	*	100%
Ricoh Capital Sverige AB	Röntgenvägen 3, 171 29 SOLNA, Sweden	Leasing	100%
Ricoh Schweiz AG +	Hertistrasse 2, CH-8304 Wallisellen, Switzerland	*	100%
Lake Solutions AG ^	Neugutstrasse 168304, Wallisellen Switzerland	*	100%
Lake Services AG ^	As above	*	100%
Ricoh Turkey Baski Cozumleri Ltd Sirketi +	Ortaklar Cad. Bahceler Sok No 20, Mecidiyekoy Istanbul, Turkey	*	100%
Ricoh Middle East FZE +	Dubai Airport Freezone,West Wing Bldg-5, B-Block, Office G43 (5W B - G43), Dubai, UAE	*	100%
Ricoh Pensions Trustee Limited +	20 Triton Street, London NW1 3BF, UK	Trustee	100%
EBM Group PLC +	As above	Dormant	100%
Ikon Pension Trustee Limited +	As above	Dormant	100%
NRG Credit Limited +	As above	Dormant	100%
NRG Group Pensions Limited +	As above	In liquidation	100%
NRG Manufacturing Limited +	As above	Dormant	100%
NRG Investments Limited +	As above	In liquidation	100%
NRG Group Limited +	As above	Holding	100%
DocuWare GmbH +	Therese-Giehse-Platz 2, 82110 Germering Germany	*	100%
DocuWare Europe GmbH	As above	*	100%
DocuWare Corp	4 Crotty Lane, Suite 200, New Windsor NY 12553 USA	*	100%
DocuWare S.L	Casp 90 30 1°, 08010 Barcelona, Spain	*	100%

Notes to the Consolidated Financial Statements *(continued)*

15. Investments *(continued)*

Entity	Registered Address	Principal Activity	Ordinary shares held %
Docuware Ltd	Chiltern Chambers, 37 St Peters Avenue, Caversham, Reading, UK	*	100%
DocuWare SARL	17 rue du Colisee, 75008 Paris, France	*	100%
Nemetschek ODD ^	11 Industrialna Str, Serdika Distr, Business Center Vasilev Plaza, Sofia 1202 Bulgaria	*	20%
Axon Ivy AG ^	Schlossi Schonegg, Wilhelmshohe 1, 6003 Luzern, Switzerland	*	100%
Axon Ivy Inc ^	101 Montgomery Street, Suite 1900, San Francisco CA 94104 USA	*	100%
Axon Ivy Pte ^	International Plaza, 10 Anson Road No 10-22, Singapore 079903 Singapore	*	100%
Ricoh Business Services Polska sp zoo +	Olivia Business Centre, Aleja Grunwaldzkia 472, Poland	Services	100%
Malta Topco Limited +	Mill Pool House, Mill Lane, Godalming, GU7 1EY, UK	*	100%
MTI Technology Group Limited	As above	*	100%
MTI Technology Limited	As above	*	100%
MTI Germany Holding GmbH	Borsigstr. 36, 65205 Wiesbaden, Germany	*	100%
MTI Technology GmbH	As above	*	100%
MTI France SAS	Parc Claude Monet 3-5 Allee de Giverny Croissy Sur Seine, 78290 France	*	100%

\+ Direct holding

* The principal activity of these subsidiary undertakings is the sale and distribution of document processing technology, the provision of service and supplies in relation to these products and facilities management.

^ Non-coterminous year end of 31 December however this entity reported as at 31 March for consolidation purposes.

^^ The minority shareholding is owned by Broad-Based Black Economic Empowerment charities. All entities are considered subsidiaries for consolidation purposes, as the Group is the principal shareholder.

^^^ Year end of 30 June.

Dalheim Kontormaskiner AS (Investment)

The Group holds a 27.7% investment stake in Dalheim Kontormaskiner. This investment is not treated as an associate because the Group does not have the power to participate in key management decisions. Dalheim Kontormaskiner AS's net assets and net income as at 31 Dec 2021 were NOK 3,680,000 and NOK 235,000 respectively.
Address: Gamle Forusveien 25, 4031, Stavanger, Norway

Nemetschek ODD 20% (Investment)

The Group holds a 20% investment stake in Nemetschek OOD. This investment is not treated as an associate because the Group does not have the power to participate in key management decisions, with no representation on the Board of Directors or other participation in key management decisions. Nemetschek ODD's net assets and net income as at 31 Dec 21 were BGN15,953k and BGN3,755k respectively.
Address: 11 Industrialna str. Serdika Distr., business center Vasilev Plaza, Sofia 1202 Bulgaria.

Group guarantee audit exemption

Two subsidiaries, MTI Technology Group Limited (Companies House registered number 10519358) and Malta Topco Limited (Companies House registered number 10518542) are taking the exemption under Companies Act 2006 section 479A relating to the audit of individual accounts.

Notes to the Consolidated Financial Statements *(continued)*

16. Deferred Tax Assets and Liabilities

Year ended 31 March	**2022 Asset**	**2022 Liability**	2021 Asset	2021 Liability	**2022 Net**	2021 Net
	£m	**£m**	£m	£m	**£m**	£m
Accelerated depreciation for tax purposes	**15.7**	**(34.0)**	13.5	(22.4)	**(18.3)**	(8.9)
Short term timing differences	**18.9**	**(6.2)**	21.9	(4.4)	**12.7**	17.5
Tax losses carried forward	**12.4**	**-**	4.6	-	**12.4**	4.6
Retirement benefit obligations	**23.9**	**(4.7)**	39.2	-	**19.2**	39.2
Deferred tax asset / (liability)	**70.9**	**(44.9)**	79.2	(26.8)	**26.0**	52.4

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes.

	2022 £m	2021 £m
Deferred tax liabilities	**(26.8)**	(18.1)
Deferred tax assets	**52.8**	70.5
Deferred tax asset/(liability)	**26.0**	52.4

Reconciliation of movements in deferred tax

	1 April 2021	**Reallocation**	**Acquisitions**	**Recognised in income statement**	**Recognised in OCI***	**Recognised in equity**	**31 March 2022**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Accelerated depreciation for tax purposes	(8.9)	1.8	(8.2)	4.2	-	(7.2)	**(18.3)**
Short term timing differences	17.5	(2.3)	-	(2.2)	(0.1)	(0.2)	**12.7**
Tax losses carried forward	4.6	-	-	7.9	-	(0.1)	**12.4**
Retirement benefit obligations	39.2	0.5	-	(3.4)	(17.6)	0.5	**19.2**
Net deferred tax asset	**52.4**	**-**	**(8.2)**	**6.5**	**(17.7)**	**(7.0)**	**26.0**

**Other Comprehensive Income*

At the balance sheet date, the Group has unused tax losses of £84.8m (2021: £32.4m) available for offset against future profits. A deferred tax asset has been recognised in respect of £50.1m of such losses (2021: £14.0m) on the basis of forecast taxable profits in the relevant jurisdictions. No deferred tax asset has been recognised in respect of the remaining £34.7m (2021: £18.4m) of such losses in other jurisdictions as it is not considered probable that there will be future taxable profits available. These losses on which no deferred tax asset has been recognised may be carried forward indefinitely.

At 31 March 2022, no deferred tax liabilities have been recognised in respect of temporary differences relating to unremitted earnings from non-UK subsidiaries because the Group is in a position to control the timing of any dividends from subsidiaries and, therefore, any tax consequences. It is probable that the temporary differences will not reverse in the foreseeable future. Under current rules, tax of £13.5m would be payable if these earnings were to be distributed to the UK.

An increase in the UK corporation tax rate to 25%, effective 1 April 2023, has been enacted and deferred tax balances in respect of UK are calculated at the increased rate substantively enacted at the balance sheet date. On 23 September 2022, the UK Government announced that the increase to 25% will not take effect and the corporation tax rate will remain at 19%. As this latest tax rate change had not been substantively enacted at the balance sheet date, the UK deferred tax balances as at 31 March 2022 are measured at appropriate rates substantively enacted at the balance sheet date. If the 19% tax rate had been used, the net UK deferred tax asset would have been £3.4m lower.

Notes to the Consolidated Financial Statements *(continued)*

17. Inventories

Year ended 31 March	**2022 £m**	2021 £m
Finished products	**253.9**	236.7

The inventory balances are net of impairment for stock obsolescence £8.0m (2021: £8.7m)

Inventory impairment movement:

	2022 £m	2021 £m
At 1 April	**8.7**	10.6
Profit and loss charge	**2.0**	1.8
Utilisation	**(2.7)**	(3.7)
At 31 March	**8.0**	8.7

18. Cash and Cash Equivalents/Bank Overdraft

Year ended 31 March	**2022 £m**	2021 £m
Bank balances	**61.6**	57.3
Call deposits	**5.1**	4.4
Pool balances	**234.6**	194.4
Cash and cash equivalents	**301.3**	256.1
Other bank and pool overdraft (note 19)	**(34.1)**	(56.9)
Cash and cash equivalents in the Cash Flow Statement	**267.2**	199.2

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value.

Although there was not an intention to offset the cash pool assets and liabilities as at 31 March, under the notional cash pooling agreement in place with the Group's bank, the value of the cash pool assets and liabilities are able to be offset against one another, should the need for those circumstances arise. The impact of this is shown in the below table:

Year ended 31 March	**2022 £m**	2021 £m
Gross pool overdraft under loans and borrowings (note 19)	**(343.8)**	(231.0)
Gross pool balance and cash equivalents (note 18)	**234.6**	194.4
Net pool balances under notional cash pooling	**(109.2)**	(36.6)

19. Loans and Borrowings

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to foreign currency risk, see note 25.

Year ended 31 March	**2022 £m**	2021 £m
Current liabilities		
Bank overdraft	**1.9**	**0.7**
Other pool overdraft under cash and cash equivalents on cashflow statement	**32.2**	56.2
Other bank and pool overdraft (note 18)	**34.1**	56.9
USD pool overdraft for finance activities	**78.0**	121.5
Other pool overdraft for finance activities	**231.7**	52.6
Loans payable to related parties	**373.5**	441.8
Obligations under finance leases	**2.0**	1.4
	719.3	674.2
Non-current liabilities		
Obligations under finance leases	**-**	1.6
Customer lease financing (secured)	**2.3**	-
	2.3	1.6

Notes to the Consolidated Financial Statements *(continued)*

19. Loans and Borrowings *(continued)*

Year ended 31 March	**2022**	2021
Obligations under finance leases	**£m**	£m
Within one year	**2.0**	1.4
In the second to fifth years inclusive	**2.3**	1.6
	4.3	3.0

Loans payable to related parties consists of unsecured repayment on demand debt, that include non-interest-bearing loans of £32.0m and interest-bearing loans of £341.5m with rates ranging from 0.2% to 0.5%.

20. Trade and Other Payables

Year ended 31 March	**2022**	2021
	£m	£m
Current		
Trade payables	**116.7**	89.1
Trade payables due to related parties	**128.3**	129.7
Other taxation and social security	**75.4**	69.4
Contract liabilities	**145.0**	118.8
Accrued expenses	**207.5**	182.2
Other payables	**36.8**	41.6
	709.7	630.8
Non-current		
Accrued expenses	**0.6**	4.3
Other payables	**-**	3.7
	0.6	8.0

The Group recognised contract liabilities £145.0m (2021: £118.8m) to align with the requirements of IFRS 15.
Trade payables between related parties are due for settlement on a 30-day basis.
Trade payables are unsecured and not subject to interest.

21. Provisions

	Commercial provisions	**Employee related provisions**	**Rationalisation and other provisions**	**Contingent Consideration**	**Total**
	£m	**£m**	**£m**	**£m**	**£m**
Balance at 1 April 2020	16.2	35.9	7.0	10.5	69.6
Transfer to other financial liabilities	-	-	-	(10.5)	(10.5)
Utilised during the year	(4.4)	(4.4)	(4.9)	-	(13.7)
Profit and loss charge	4.4	7.6	63.6	-	75.6
Profit and loss release	(3.1)	(0.8)	(1.7)	-	(5.6)
Exchange and other movements	0.1	(2.8)	(0.3)	-	(3.0)
Balance at 31 March 2021	**13.2**	**35.5**	**63.7**	**-**	**112.4**
Balance at 1 April 2021	13.2	35.5	63.7	-	112.4
Utilised during the year	(2.0)	(3.7)	(15.4)	-	(21.1)
Profit and loss charge	8.6	5.7	4.5	-	18.8
Profit and loss release	(1.7)	(3.1)	(4.4)	-	(9.2)
Exchange and other movements	(0.4)	1.2	3.2	-	4.0
Balance at 31 March 2022	**17.7**	**35.6**	**51.6**	**-**	**104.9**
Non-current	**0.3**	**3.6**	**22.3**	**-**	**26.2**
Current	**17.4**	**32.0**	**29.3**	**-**	**78.7**

Notes to the Consolidated Financial Statements *(continued)*

21. Provisions *(continued)*

Provision categories are analysed as follows:

Commercial provisions
A number of claims are made against the Group from time to time including commercial disputes. Notwithstanding the intention of the directors to defend vigorously such claims, a provision may be made in respect of these claims and associated costs where the directors believe it is probable that it will result in an outflow of resources. While commercial disputes are ongoing, there is an uncertainty in timing when these will be settled and the amount for which these will be settled. An assessment is made on case-by-case basis taking into account past experience relating to claims arising from similar events. These are disclosed as commercial provisions.

Employee related provisions
Employee related provisions relate to holiday & leave, long service awards and other post-retirement benefits. The amount and timing of utilisation of these provisions is dependent on actions of the employees, our HR policies and local legislation.

Rationalisation and other provisions
Rationalisation and other provisions relate to a provision for restructuring costs and other sundry provisions. These provisions are expected to be utilised within two years, although there remains uncertainty in the timing and amount with local regulation and laws around staff restructuring. The rationalisation provision is largely made up of expected employee redundancy payments.

22. Lease Liabilities

Year ended 31 March **Analysed as:**	**2022** **£m**	2021 £m
Non-current	**70.5**	93.5
Current	**34.7**	26.3
	105.2	119.8

Maturity analysis:	**2022** **£m**	2021 £m
Year 1	**34.7**	26.3
Year 2	**24.3**	27.4
Year 3	**17.8**	19.5
Year 4	**12.7**	14.2
Year 5 onwards	**15.7**	32.4
	105.2	119.8

23. Employee Benefits

Pension plans
The Group operates various pension schemes in respect of employees in the UK and overseas, including a number of defined benefit schemes based on final salary. The assets of the major schemes are held in separate trustee administered funds. Some of the defined benefit schemes operated by the Group, including in particular the main scheme in the UK, are closed to new entrants and to future benefit accrual.

The Group has various pension plans, which are geared to the local regulations and practices in the countries in which they operate. As these plans are designed to comply with the statutory framework, tax legislation, local customs and economic situation of the countries concerned, it follows that the nature of the plans varies from country to country. The plans are based on local legal and contractual obligations.

For the three main defined benefit pension schemes in the UK, the Company and the Trustee complete actuarial valuations every three years to assess the funding position. If there is a deficit at the valuation date, then the Company and Trustee determine an appropriate level of contributions to remove this deficit over an agreed period. The most recently completed valuations have an effective date of 31 March 2019, and contributions are targeted at removing the deficit by 2024. The Trustee and Company are in the process of finalising the 31 March 2022 actuarial valuations, with an expectation that contributions will not be required beyond 2023.An asset ceiling has not been applied.

Notes to the Consolidated Financial Statements *(continued)*

23. Employee benefits *(continued)*

The assets of the pension schemes are held in separate Trustee-administered funds. In consultation with the Company, the Trustee regularly reviews the investment strategy of the schemes with the aim of meeting benefit payments as they fall due, maintaining the funding position at an appropriate level and generating an appropriate level of investment returns. The pension schemes expose the Company to various risks, such as longevity risk, inflation risk, interest rate risk and market risk.

In 2020, the Company and Trustee agreed to make changes to the investment strategy to better manage these risks while also maintaining an appropriate level of expected investment return. The level of interest rate and inflation hedging was substantially increased by implementing a liability driven investment (LDI) strategy. This was achieved while also increasing the expected investment return by diversifying the Schemes' investments across a range of credit investments and asset managers. This strategy was selected based on the mutual risk-return appetite of the Company and Trustee. One of the Schemes also holds a buy-in policy covering a proportion of pensioner members, which also reduces interest rate, inflation, and longevity risk.

The Group also operates two unfunded post-retirement medical benefit schemes, and the related present value of net liabilities was £0.8m (2021: £0.9m) and is included in the disclosures below.

The results of full actuarial valuations of the UK main plans as at 31 March 2019, were updated by independent qualified actuaries. Full valuation was carried out for all schemes in France, Belgium, Luxembourg, Austria, Italy and Switzerland as at 31 March 2022. It is noted that the majority of the Germany schemes are unfunded and thus the Group pays benefits as they fall due.

The employer contributions agreed with the trustees following a full actuarial valuation in 2019 in relation to the UK defined benefit plans that from 1 April 2020 to 30 September 2023 the contribution will amount to £10.0m per annum. The contributions for the UK, Germany, Switzerland and the Netherlands arrangements were £19.5m, £2.6m, £2.8m and £nil respectively (2021: £37.0m, £2.7m, £3.0m and £nil respectively). The defined benefit obligations for the UK, Germany, Switzerland and the Netherlands were £348.9m, £100.2m, £99.3m and £38.0m respectively (2021: £382.6m, £115.8m, £112.6m and £42.7m).

The Company (or the Parent) is recognised as the principal employer for the UK defined benefit schemes and therefore it recognises the pension liabilities for the schemes in its balance sheet.

The net pension liability recognised:	*Group*		*Company*	
Year ended 31 March	**2022 £m**	2021 £m	**2022 £m**	2021 £m
Present value of funded defined benefit obligations	**620.2**	686.7	**347.0**	380.2
Present value of unfunded defined benefit obligations	**26.1**	36.9	**2.4**	3.2
Fair value of plan assets	**(567.6)**	(563.6)	**(367.6)**	(367.9)
Effect of asset ceiling/ onerous liability	**0.2**	0.2	**-**	-
Recognised liability for defined benefit obligations/(assets)	**78.9**	160.2	**(18.2)**	15.5

Movements in present value of defined benefit obligation:	*Group*		*Company*	
Year ended 31 March	**2022 £m**	2021 £m	**2022 £m**	2021 £m
At 1 April	**723.6**	693.2	**383.4**	353.4
Service cost				
a. Current service cost	**7.2**	7.2	**-**	-
b. Past service income	**(0.4)**	(1.0)	**-**	-
Interest expense	**10.9**	12.5	**7.9**	8.3
Cash flows				
a. Benefit payments from plan	**(23.7)**	(24.3)	**(14.6)**	(17.1)
b. Benefit payments from employer	**(3.6)**	(3.3)	**(0.2)**	(0.1)
c. Participant contributions	**2.1**	2.3	**-**	-
d. Insurance premiums for risk benefits	**(1.0)**	(0.8)	**-**	-
e. Increase due to business combination	**-**	-	**-**	-
New plans	**4.6**	2.8	**2.0**	2.0
Remeasurements				
a. Effect of changes in demographic assumptions	**(19.0)**	1.6	**(0.3)**	1.6
b. Effect of changes in financial assumptions	**(57.5)**	54.4	**(28.4)**	34.7
c. Effect of experience adjustments	**(1.9)**	1.2	**(0.4)**	0.6
Effect of changes in foreign exchange rates	**5.0**	(22.2)	**-**	-
At 31 March	**646.3**	723.6	**349.4**	383.4

Notes to the Consolidated Financial Statements *(continued)*

23. Employee Benefits *(continued)*

Movements in fair value of plan assets	*Group*		*Company*	
Year ended 31 March	**2022 £m**	2021 £m	**2022 £m**	2021 £m
At 1 April	**563.6**	528.0	**367.9**	327.7
Interest income	**9.6**	10.4	**7.8**	7.9
Cash flows				
a. Total employer contributions				
(i) Employer contributions	**24.1**	42.1	**19.3**	37.0
(ii) Employer direct benefit payments	**3.6**	3.3	**0.2**	0.1
b. Participant contributions	**2.1**	2.3	**-**	-
c. Benefit payments from plan	**(23.7)**	(24.3)	**(14.6)**	(17.1)
d. Benefit payments from employer	**(3.6)**	(3.3)	**(0.2)**	(0.1)
e. Administrative expenses paid from plan assets	**(0.3)**	(0.3)	**-**	-
f. Insurance premiums for risk benefits	**(1.0)**	(0.8)	**-**	-
Other significant events				
a. Increase due to business combination	**3.5**	-	**2.1**	-
Remeasurements				
a. Return on plan assets (excluding interest income)	**(14.2)**	17.9	**(14.9)**	12.5
Effect of changes in foreign exchange rates	**3.9**	(11.7)	**-**	(0.1)
At 31 March	**567.6**	563.6	**367.6**	367.9

The expense recognised in the income statement:	*Group*		*Company*	
Year ended 31 March	**2022 £m**	2021 £m	**2022 £m**	2021 £m
Service cost				
a. Current service cost	**7.2**	7.2	**-**	-
b. Past service cost	**(0.4)**	(1.0)	**-**	-
Total service cost	**6.8**	6.2	**-**	-
Net interest cost				
a. Interest expense on DBO	**10.9**	12.5	**7.9**	8.3
b. Interest income on plan assets	**(9.6)**	(10.4)	**(7.8)**	(7.9)
Total net interest cost	**1.3**	2.1	**0.1**	0.4
Administrative expenses and taxes	**1.5**	1.4	**-**	-
Defined benefit cost in income statement	**9.6**	9.7	**0.1**	0.4

The expense is recognised in the following P&L line items:	*Group*		*Company*	
Year ended 31 March	**2022 £m**	2021 £m	**2022 £m**	2021 £m
Administrative expenses	**8.3**	7.6	**-**	-
Other finance income	**(9.6)**	(10.4)	**(7.8)**	(7.9)
Other finance expense	**10.9**	12.5	**7.9**	8.3
	9.6	9.7	**0.1**	0.4

The actuarial (gain)/ loss recognised in OCI:	*Group*		*Company*	
Year ended 31 March	**2022 £m**	2021 £m	**2022 £m**	2021 £m
a. Effect of changes in demographic assumptions	**(19.0)**	1.6	**(0.3)**	1.6
b. Effect of changes in financial assumptions	**(57.5)**	54.4	**(28.4)**	34.7
c. Effect of experience adjustments	**(1.9)**	1.2	**(0.4)**	0.6
d. Return on plan assets (excluding interest income)	**14.2**	(17.9)	**14.9**	(12.5)
e. Changes in asset ceiling (excluding interest income)	**-**	0.1	**-**	-
Recognised in the year	**(64.2)**	39.4	**(14.2)**	24.4

Notes to the Consolidated Financial Statements *(continued)*

23. Employee Benefits *(continued)*

The fair value of the plan assets was as follows:

	Group		*Company*	
Year ended 31 March	**2022 Fair value £m**	2021 Fair value £m	**2022 Fair value £m**	2021 Fair value £m
Equities - Total	**32.7**	25.6	**0.8**	0.2
Quoted	*32.0*	*25.6*	*0.1*	*0.2*
Unquoted	*0.7*	-	*0.7*	-
Bonds – Total	**509.4**	502.2	**474.8**	464.0
Quoted	*505.6*	*484.8*	*470.8*	*446.5*
Unquoted	*3.8*	*17.4*	*4.0*	*17.5*
Insurance contracts – Total	**145.2**	153.5	**33.1**	38.4
Quoted	*2.4*	*1.8*	-	-
Unquoted	*142.8*	*151.7*	*33.1*	*38.4*
Property – Total	**16.4**	13.4	**0.1**	-
Quoted	*0.7*	*1.2*	-	-
Unquoted	*15.7*	*12.2*	*0.1*	-
Cash and cash equivalents – Total	**(138.6)**	(133.0)	**(141.2)**	(134.7)
Quoted	*(141.9)*	*(133.8)*	*(144.5)*	*(135.5)*
Unquoted	*3.3*	*0.8*	*3.3*	*0.8*
Other - Total	**2.5**	1.9	**-**	-
Quoted	*2.5*	*1.9*	-	-
	567.6	563.6	**367.6**	367.9

In the case of the funded plans, the Group ensures that the investment positions are managed to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. In order to hedge the interest and inflation risk of the schemes, the group entered into a gilt repurchase agreement during the year. This has the benefit of reducing the volatility of the funding level and therefore reducing modelled investment risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2022 consists of bonds and insurance contracts. The negative cash assets and the corresponding positive bond assets are in respect of a gilt repurchase agreement underlying one of the funds managed in the UK.

The plan assets include no assets from the Group's own financial instruments, or property occupied by, or other assets used by the Group.

Principal actuarial assumptions (expressed as weighted averages unless otherwise indicated) at the yearend were as follows:

		Group		*Company*
Year ended 31 March	**2022 %**	2021 %	**2022 %**	2021 %
Discount rate	**2.25**	1.53	**2.79**	2.09
Expected rate of return on plan assets	**2.25**	1.53	**2.79**	2.09
Inflation assumptions	**1.80-15.50**	1.50-9.00	UK RPI:3.70 UK CPI:2.90	UK RPI:3.30 UK CPI:2.50
Future salary increases	**1.0-15.50**	1.00-10.00	N/A	N/A

The weighted average duration of the defined benefit obligation is 13.2 years (2021: 15.4 years).

In valuing the liabilities of the pension fund at 31 March 2022, mortality assumptions have been made as indicated below. If life expectancy had been changed to assume that all members of the fund lived for one year longer, the value of the reported liabilities at 31 March 2022 would have increased by £22.4m before deferred tax.

The range of assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions can be expressed as equivalent to expecting a 65-year-old to live for a number of years. This life expectancy varies from plan to plan depended on the mortality table adopted, and the median life expectancy across the plans is as follows:

- Current pensioner aged 65: 21.2 years (male), 23.8 years (female).
- Future retiree upon reaching 65 in 25 years' time: 23.9 years (male), 26.7 years (female).

Notes to the Consolidated Financial Statements (continued)

23. Employee Benefits *(continued)*

The following table shows a reasonable approximation of the possible impact on the defined benefit obligation if key actuarial assumptions at 31 March are changed:

Year ended 31 March	Impact on defined benefit obligation	
	2022	2021
	£m	£m
Decrease discount rate by 25 basis points	22.0	28.0
Increase discount rate by 25 basis points	(21.0)	(27.8)
Decrease inflation assumption by 25 basis points	(8.6)	(14.2)
Increase inflation assumption by 25 basis points	8.7	12.5

The effects on each plan of a change in an assumption are weighed proportionally to the total plan obligations to determine the total impact for each assumption presented. Changes to the discount rate and inflation rate would in turn be expected to impact the Group's future service costs, interest costs and cash flows.

The Group expects to contribute approximately £18.4m to its defined benefit plans in the next financial year.

Defined contribution plans

The Group operates a number of defined contribution pension plans. The total expense relating to these plans in the current year was £15.3m (2021: £14.8m). Prepaid and accrued pension contribution costs are £5.0m and £5.0m respectively (2021: prepaid £4.3m, accrued £5.6m).

24. Share Capital and Reserves

Year ended 31 March	**2022**	2021
	Number	Number
Authorised shares	**76,000,000**	76,000,000
Allotted shares (Ordinary shares of £1.0 each)	**2,000,003**	2,000,003

	2022	2021
	£m	£m
Share capital (fully paid)	**2.0**	2.0
Share premium	**559.5**	559.5
Merger reserve	**54.9**	54.9

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. A dividend of £91.9m (£45.9 per share) was paid to Ricoh Company, Ltd., the ultimate parent, during the year ended 31 March 2022 (2021: £245.5m) and £0.6m (2021: £0.6m) was paid to non-controlling interest shareholders.

In addition to this, a dividend on preference shares of £20.4m were paid by Ricoh Capital Limited, a subsidiary of the Company, to Ricoh Capital Solutions Limited, a subsidiary of Ricoh Company, Ltd (the ultimate parent), equating to 60 pence per share.

The merger reserve arose from a Group reorganisation in 2007.

Notes to the Consolidated Financial Statements *(continued)*

25. Financial Instruments

Categories of financial instruments

Year ended 31 March	**2022 £m**	2021 £m
Financial assets measured at amortised cost		
Trade and other receivables**	**1,072.4**	1,078.1
Finance lease receivables	**708.8**	780.7
Cash and cash equivalents	**301.3**	256.1
Total financial assets measured at amortised cost	**2,082.5**	2,114.9
Financial assets measured at fair value		
Derivative assets	**0.9**	2.7
Total financial assets measured at fair value	**0.9**	2,7
Total financial assets	**2,083.4**	2,117.6
Financial liabilities measured at amortised cost		
Loans and borrowings	**721.6**	675.8
Trade and other payables***	**639.4**	569.4
Total financial liabilities measured at amortised cost	**1,361.0**	1,245.2
Financial liabilities measured at fair value		
Other financial liabilities	**24.1**	20.8
Derivative liabilities	**8.4**	6.9
Total financial liabilities measured at fair value	**32.5**	27.7
Total financial liabilities	**1,393.5**	1,272.9
Total financial instruments	**689.9**	844.7

**Trade and other receivables are excluding prepayments and contract costs.
***Trade and other payables are excluding current taxation, other taxation and social security

Maturity of Financial Liabilities

	Less than one year £m	**More than one year £m**	**2022 Total £m**	Less than one year £m	More than one year £m	2021 Total £m
Loans and borrowings	**719.3**	**2.3**	**721.6**	674.2	1.6	675.8
Trade and other payables	**638.8**	**0.6**	**639.4**	561.4	8.0	569.4
Derivative liabilities	**8.4**	**-**	**8.4**	6.9	-	6.9
Other financial liabilities	**4.4**	**19.7**	**24.1**	5.2	15.6	20.8
Total	**1,370.9**	**22.6**	**1,393.5**	1,247.7	25.2	1,272.9

Management considers that the book value of financial assets and liabilities recorded at amortised cost and their fair value are approximately equal.

All financial instruments are accounted in accordance with IFRS 9 and use Level 2 valuation technique to determine fair value: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities. The group use Level 3 valuation technique to determine the fair value of its equity investments.

Financial Risk Management Objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyses exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group seeks to minimise the effects of these risks by using derivative financial instruments to mitigate these risk exposures. The use of financial derivatives is governed by the Group's Global policies provided by the ultimate parent - Ricoh Company, Ltd. The Treasury function has suitable policies in place and controls are regularly tested e.g., to ensure J-SOX compliance. In addition, regular reviews are performed by Ricoh Group internal audit team.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Notes to the Consolidated Financial Statements *(continued)*

25. Financial Instruments *(continued)*

Derivative financial instruments held by the Group consist of foreign exchange forward and swap contracts used to mitigate exposure to foreign currency risk. Fair value measurements are derived using an independent market data service provider that uses standard valuation technique using discounted cashflow. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties. There are no significant terms and conditions that may affect the amount, timing and certainty of future cash flows.

Forward contracts with positive fair value are reported as financial assets and forward contracts with negative fair value are reported as financial liabilities. Changes in fair value of the derivatives are measured using mark-to-market valuation and is recognised immediately in profit or loss.

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

There are no significant concentrations of credit risk within the Group. The Group is exposed to a small amount of credit risk that is primarily attributable to trade receivables, finance lease receivables and cash balances. The Group's objective is to minimise this risk by carrying out credit checks where appropriate. The amount of trade and other receivables included in the balance sheet are net of a provision for bad debts. The Group has applied a simplified approach to measuring the expected impairment loss on its trade receivables, contract assets and finance lease receivables. At inception of each of those receivables, the Group has calculated an expected lifetime credit loss percentage based on historical loss rate, adjusted for market conditions. The provision for bad debt has been determined by management following a review of individual receivable accounts the value of the remaining overdue receivables and the total value of receivables not overdue. This judgement is based on prior experience and known factors at the reporting date. Receivables are written off against the provision for bad debt when management considers that the debt is no longer recoverable. Similarly, there is an allowance for finance lease receivables, based on trade receivables outstanding and a rating individual to each customer Group, which are showed net on the balance sheet. The maximum amount of exposure to credit risk is the carrying value of receivables.

Foreign currency risk
The Group is exposed to foreign exchange fluctuations due to transactions denominated in foreign currency. Financial assets and liabilities in multi-currencies such as international trade receivable/payables, intercompany loans and global cash pool give rise to foreign exchange risk. The risk is managed by Group Treasury by the use financial instruments to limit the impact of currency fluctuations. Exposure to each currency is monitored and offset by matching assets and liabilities denominated in same foreign currency within the Group and its parent company and managed principally through the use of forward and swap contracts to lock in exchange rates and thereby reduce volatility.

Interest rate risk
The Interest rate risk is the impact on the Group's earnings and profitability due to movement in interest rates. The risk is managed by the Treasury desk through the selection of interest rate periods associated with internal loans to maintain interest margins.

Market risk
Market risk is the risk that changes in market prices, such as foreign currency exchange rates, will affect the Group's income or the value of its holdings in financial instruments. The Group publishes its results in Sterling (presentation currency) but has a number of overseas businesses operating principally in Euros.

Future cashflow on derivative liabilities is expected to be £103.8m from EUR derivatives and nil from JPY derivatives in the next 12 months.

Sensitivity analysis on derivatives assets and liabilities
The fair value of derivatives assets and liabilities is exposed to volatility arising from changes in foreign exchange rates. The following table demonstrates this volatility, by showing an approximation of the possible impact from a 10% weakening/ strengthening of sterling against other currencies. The impact of current exchange movement is taken into profit before tax. The accounting treatment is explained in accounting policy note 2.1.9.

Impact on profit - increase/(decrease) Currency pair	Sterling weakening -10% £m	Sterling strengthening +10% £m
USD/Other currencies	0.8	(0.8)

Notes to the Consolidated Financial Statements *(continued)*

25. Financial Instruments *(continued)*

Foreign Currency Contracts Rates

	2022			2021		
Contract currency	**FX rate**	**Fair value**	**Contract amounts**	FX rate	Fair value	Contract amounts
		£m	**£m**		£m	£m
JPY	**159.90**	**-**	**-**	152.49	(5.6)	217.1
EUR	**0.84**	**(2.6)**	**551.3**	0.85	(0.2)	468.0
USD	**1.31**	**(4.9)**	**45.3**	1.38	0.9	734.2

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows, and matching the maturity profiles of financial assets and liabilities. In the event that the operation cash flows would not cover all the financial obligations from net positive operating cash flow, the Group will use arranged credit facilities available to meet its obligations and its ultimate parent company support.

The Group non-hardware and services business generates relatively stable cash flow, reflecting non-capital-intensive nature of the business. In addition, the ability of the Group to decrease capital expenditure and dispose assets as necessary, support its liquidity. The Group's good relationships with financial institutions and prudent financial risk management underpin its liquidity.

Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as going concern and to maintain an optimal target capital structure to reduce the cost of capital. The Group finances its operations through retained earnings and the management of working capital and has sufficient capital for its needs.

26. Operating Leases

The Group as a lessor

Operating leases, in which the Group is the lessor, related to Hardware Equipment leased to its customers with lease terms of between 0 to 5 years.

Maturity analysis of operating lease payments (undiscounted):

	2022	2021
	£m	£m
Year 1	**10.2**	12.2
Year 2	**8.3**	7.3
Year 3	**5.0**	3.7
Year 4	**2.8**	1.5
Year 5	**2.9**	0.6
Total	**29.2**	25.3

The following table presents the amounts reported in profit or loss.

	2022	2021
	£m	£m
Lease income on operating leases	**65.2**	68.9

27. Contingent Liabilities

The Group has an open matter in connection with Ricoh France's business tax audit and litigation risks assessment of added-value contribution tax (CVAE) where the French tax authorities are pursuing tax adjustments. The Appeal Court rejected the Ricoh position on 29 September 2021 and hence we are returning our technical argument to the Supreme Court for further consideration. Management's assessment is that in aggregate there remains only a possible judgement against the Ricoh position. The contingent liability disclosed of £18.5m represents an accurate representation of our expectations for the full possible amount payable. We do not consider that any permanent cash outflow is probable and therefore a provision has not been made.

Notes to the Consolidated Financial Statements *(continued)*

28. Non-controlling Interest

The balance of £36.6m (2021: £36.0m) relates to the non-controlling interest in NPO Torino Srl., and non-controlling interest of preference share in Ricoh Capital Limited.

29. Related Parties

Transactions with key management personnel
The remuneration of the key management personnel is the same as of the Directors of the Group and is set out in note 8. There were no other payments or receipts from key management personnel during the year.

	2022 £'m	2021 £'m
Sales to		
Ricoh Americas Corp	**2.2**	-
Ricoh Latin America	**0.7**	-
Other related parties	**0.2**	-
	3.1	-
Purchases from		
Ricoh Company, Ltd.	**527.3**	560.7
Ricoh UK Products Limited	**173.8**	189.0
Ricoh Industrie France S.A.S.	**21.2**	14.9
Ricoh Electronics Inc.	**6.1**	6.7
Ricoh Logistics System Company Limited	**25.5**	7.9
Ricoh Americas Corp	**6.1**	5.4
Other related parties	**-**	1.0
	760.0	785.6
Administrative expenses/(income)		
Ricoh Company, Ltd.	**(4.3)**	0.9
Ricoh UK Products Limited	**-**	0.2
	(4.3)	1.1
Interest income		
Ricoh Company, Ltd.	**2.8**	2.3
	2.8	2.3
Receivables outstanding		
Ricoh Company, Ltd.	**18.5**	27.0
Ricoh Americas Corp	**1.7**	13.7
Other related parties	**2.1**	2.1
	22.3	42.8
Loans receivable outstanding		
Ricoh Company, Ltd.	**21.8**	36.3
Ricoh Australia Pty Ltd	**62.1**	70.0
Ricoh New Zealand Ltd	**26.4**	33.5
Ricoh Latin America	**50.0**	55.7
Ricoh Taiwan Ltd	**9.2**	8.1
Ricoh Korea Ltd	**5.3**	6.4
Ricoh Manufacturing Thailand Ltd	**48.1**	-
Ricoh Americas Corp	**17.0**	-
Ricoh Thailand Ltd	**27.5**	54.7
Ricoh Asia Pacific Operation Ltd	**55.6**	84.2
Avanti Computer Systems Limited	**3.0**	3.0
Other related parties	**0.8**	0.5
	326.8	352.4
Payables outstanding		
Ricoh Company, Ltd.	**95.9**	97.0
Ricoh UK Products Limited	**26.5**	26.8
Ricoh Industrie France S.A.S.	**2.2**	2.2
Other related parties	**3.7**	3.7
	128.3	129.7

Notes to the Consolidated Financial Statements *(continued)*

29. Related Parties *(continued)*

Loans payable outstanding

Ricoh Company, Ltd.	**295.1**	281.1
Ricoh Industrie France S.A.S.	**32.0**	31.5
Ricoh Asia Industry Ltd	**-**	13.8
Ricoh Asia Pacific Pte. Ltd.	**46.4**	45.7
Ricoh Asia Pacific Operations Ltd.	**-**	-
Ricoh Hong Kong. Ltd	**-**	19.7
Ricoh UK Products Limited	**-**	50.0
	373.5	441.8

Receivables and Payables outstanding between related parties are due for settlement on a 30-day-basis.

Loans receivable are unsecured interest-bearing loans with rates in between 0.1% and 11.7%. Repayment dates for the loans range are within 12 months from reporting date.

Loans payable are unsecured borrowings. Non-interest-bearing loans amount to £32.0m. Interest bearing loans amount to £341.5m with rate ranging from 0.2% to 0.5%. Loans payable outstanding are due within 12 months from reporting date or repayable on demand.

Provision allowance booked against group loan with Avanti Computer Systems Limited (one of Ricoh Europe's related party located in Toronto, Canada) in the year was £3.0m (2021: £3.0m).

30. Business Combinations

During the reporting period, the Group acquired four companies. With those acquisitions, Ricoh aims to expand its digital business. The Group applied the acquisition method to account for the acquisitions and the acquisition costs have been allocated to the assets acquired and the liabilities assumed based on the acquisition date fair values. The operating results of acquired companies since their acquisition have been included in the consolidated financial statements. Acquisition related costs have been expensed. Contingent consideration has been calculated at fair value on expected future business result (EBITDA) at acquisition date based on share purchase agreement, and then subsequently fair valued again at the reporting date (31 March 2022).

a) Details of transactions

Acquiree Name	**Avantage Groep B.V.**	**Pamafe***	**Axon Ivy AG**	**New Office Automation Srl****
Description of acquiree	IT services	IT services	IT services	Office Printing
Acquisition date	1 April 2021	30 December 2021	28 January 2022	29 July 2021
Voting equity interests acquired	100%	100%	100%	80%
	£m	£m	£m	£m
Consideration transferred	13.0	10.0	39.2	3.5
Contingent consideration	6.7	0.7	-	-
Total fair value of Consideration	**19.7**	**10.7**	**39.2**	**3.5**
Acquisition related costs	0.3	0.1	0.4	0.1

* The Group acquired an interest in Pamafe Informatica LDA and Pamafe 2 Service LDA.

** In 1994, the Group acquired 20% of the share capital in New Office Automation Srl ("NOA"). On 29 July 2021, the Group purchased the remaining 80% of share capital, taking our ownership to 100%. The fair value of the Group's equity interest in NOA held before the business combination amounted to £0.9m. The Group recognised a gain of £0.8m as a result of measuring at fair value its 20 per cent equity interest in NOA held before the business combination. The gain is included in other income in the consolidated statement of comprehensive income for the year ended 31 March 2022.

Notes to the Consolidated Financial Statements *(continued)*

30. Business Combinations *(continued)*

b) Primary reasons for business combination and description of goodwill

Each year, the Board assesses the opportunities and risks to expanding and diversify the business. On 1 April 2020, Ricoh launched its global strategic focus for the next three years. It outlines the shift away from being perceived as a manufacturer of printers to being viewed as a true digital services company. The newly acquired IT service companies are aligned to Ricoh's growth strategy to empower the digital workplaces.

Goodwill arising from those acquisitions consists primarily of future economic benefits and synergies with existing operations. None of the goodwill is expected to be deductible for income tax purposes.

c) Identifiable assets and liabilities assumed at acquisition date (initial recognition)

Acquiree Name	Avantage £m	Pamafe £m	Axon Ivy £m	NOA £m
Fixed assets	0.6	0.5	-	1.1
Inventory	-	0.9	-	0.3
Trade and other debtors	3.1	4.1	1.7	1.7
Cash	0.6	2.9	1.6	1.1
Trade and other creditors	(2.5)	(4.7)	(1.5)	(1.7)
Other liabilities	(3.3)	(2.9)	(2.1)	-
Total identifiable net (liabilities)/assets	**(1.5)**	**0.8**	**(0.3)**	**2.5**

d) Fair value of identifiable assets and liabilities assumed at acquisition date

Acquiree Name	Avantage £m	Pamafe £m	Axon Ivy £m	NOA £m
Fixed assets	0.6	0.5	-	1.1
Right of use assets	2.4	0.4	0.5	-
Intangible assets	7.5	4.8	19.8	2.7
Inventory	-	0.9	-	0.3
Trade and other debtors	3.1	4.1	1.7	1.9
Cash	0.6	2.9	1.6	1.1
Trade and other creditors	(2.6)	(4.7)	(1.5)	(2.1)
Other liabilities	(5.7)	(3.0)	(1.6)	(1.5)
Deferred tax liabilities	(1.9)	(1.3)	(4.5)	(0.6)
Total identifiable net assets	**4.0**	**4.6**	**16.0**	**2.9**
Goodwill	**15.7**	**6.1**	**23.2**	**0.6**

As at 31 March 2022, the initial accounting for the business combinations are still within the one-year measurement period, and the fair values presented above in table d) are all still provisional amounts, albeit expected to be materially accurate. There were no changes to the fair value from the acquisition date to the year end.

For those business combinations made in previous year (which are still within one-year measurement period), there were no changes to the fair value from acquisition date in the year to 31 March 2022.

e) Revenue and profit/(loss) after tax

Post-acquisition revenue and profit/(loss) after tax

Acquiree Name	Avantage £m	Pamafe £m	Axon Ivy £m	NOA £m
Revenue	24.8	4.0	1.2	n/a*
Profit/(loss) after tax	1.1	0.2	(0.1)	n/a*

Revenue and profit/(loss) after tax (assuming the business combination was conducted at 1 April 2021)

Acquiree Name	Avantage £m	Pamafe £m	Axon Ivy £m	NOA £m
Revenue	24.8	17.5	7.9	n/a*
Profit/(loss) after tax	1.1	1.1	1.4	n/a*

* Following the acquisition, NOA was merged by Ricoh Italy on 1 December 2021.

Notes to the Consolidated Financial Statements *(continued)*

30. Business Combinations *(continued)*

f) Other financial liabilities - contingent consideration

	£m
At 1 April 2021	20.8
Paid in the year	(2.8)
Released in the year	(1.3)
Additions	7.4
Exchange and other movements	-
At 31 March 2022	**24.1**
Non-current	**19.7**
Current	**4.4**

Contingent Consideration amounts arise from business combinations, where an earn out arrangement exists and forms part of the total purchase price. The amount is uncertain as it depends on the future performance of the acquired entity. The settlement date for these amounts differs for each acquisition but is generally set out in the share purchase agreement.

g) Reconciliation to cash flow statement

	£m
Consideration transferred *(a)*	65.7
Contingent consideration paid *(f)*	2.8
Fair value of cash acquired *(d)*	(6.2)
Effect of exchange rates	1.3
Acquisition of subsidiaries, net of cash acquired	**63.6**

31. Subsequent Events

AVC Acquisition
Ricoh Denmark A/S acquired 100% shares of Audio-Visuelt Centrum A/S on 1 June 2022. AVC is a unified communication, AV and professional services specialist with headquarters in Horsens, Denmark. The purchase price comprised of cash consideration of £1.5m and fair value of contingent consideration of £0.3m.

Pure AV Acquisition
Ricoh UK Limited acquired 100% shares of Pure AV Limited on 1 June 2022. Pure AV is an award-winning AV integrator, headquartered in Preston, UK, with a particularly strong presence in the Higher Education market. The purchase price comprised of cash consideration of £3.4m and fair value of contingent consideration of £1.4m.

The calculations of contingent consideration for both acquisitions were based on business case forecasts. We will reassess these forecasts when the acquisition accounting is completed, including the purchase price allocation.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

Acquiree Name	**AVC**	**Pure AV**
	£'m	**£'m**
Current assets, excluding cash	3.9	8.3
Fixed assets	0.1	0.1
Cash and cash equivalents	-	-
Total liabilities	(4.2)	(6.1)
Total identifiable net liabilities)/assets	**(0.2)**	**2.3**

Notes to the Consolidated Financial Statements *(continued)*

31. Subsequent events *(continued)*

Share issue and subscription

On 21 September 2022, the Company issued 26,000,000 ordinary shares with a nominal value of £1, to its immediate parent company, Ricoh Company Limited.
On the same day, the Company subscribed to 26,000,000 ordinary shares with a nominal value of £1, in its wholly owned subsidiary, Ricoh Europe PLC, which were paid in full.

Corporate tax rates

Refer to notes 9, 16 and 37 for details on announcement affecting the future UK corporation tax rate and the impact on the Company and Group.

32. Changes in Liabilities Arising from Financing Activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising for financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	1 April 2021	Cash flows	Exchange and other non- cash movements	31 March 2022
	£m	£m	£m	£m
Net cash				
Overdrafts considered cash & cash equivalents	(56.9)	37.7	(14.9)	(34.1)
Cash and cash equivalents	256.1	74.9	(29.7)	301.3
Net cash per statement of cash flows	**199.2**	**112.6**	**(44.6)**	**267.2**
Liabilities from financing activities				
Loans and borrowings	(618.9)	(75.7)	7.1	(687.5)
Lease liabilities	(119.8)	40.1	(25.5)	(105.2)
Liabilities from financing activities	**(738.7)**	**(35.6)**	**(18.4)**	**(792.7)**
Net debt	**(539.5)**	**77.0**	**(63.0)**	**(525.5)**

33. Ultimate Parent

The Company is a subsidiary undertaking of Ricoh Company, Ltd. which is the immediate and ultimate parent company, and ultimate controlling party incorporated in Japan. Ricoh Company, Ltd. is the smallest and largest level at which consolidated accounts including Ricoh Europe Holding Plc are drawn up.

The registration address of Ricoh Company, Ltd is: 3-6, Nakamagome 1-chome, Ohta-ku, Tokyo 143-0027, Japan. The consolidated financial statements of the parent company are available at https://www.ricoh.com/IR/.

Individual Company Financial Statements

Company Balance Sheet

Year ended 31 March	Note	2022 £m	2021 £m
Assets			
Non-current assets			
Investments in subsidiary undertakings	35	**1,051.9**	1,061.3
Trade and other debtors	36	**1.3**	0.1
Deferred tax assets	37	**3.2**	7.1
Pension surplus	40	**18.2**	-
		1,074.6	1,068.5
Current assets			
Trade and other debtors	36	**5.7**	7.8
Current taxation		**5.5**	3.6
Cash and cash equivalents		**1.1**	0.8
		12.3	12.2
Total assets		**1,086.9**	1,080.7
Current liabilities			
Loans and borrowings	38	**(138.5)**	(113.8)
Other creditors	39	**(1.0)**	(1.0)
		(139.5)	(114.8)
Net current liabilities		**(127.2)**	(102.6)
Total assets less current liabilities		**947.4**	965.9
Non-current liabilities			
Deferred tax liabilities	37	**(2.7)**	-
Pension liabilities	40	**-**	(15.5)
Net assets		**944.7**	950.4
Capital and reserves			
Share capital	24	**2.0**	2.0
Share premium	24	**559.5**	559.5
Merger reserve		**331.9**	331.9
Retained earnings		**51.3**	57.0
Total equity		**944.7**	950.4

The merger reserve arose from a Group reorganisation in 2007.

Profit for the year
As permitted by Section 408 of the Companies Act 2006, the Company has elected not to present its own profit and loss account for the financial year. The Company's profit for the year ended 31 March 2022 was £76.8m (2021: profit of £68.4m). In the year ended 31 March 2022, the Company received dividends of £92.4m (2021: £76.6m) from its subsidiaries. For year ended 31 March 2022 the Company distributed dividends of £91.9m to equity shareholders (2021: £245.5m).

The accompanying notes on pages 75 to 78 form part of the financial statements.

These financial statements were approved by the Board of Directors on 30 September 2022 and were signed on its behalf by:



D. Mills
Director

Company registered number: 6273215

Company Statement of Changes in Equity

	Share capital	Share premium	Merger reserve	Retained earnings	Total equity
	£m	£m	£m	£m	£m
Balance at 1 April 2021	**2.0**	**559.5**	**331.9**	**57.0**	**950.4**
Profit for the year	**-**	**-**	**-**	**76.8**	**76.8**
Remeasurements of defined benefit plans (note 23)	**-**	**-**	**-**	**14.2**	**14.2**
Tax on other comprehensive income *	**-**	**-**	**-**	**(4.8)**	**(4.8)**
Total comprehensive income for the year	**-**	**-**	**-**	**86.2**	**86.2**
Dividend	**-**	**-**	**-**	**(91.9)**	**(91.9)**
Balance at 31 March 2022	**2.0**	**559.5**	**331.9**	**51.3**	**944.7**

	Share capital	Share premium	Merger reserve	Retained earnings	Total equity
	£m	£m	£m	£m	£m
Balance at 1 April 2020	2.0	559.5	331.9	255.5	1,148.9
Profit for the year	-	-	-	68.4	68.4
Remeasurements of defined benefit plans (note 23)	-	-	-	(24.4)	(24.4)
Tax on other comprehensive income *	-	-	-	5.0	5.0
Total comprehensive income for the year	-	-	-	49.0	49.0
Dividend	-	-	-	(245.5)	(245.5)
Other movement**				(2.0)	(2.0)
Balance at 31 March 2021	2.0	559.5	331.9	57.0	950.4

* Refer to note 37 for details on tax effect in other comprehensive income
** New pension plans added in the year (refer to note 23 of consolidated financial statements)

Notes to the Company Financial Statements

General information

Ricoh Europe Holdings PLC ("the Company") is a company limited by shares, registered in England and Wales and domiciled in the United Kingdom. The address of the Company's registered office is 20 Triton Street, London NW1 3BF.

These financial statements are presented in pound sterling.

The ultimate parent company and controlling party is listed in note 33 of the consolidated financial statements.

34. Significant accounting policies

The accounting policies set out below have been applied in preparing the Company's financial statements for the years ended 31 March 2021 and 31 March 2022. The accounting policies in note 2 of the consolidated financial statements also apply to the Company except where there is a difference as specified below. The critical accounting judgements and key sources of estimation of uncertainty in note 2 of the consolidated financial statements relating to Employee Benefits also apply to the Company. There are no other critical accounting judgements or key sources of estimation uncertainty for the Company.

Basis of Preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). These financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the United Kingdom ("Adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes (IAS 7);
- Disclosures in respect of transactions with fellow wholly owned subsidiaries (IAS 24);
- Disclosures in respect of capital management (IAS 1);
- The effects of new but not yet effective IFRSs (IAS 8);
- Disclosures in respect of impairment testing (IAS 36)

As the consolidated financial statements of Ricoh Europe Holdings PLC include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 *Fair Value Measurement*, and the disclosures required by IFRS 7 *Financial Instrument Disclosures*.

Going concern

As at 31 March 2022, the Company had net current liabilities of £127.2m (2021: net current liabilities of £102.6m), of which £138.0m (2021: £113.8m) represents an intercompany payable to Ricoh Europe Finance Limited, a 100% subsidiary of the Group. See note 1 in the consolidated financial statements for more details on going concern, including details of the letter of support provided by the Companies immediate parent, Ricoh Company Limited.

Through review of the Group going concern assessment and the letter of support received, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of signing these Financial Statements. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Notes to the Company Financial Statements *(continued)*

34. Significant accounting policies *(continued)*

Investments in subsidiary companies

Investments in subsidiary undertakings are stated at cost less provisions for impairment.

At each reporting date, the Company assesses the carrying amount of investment in subsidiaries and tests whether financial assets carried at amortised cost are impaired. An impairment loss occurs when the carrying amount of the investment exceeds its recoverable amount. Recoverable amount is the higher of the net assets of the company and its value in use.

An impairment loss occurs when the carrying amount of the investment exceeds its recoverable amount.

Related parties

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

Staff numbers and Costs

The Company has no employees and consequently no staff costs.

Audit fees

The fee for the audit of the financial statements of the Company was £10,000 in 2022 and 2021.

35. Investments in subsidiary undertakings

	£m
Cost	
At 1 April 2021	1,337.0
Additions	6.1
At 31 March 2022	1,343.1
Provision for impairment	
At 1 April 2021	275.7
Impairment charge	15.5
At 31 March 2022	291.2
Net book value of investments	
At 31 March 2022	1,051.9
At 31 March 2021	1,061.3

Additions of £6.1m relate to an additional investment in NRG Investments Limited required as part of the liquidation process. As NRG Investments Limited subsequently entered into liquidation, this amount was impaired in full.

The remaining impairment charge of £9.4m relates to Ricoh Turkey Baski Cozumleri Ltd Sirketi and is the difference between the carrying amount and the recoverable amount. The recoverable amount of the investment is represented by the net assets of the subsidiary, Ricoh Turkey Baski Cozumleri Ltd Sirketi. The net assets amount has been elected as the proxy used for fair value less selling costs because the value in use amount, which is lower, is impacted by currency exchange fluctuations, hyperinflation and subjective discount rates. The net assets amount is management's best estimate of fair value less costs to sell.

Notes to the Company Financial Statements *(continued)*

36. Trade and other debtors

Year ended 31 March	**2022**	2021
	£m	£m
Amounts falling due within one year		
Amounts owed by subsidiary	**5.7**	7.3
Other debtors	**-**	0.5
	5.7	7.8
Amounts falling due after more than one year		
Amounts owed by subsidiary	**1.3**	0.1
	1.3	0.1

Amounts owed by subsidiary falling due within one year and after more than one year represent unsecured loans at 0.2% interest. The Company did not have any historical bad debt in relation to Intercompany receivables and therefore no provision was booked for loss allowance under IFRS 9.

37. Current and Deferred Taxation

Reconciliation of movements in deferred tax

	1 April 2021	**Tax rate change**	**Recognised in profit and loss**	**Recognised in OCI**	**31 March 2022**
	£m	£m	£m	£m	£m
Retirement benefit obligations	7.1	(2.0)	(3.7)	(4.1)	(2.7)
Losses	-	0.8	2.4	-	3.2
Deferred tax asset	**7.1**	**(1.2)**	**(1.3)**	**(4.1)**	**0.5**

On 23 September 2022 the UK Government announced that the corporation tax will remain at a rate of 19% (2021: 19%). An increase in the rate to 25%, effective 1 April 2023, had previously been enacted, however, on 23 September 2022, the UK Government announced that legislation will be introduced in due course so that the increase to 25% will not take effect and the UK corporation tax rate will remain at 19%.

A deferred tax asset has been recognised on the basis that, in future periods, Ricoh Europe Holdings PLC will receive compensation at the prevailing tax rate for the surrender of these losses to other UK group companies in order to offset their own taxable profit.

At 31 March 2022 the Company had £3,318,000 of unrecognised potential deferred tax assets. These relate to capital losses of £2,205,208 and Pre April 2017 losses of £11,069,000, that are unchanged on prior year and which the Company does not anticipate being able to utilise in future periods. These losses have no expiry period.

An increase in the UK corporation tax rate to 25%, effective 1 April 2023, has been enacted and deferred tax balances in respect of UK are calculated at the increased rate substantively enacted at the balance sheet date. On 23 September 2022, the UK Government announced that the increase to 25% will not take effect and the corporation tax rate will remain at 19%. As this latest tax rate change had not been substantively enacted at the balance sheet date, the UK deferred tax balances as at 31 March 2022 are measured at appropriate rates substantively enacted at the balance sheet date (with the exception of the liability in respect of retirement benefit assets). Deferred tax on retirement assets is provided at 35% following a reassessment of the rate likely to apply to a surplus. If the 19% tax rate had been used, the net UK deferred tax asset would have been £1.6m lower, resulting in the entity having a net deferred tax liability of £1.1m.

Reconciliation of current tax in other comprehensive income (OCI)

	Deferred tax asset recognised in OCI	**Current tax effect recognised in OCI**	**Changes in Equity March 22**
	£m	£m	£m
Tax effect on other comprehensive income	(6.2)	1.4	(4.8)

Notes to the Company Financial Statements *(continued)*

38. Loans and borrowings

Year ended 31 March	**2022 £m**	2021 £m
Amounts falling due within one year		
Amounts owed to subsidiary	**138.5**	113.8
Total	**138.5**	113.8

Amounts owed to subsidiaries are made up of £138.0m owed to Ricoh Europe Finance Limited on a range of interest rates, ranging from 0.2% to 1.1%, maturing between April 2022 and April 2024. These amounts are unsecured loans repayable on demand. The remaining £0.5m is owed to a number of subsidiaries and is unsecured and repayable on demand.

39. Other creditors

Year ended 31 March	**2022 £m**	2021 £m
Other creditors	**1.0**	1.0
Total	**1.0**	1.0

Other creditors represent the liability for contingent consideration payable to previous shareholders of DocuWare GmbH (2021: £1.0m).

40. Pension surplus/(liabilities)

Year ended 31 March	**2022 £m**	2021 £m
Pension surplus/(liability)	**18.2**	(15.5)

The Company is recognised as the principal employer for the UK defined benefit schemes and therefore as at 31 March 2022, the Company recognised the pension surplus for the schemes in the Company balance sheet. As the schemes are closed and the Company does not recognise an annual service cost through profit and loss account, a gain has been taken to reserves for the actuarial gain related to the net pension surplus recognised. An actuarial gain of £14.2m was recorded in the current year (2021: loss of £24.4m). Please refer to note 23 for further disclosure on the nature and characteristics of the Company's pension scheme.