

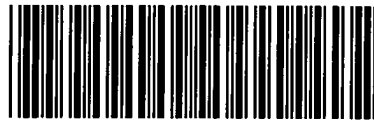
**Sharp Electronics (Europe) Limited**

Annual report and financial statements

Registered number 08060689

31 March 2024

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## Strategic report

### Review of performance

These audited financial statements represent the activities of Sharp Electronics (Europe) Limited in the UK together with Sharp (UK) Manufacturing's activities and those of the branch Sharp Electronics (Europe) Limited, Sucursal en Espana.

Sharp Electronics (Europe) Limited ('the Company') is a wholly owned subsidiary of Sharp Corporation and operates as the European headquarters for Sharp Corporation's European Division.

The Company was established to re-shape Sharp in Europe, to regenerate business and create a sustainable future. The Company holds strategic oversight of the markets and supply chain, is the key European Master Distributor (MD) and the Entrepreneur of the Business products into Europe, together with process and routine shared service responsibility and support. Sharp Electronics (Europe) Limited, Sucursal en Espana undertakes business system operations selling to primarily dealer businesses across Spain. Sharp (UK) Manufacturing undertakes its OEM activities, primarily focused on microwave manufacturing and sales to third parties. As shown on page 26, the Company's turnover was €100,854,000 (2023: €127,385,000). The decrease in overall turnover is primarily attributed to the drop in turnover for Sharp (UK) Manufacturing to €39,946,000 (2023: €71,534,000) and it has been modestly offset by an increase in variable strategic management fee to €40,863,971 (2023: €37,980,631). The variable strategic management fee compensates Sharp Electronics (Europe) Limited for the functions and risks it undertakes as the European Master Distributor and is dependent on the results of the European business.

Sharp (UK) Manufacturing faced reduced customer demand following the industry boom in previous years attributed to the COVID19 pandemic and adapted accordingly with changes to production operations. Following the global container shipping crisis freight costs stabilised and returned to normal levels during the year however the Red Sea Crisis which began in Q3 has caused delays in the supply chain and spikes in freight costs once again for materials imported from Asia. Counter measures against a challenging environment included regular communication with customers and strategic management of stock to maximise sales. Turnover for Sharp (UK) Manufacturing decreased to €39,946,000 (2023: €71,534,000) as customers faced reduced market demand and reduced their stockholding.

Sharp Electronics (Europe) Limited Sucursal en Espana achieved 13.9% growth in its turnover in the amount of €2,434,000, taking turnover to €19,934,000 (2023: €17,500,000). The main reason of the growth has been new distributors and the ability to deliver products despite the global shortage of materials, which gave a competitive advantage over other competitors. As a result of targeted commercial action, strong sales efforts and support initiatives implemented by our sales division, we have experienced a notable increase in our indirect turnover in both Portugal (110% compared to last year) and Ireland (144% compared to last year). Sharp Electronics (Europe) Limited Sucursal en Espana also continued to strengthen its direct sales channel, increasing its headcount, and winning new tenders resulting in significant increase in direct sales turnover (201% compared to last year) and improved profitability.

Overall, the Company's profit before tax was €25,504,000 (2023: €37,548,000), the decline compared to the last year was primarily due to one-off dividend income recognized from the liquidation of a subsidiary in the previous year, which boosted our last year's profits. Additionally, there was a reduction in the trading results of Sharp (UK) Manufacturing as explained earlier, however this was partially offset by an increase in the variable strategic management fee to €40,863,971 from €37,890,631 as a result of improved trading performance by the Company's Limited Risk Distributors (LRDs) across Europe including Sharp Electronics (Europe) Limited Sucursal en Espana as mentioned above. The Company also benefited from a positive tax effect due to a credit on the income statement relating to deferred taxation, as a result of tax loss carry forwards for the period.

## Strategic Report *(continued)*

### Principal risks and uncertainties

#### ***Business Performance***

The Company's principal risks are twofold. Firstly, our ability to deliver technologically advanced products and services ahead of our competitors, that can deliver a profitable margin. Secondly, we must minimise production costs and selling expenses to cope with the continued price erosion we experience in all sectors as margins continue to decline and mature markets stagnate or reduce in terms of volume opportunities.

The negative effects of these risks and uncertainties are being mitigated through strategic planning, investment in new markets to grow cross selling opportunities, investment in research and development and product marketing together with operational efficiency improvements and strong controls. Management develops and regularly challenges the strategic direction of our business to enhance our ability to remain competitive.

The uncertainty of exchange rate movements continues to be a risk for the Company. These risks are being managed through appropriate Treasury techniques implemented by the Company's treasury function together with the European treasury hub, Sharp International Finance (U.K.) Plc. Examples include setting up foreign exchange contracts to hedge against anticipated currency exposures and operational netting which involves the consolidated settlement of receivables, payables and debt with the same entity and in the same currency.

#### ***Legal Developments***

Throughout the financial year, the Company continued to monitor the impact of tax and legal developments, including developments relating to climate change, sustainable development, and reporting. There was no material impact on our business or financial performance as a result of these developments.

#### ***Impact of war and cost of living crisis***

Uncertainty regarding the impact of the war on the global economy and inflationary pressure on costs will provide further operational challenges. These are being monitored continuously to ensure contingencies are placed to control costs and mitigating any risks effectively.

### Objectives and future developments in the business

The Company continues to address issues of complexity, duplication in processes and sales distribution models in order to improve efficiency. Following investment by Hon Hai Precision Industry Co. Ltd (trading as "Foxconn") in 2016, the European Business has continued to benefit from improvements in investment decision making as well as opportunities in product collaboration and sharing of business practices.

#### ***Performance of subsidiaries***

Since the Company's acquisition of Sharp IT Services (UK) Ltd, which provides end to end managed IT support and cloud services to the SME sector delivered through local network of offices within the UK, Sharp IT Services (UK) Ltd continues to provide the UK group with the opportunity for advancing efforts aimed at synergistic and collaborative growth. Sharp IT Services (UK) Ltd again had a strong performance in the year ended 31 March 2024, trading at 103.9% compared to the previous year as a result of increased demand for IT support services including Telephony, Business Application skills and Cyber security.

#### ***Environment***

The Company operates in compliance with all EU and UK applicable laws and relevant regulations. Sharp Corporation has implemented a worldwide strategy focusing on the importance of protecting the environment and commits itself to minimise the impact it and its products have on the environment.

#### ***S172 Companies Act 2006***

The Board ensures that all decisions are taken for the long term, and collectively and individually aims to always uphold the highest standard of conduct. Similarly, the Board acknowledges that the business can only grow and prosper over the long-term if it understands and respects the views and needs of the company's investors, customers, employees, suppliers and other stakeholders to whom we are accountable, as well as the environment we operate within.

**Strategic Report (continued)**

**Objectives and future developments in the business (continued)**

*S172 Companies Act 2006 (continued)*

We detail our key stakeholders below and summarise their interests and how the Board has engaged with them. This section serves as our Section 172(1) statement.

Stakeholder	Their interests	How we engage	How the Board engages
Employees	Training and development, Health and safety, Diversity and inclusion, Equal treatment.	<p>Regular updates are provided to keep employees informed about business developments.</p> <p>Whistleblowing policies and procedures exists to ensure employees have the Company's support to make disclosures about possible wrong doings.</p> <p>The company has an established performance management review process which allows for employee to receive regular feedback on performance &amp; identify development needs.</p> <p>Employee engagement surveys are regularly conducted to ensure we understand employee engagement levels &amp; what action needs to be undertaken to ensure these are maintained or improved.</p> <p>The company has an equal opportunities policy to promote &amp; ensure the equal treatment of all employees. This policy is regularly reviewed &amp; updated by the HR department.</p> <p>The Company has a comprehensive range of HR policies &amp; practices covering such things as flexible working, family leave &amp; grievance handling to ensure employee needs &amp; issues can be addressed.</p>	<p>Information meetings are carried out on regular basis to provide corporate and business updates on matters of interest to all employees.</p> <p>A Talent Management Forum meeting is held on a biannual basis to review talent management processes and agree plans to improve the attraction, retention &amp; development of employees.</p> <p>Focus on continuous improvement with employee satisfaction.</p> <p>The Company encourages the involvement of employees by means of employee briefings and the establishment of an Employee Forum.</p>
Suppliers	Business success, Fair trading, Terms and conditions, Payment terms, Anti-bribery and corruption, Anti-slavery, Ethical behaviour, Long term partnerships.	<p>Key account managers get to know their supplier and capabilities through initial meetings, this provides both parties with the opportunity to negotiate fair pricing and conditions.</p> <p>Senior management will engage with key suppliers on sensitive services and/or high value assignments to ensure engagements are carried out effectively.</p> <p>The Company encourages collaborative working arrangements with suppliers, this may be evaluated during de-briefing sessions and may also be measured against pre-agreed KPI measures.</p> <p>For high value suppliers (partnerships) either in terms of business importance or relative spend, Directors carryout annual/bi-annual business reviews which create the opportunity to share strategic direction of both parties and plan ahead.</p>	<p>There is a pre-set authorisation policy which includes Board approval for material purchases.</p> <p>The business values all its suppliers and has regular meetings throughout the year.</p>

**Strategic Report (continued)**

**Objectives and future developments in the business (continued)**

*S172 Companies Act 2006 (continued)*

Stakeholder	Their interests	How we engage	How the Board engages
Customers	Range and product availability, Price and consistency, Timely Service, Safety Effective supply chain, Engagement and management, Corporate and social responsibility, Campaigns (channel partner customers).	<p>The business strategy prioritises organic growth, driven by cross-selling and up-selling services to existing clients and bringing new clients into the company. To do this, company needs to develop and maintain strong client relationships by engaging with all customers by either conference calls and/or meeting customers periodically.</p> <p>The Company's key business leaders regularly attend industry events, engage press &amp; industry analysts to present the Company's product range, new developments and capabilities.</p> <p>The Company's corporate website is periodically updated with the latest news and developments, providing customers with an easy method of contacting people within the Company. Social media platforms are used to more broadly keep the markets updated on the Company's activities.</p> <p>Direct marketing and communications programmes including data privacy controls are regularly reviewed and approved by key business leaders. While key business leaders engage in press interviews and are kept abreast of media coverage on regular basis.</p>	<p>Board updates on trading and customer initiatives and Corporate website and eCommerce shops.</p> <p>Marketing programme reviews with European Director for Product Planning and Marketing.</p> <p>Briefings with European Public Relations Manager Monthly media coverage report.</p> <p>Briefings with European Director for Marketing reporting on web site activity and Social Media coverage and eCommerce deployment &amp; sales.</p>
Parent Shareholder	Comprehensive view of the financial performance of the business.	<p>Regular communications are made between the Company's key management and the Parent company.</p> <p>Month end, quarter end and year-end financial reporting are made to the Parent company on a strict timely basis.</p>	The Board attends regular calls regarding month end, quarter end, half year end and year end results with key representatives from Parent company.
Regulatory Bodies & Communities	Compliance with regulations Carbon emission reduction Legal trading Health and safety.	<p>SECR (streamlined energy carbon reporting) is included within this annual report from page 8 to 10, sets out the company's ongoing efforts to reduce its carbon footprint.</p> <p>The company's website endorses positive business behaviour (refer to business philosophy and creed and tax strategy), the company's intranet site also includes a number of policies which sets out the company's position and provides guidance to employees.</p>	<p>Provides oversight of corporate responsibility plans and reporting.</p> <p>Reviews regular reports from the business on range of regulatory issues and engagement.</p>

## Strategic Report *(continued)*

### Objectives and future developments in the business *(continued)*

#### *Going Concern*

The Company continues to hold a strategic management role for business products and services for the European market as the Master Distributor for business products into Europe and provides routine shared service support to the wider European group. The Company also continues to carry on its business systems trading activity from its Spanish branch and UK manufacturing sales to OEMs from its plant in Wales.

As per the current scenario, business activities are operating at normal levels, and the transfer pricing policies remain in line with standard practices for the Limited Risk Distributors (LRDs) and Sharp Manufacturing France S.A. (SMF), who continued to earn positive operating margins for the year ended 31 March 2024.

Trading activities continued to improve during the second half of year ended 31 March 2024 and we see signs of further improvement to the trading activities in the UK during the first half of fiscal year ending March 2025. This positive trend indicates the Company's successful adaptation to market conditions and effective management strategies, paving the way for continued growth and stability in the upcoming fiscal period.

Based on the facts and circumstances known at this moment, management has determined that the use of the going concern assumption is warranted.

For going concern purposes, it is recognised that continued funding support is required from Sharp Corporation and its subsidiaries. Sharp Corporation have confirmed via a letter of support that the Company continues to be an important investment in Europe and will continue to provide support to enable the Company to continue to meet its liabilities as they fall due for 12 months from the approval of these financial statements.

On behalf of the board

  
Y Tomota

Director

  
S Nomura

Director

4 Furzeground Way

Stockley Park

Uxbridge

UB11 1EZ

05 July 2024

Company registered number: 08060689

## Directors' report

### *Directors*

The directors who held office during the year and up to the date of signing these financial statements were as follows:

S Nomura  
Y J Tung (Resigned 1 May 2023)  
Y Tomota (Appointed 1 May 2023)  
R M Bloom – Company Secretary

### *Proposed Dividend*

The directors do not recommend the payment of a dividend (2023: €nil).

### *Directors' indemnities*

The Company has made qualifying third-party indemnity provisions for the benefit of its directors. These provisions were made during the year and remain in force at the date of approval of the directors' report.

### *Research & Development*

The Company incurred research and development costs during the year at the branch of Sharp Electronics (Europe) Limited, Sucursal en Espana, of which €680,556 (2023: €666,580) were recharged to relevant Sharp subsidiaries.

### *Financial risk management objectives and policies*

The Company is exposed to a number of financial risks including price, credit, cash flow, liquidity, currency and market risk. The Company has processes and procedures in place to address these risks.

### *Price risk*

The Company manages price risk by strategically adjusting prices to cope with inflationary pressure and tough market conditions. Additionally, this has been managed by maintaining optimum stock lead times for the demand levels and avoiding over-stocking in the supply chain. This balanced approach helps the Company navigate uncertain market conditions while remaining agile and responsive to the changes.

### *Credit risk*

The Company's principal financial assets are cash balances, trade & other receivables and investments. Most of the Company's third-party receivables are insured using credit insurance. In situations where normal credit insurance is unavailable, the Company seeks to obtain bank guarantees, letters of credit or ultimate customer guarantees for large projects or top-up premiums if appropriate.

### *Cash flow and Liquidity risk*

Cash forecasts are prepared monthly for the parent company Sharp Corporation. All units of the Company optimise their cash position and transfers any available spare cash to Sharp group treasury centre Sharp International Finance (U.K.) Plc for the benefit of the European operations. Intercompany loan arrangements with Sharp International Finance (U.K.) Plc. ensures that sufficient funds are available for ongoing operations and future developments.

### *Currency risk*

Currency exposure risks are managed effectively by the Company's treasury function by taking out currency contracts in line with Sharp Corporate policy and reflecting gains or losses through the profit and loss account.

### *Market risk*

The Company continues to make strong efforts to control costs, seek support from its parent company Sharp Corporation and improve its cross-selling opportunities. The business continued its recovery trajectory, with revenues for the European business increase compared to its previous year by approximately 1%. For Sharp (UK) Manufacturing and Sharp Electronics (Europe) Limited, Sucursal en Espana, the revenue decreased by 44.3% and increase 13.9% respectively in comparison to last year.

The Company is the European headquarters of the Group and acts as a Master Distributor for Europe in respect of the business products. Sharp operates a Limited Risk Distributor ("LRD") model in order to consolidate risk, supply chain management and commercial decision making across Europe. The Company bears majority of the market risks, LRDs also bear an element of market risk as they are market/customer facing entities responsible for driving demand and sales in their local territory and therefore Sharp Manufacturing France S.A. (SMF) is also indirectly impacted by market risk. Management continues to maintain previous transfer pricing policies, to ensure all LRDs and SMF earned positive operating margins (OM) based on local Generally Accepted Accounting Principles ("GAAPs") for year ended 31 March 2024.

## **Directors' report** *(continued)*

### ***Employee policies***

Details of the number of employees and related costs can be found in note 5. All employees are encouraged to participate in training to develop their abilities.

### ***Employee involvement***

The Company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors (financial and economic) affecting the performance of the Company. This is achieved through formal and informal meetings, intranet, email, and newsletters. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interest.

### ***Equality and diversity***

The Company seeks to create a working environment free from unfair and unlawful discrimination and harassment. It is the Company's policy to promote equal treatment for all employees and potential employees and the Company is committed to equality of opportunity. In assessing applicants for employment, the Company undertakes to assess people on their ability, competence and performance in their job roles. No employee or potential employee will receive less favourable treatment due to their race, colour, nationality, ethnic origin, age, religious belief, language, political or other opinion affiliation, connections with a national minority, property, birth or other status, gender, gender reassignment, sexual orientation, marital status, family connections, membership or non-membership of a trade union or disability. By doing so, the Company believes that it can maximise each individual's potential to achieve corporate goals by adding value to the business through capitalising on these diverse talents and their abilities. We seek to foster an atmosphere in which our employees' diversity and individuality are valued, and in which they can fully demonstrate their skills and abilities. We will also strive to actively develop human resources.

### ***Disabled employees***

It is the Company's policy to give full and fair consideration to applications for employment made by disabled persons, to continue, wherever possible, the employment of staff who become disabled and to provide equal opportunities for the training and career development of disabled employees.

### ***Health and safety***

The Company aims to ensure that all employees work in a safe and healthy environment, free from accident, illness and injury at work.

### ***Harmony with the Community***

It is the Company's policy to contribute to global development and understanding by conducting business activities in a manner that respects the cultures and customs of all countries and regions. As a good corporate citizen, the Company is committed to work to coexist harmoniously with the local communities where we live and work, by actively developing social contribution programs in the fields of the environment, education and social welfare as set out in the Section 172 statement.

### ***Disclosure of information of strategic importance***

In accordance with section 414C(11) of the Companies Act 2006 certain information required to be disclosed in the Directors' Report has been included in the Strategic Report. This includes information about the need to foster business relationship with suppliers, customers and others.

### ***Carbon reporting (SECR)***

Current UK based annual energy usage and associated annual greenhouse gas ("GHG") emissions are reported pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") that came into force 1 April 2019.

In accordance with the 2018 Regulations, the energy use and associated GHG emissions are for those assets owned or controlled within the UK only as defined by the operational control boundary. This includes the Head Office in Uxbridge, a factory in Wrexham along with company vehicles and personal vehicles used for business mileage ("grey fleet").

The annual reporting period is 1st April to 31st March each year and the energy and carbon emissions are aligned to this period.

## Directors' report *(continued)*

### Carbon reporting (SECR) *(continued)*

The 2019 UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) were followed. The 2023 UK Government GHG Conversion Factors for Company Reporting were used in emission calculations as these relate to the majority of the reporting period. The report has been reviewed independently by Briar (Briar Consulting Engineers Limited).

Electricity and gas consumption were based on invoice records, while mileage was used to calculate energy and emissions from fleet vehicles and grey fleet. Average pence per litre (ULSP) was used to convert fuel costs to litres of fuel. Gross calorific values were used except for mileage energy calculations as per Government GHG Conversion Factors.

The emissions are divided into mandatory and voluntary emissions according to the 2018 Regulations, then further divided into the direct combustion of fuels and the operation of facilities (scope 1), indirect emissions from purchased electricity (scope 2) and further indirect emissions that occur as a consequence of company activities but occur from sources not owned or controlled by the organisation (scope 3).

#### Breakdown of energy consumption used to calculate emissions (kWh):

	2023/24	2022/23
<b>Mandatory requirements:</b>		
Natural gas	1,304,046	1,761,623
Company-owned vehicles	151,344	123,679
Employee-owned vehicles	1,365	-
Grid electricity	1,500,310	1,705,231
<b>Total energy consumed (mandatory)</b>	<u>2,957,065</u>	<u>3,590,533</u>

NOTE: Figures may not sum to total due to rounding

#### Breakdown of emissions associated with the reported energy use (in tCO<sub>2</sub>e)

	2023/24	2022/23
<b>Scope 1</b>		
Natural gas	238.5	321.6
Company owned vehicles	33.6	30.5
<b>Total Scope 1</b>	<u>272.1</u>	<u>352.1</u>
<b>Scope 2</b>		
Purchased electricity (location-based)	310.7	329.8
<b>Total Scope 2</b>	<u>310.7</u>	<u>329.8</u>
<b>Scope 3</b>		
Category 6: Business travel (grey fleet)	0.3	-
<b>Total Scope 3</b>	<u>0.3</u>	<u>-</u>
<b>Total Gross emissions (mandatory)</b>	<u>583.1</u>	<u>681.8</u>

NOTE: Figures may not sum to total due to rounding

## Directors' report (continued)

### Carbon reporting (SECR) (continued)

#### Intensity Ratios (mandatory emissions only)

The Company has chosen to use two intensity ratios: gross tonnes of carbon dioxide equivalent emissions per employee for transport related emissions, and per thousand meters square of floor area for building related emissions. These metrics are chosen as they are the most readily available and complete data over the period and 'normalise' the data. Rather than these two metrics being calculated on overall gross emissions, each is based on specific transport or building emissions, depending on the ratio.

	2023/24	2022/23
Tonnes of CO <sub>2</sub> e per employee <sup>1</sup>	0.40	0.39
Tonnes of CO <sub>2</sub> e per thousand square meter of floor space <sup>2</sup>	25.39	30.7

<sup>1</sup> Average number of employees within the reporting year.

<sup>2</sup> Total GIA

#### Energy efficiency action during current financial year

The Company clearly recognises the business need to reduce energy consumption and maintains the focus of energy efficiency savings in all its management meetings – a top-down approach for all staff to adhere.

Sharp manufacturing division in Wrexham implemented program of LED lighting upgrades in the production areas of the factory. This project is being carried out by the maintenance staff, and the cost of materials during the year amounted to £4,291.

#### Disclosure of information to auditors

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 auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### Independent auditors

The independent auditors, PKF Littlejohn LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the annual general meeting.

On behalf of the board

  
Y Tomota

Director

  
S Nomura

Director

4 Furzeground Way  
Stockley Park  
Uxbridge  
UB11 1EZ

05 July 2024

Company registered number: 08060689

## Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 financial year. In preparing the financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors 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.

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.

By order of the board

  
Y Tomota

Director

  
S Nomura

Director

4 Furzeground Way  
Stockley Park  
Uxbridge  
UB11 1EZ

05 July 2024

Company registered number: 08060689

## **Independent auditors' report to the members of Sharp Electronics (Europe) Limited**

### **Report on the audit of the financial statements**

#### ***Opinion***

We have audited the financial statements of Sharp Electronics (Europe) Limited (the 'company') for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### ***Basis for opinion***

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

#### ***Conclusions relating to going concern***

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern 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.

#### ***Reporting on 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.

#### ***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.

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

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

## **Independent auditors' report to the members of Sharp Electronics (Europe) Limited** *(continued)*

### ***Matters on which we are required to report by exception (continued)***

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

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

### ***Responsibilities of directors***

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

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

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

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

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 obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from the Companies Act 2006, FRS 101 reduced disclosure framework, and the relevant tax compliance regulations principally relating to those issued by HMRC.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
  - Enquiries of management
  - Review of the Board of Directors minutes of meetings
  - Review of the legal cases filed by/against the company and their status
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, the potential for management bias was identified in relation to the revenue recognition through posting of manual journals, we addressed this by increasing our level of substantive testing.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

**Independent auditors' report to the members of Sharp Electronics (Europe) Limited**  
*(continued)*

*Auditor's responsibilities for the audit of the financial statements (continued)*

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

*Use of our report*

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



Hannes Verwey (Senior Statutory Auditor)

for and on behalf of PKF Littlejohn LLP

Statutory Auditors

15 Westferry Circus, Canary Wharf,

London E14 4HD

05 July 2024

**Statement of Comprehensive Income**  
*for year ended 31 March 2024*

	Note/(s)	2024 €000	2023 €000
Turnover	3	100,854	127,385
Cost of sales		(51,200)	(75,206)
<b>Gross profit</b>		<b>49,654</b>	<b>52,179</b>
Other operating income	6	936	-
Administrative expenses	4, 5	(28,385)	(27,007)
<b>Operating profit</b>	6	<b>22,205</b>	<b>25,172</b>
Interest payable and similar expenses	7	(3,983)	(1,712)
Interest receivable and similar income	8	4,065	3,649
Income from shares in group undertakings	13	3,217	10,439
<b>Profit before taxation</b>		<b>25,504</b>	<b>37,548</b>
Tax on profit	9	2,334	(2,610)
<b>Profit for the financial year</b>		<b>27,838</b>	<b>34,938</b>
<b>Other comprehensive expense/(income)</b>		<b>2024 €000</b>	<b>2023 €000</b>
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial (loss) recognised in the pension scheme		(11,716)	(40,534)
Deferred tax arising on (loss) in the pension scheme	18	7,133	13,419
Foreign exchange on pension		233	948
<b>Items that may be reclassified to profit or loss</b>			
Foreign exchange gain/(loss) on translation of foreign operation		797	(3,059)
<b>Total other comprehensive (expense)</b>		<b>(3,553)</b>	<b>(29,226)</b>
<b>Total comprehensive income for the year</b>		<b>24,285</b>	<b>5,712</b>

**Statement of Financial Position**  
as at 31 March 2024

	Note	2024 €000	2023 €000
<b>Fixed assets</b>			
Intangible assets	10	413	245
Tangible assets	11	982	1,540
Investment Property	12	4,335	4,435
Right-of-use assets	21	1,356	1,931
Investments	13	60,570	60,570
		<u>67,656</u>	<u>68,721</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	15	4,722	2,713
Pension asset	19	32,849	41,544
Stocks	14	5,505	7,664
Debtors: amounts falling due within one year	15	95,656	94,534
Cash at bank and in hand		12,104	14,018
		<u>150,836</u>	<u>160,473</u>
<b>Creditors: amounts falling due within one year</b>	16	<b>(106,377)</b>	<b>(133,980)</b>
		<u>44,459</u>	<u>26,493</u>
<b>Net current assets</b>		<b>44,459</b>	<b>26,493</b>
<b>Total assets less current liabilities</b>		<b>112,115</b>	<b>95,214</b>
<b>Creditors: amounts falling due after more than one year</b>	16	<b>(167)</b>	<b>(1,346)</b>
<b>Provisions for liabilities</b>	17	<b>(9,964)</b>	<b>(16,169)</b>
<b>Net assets</b>		<b>101,984</b>	<b>77,699</b>
		<u>101,984</u>	<u>77,699</u>
<b>Capital and reserves</b>			
Called up share capital	20	80,469	80,469
Share premium account		30,824	30,824
Capital contribution		65,516	65,516
Profit and loss account		(74,825)	(99,110)
<b>Total Shareholders' funds</b>		<b>101,984</b>	<b>77,699</b>
		<u>101,984</u>	<u>77,699</u>

The accompanying notes are an integral part of these financial statements. The financial statements on pages 18 to 42 were approved by the board of directors on 05 July 2024 and were signed on its behalf by:

  
Y Tomota

Director

  
S Nomura

Director

**Statement of Changes in Equity**  
*for year ended 31 March 2024*

	Called up share capital €000	Share premium account €000	Capital surplus €000	Profit and loss account €000	Total equity €000
<b>Balance at 1 April 2022</b>	80,469	30,824	65,516	(104,822)	71,987
<b>Total comprehensive income for the year</b>					
Profit for the financial year	-	-	-	34,938	34,938
Other comprehensive expense	-	-	-	(29,226)	(29,226)
<b>Total comprehensive income for the year</b>	-	-	-	5,712	5,712
<b>Balance at 31 March 2023</b>	80,469	30,824	65,516	(99,110)	77,699
<b>Balance at 1 April 2023</b>	80,469	30,824	65,516	(99,110)	77,699
<b>Total comprehensive income for the year</b>					
Profit for the financial year	-	-	-	27,838	27,838
Other comprehensive expense	-	-	-	(3,553)	(3,553)
<b>Total comprehensive income for the year</b>	-	-	-	24,285	24,285
<b>Balance at 31 March 2024</b>	80,469	30,824	65,516	(74,825)	101,984

## Notes

### 1 Accounting policies

Sharp Electronics (Europe) Limited is a private company limited by shares incorporated and domiciled in United Kingdom. The company registered in England and its registered office address is 4 Furzeground Way, Stockley Park, Uxbridge, UB11 1EZ, United Kingdom.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

In preparing these financial statements, the Company applied the recognition, measurement and disclosure requirements of International Financial Reporting Standards ("Adopted IFRSs") 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.

The Company's ultimate parent undertaking, Sharp Corporation includes the Company in its consolidated financial statements. The consolidated financial statements of Sharp Corporation are available to the public and may be obtained from <https://global.sharp/corporate/ir/index.html> Investor Relations | Sharp Global.

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;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosure in respect of the compensation of Key Management Personnel
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Sharp Corporation include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below, unless otherwise stated, have been applied consistently throughout the year and to the preceding year.

#### **Measurement convention**

The financial statements are prepared on the historical cost basis and in accordance with the Companies Act 2006.

#### **New standards, amendments, IFRIC interpretations and new relevant disclosure requirements**

The following amendments are effective for annual periods beginning on or after 1 January 2023:

IFRS 17 Insurance contracts

IAS 1 Presentation of financial statements

IAS 8 Accounting Policies, changes in accounting estimates and errors

IAS 12 Income taxes

These do not have a material effect on the company's financial statements

New standards and interpretations not yet adopted

The following amendments are effective for annual periods beginning on or after 1 January 2024 and have not been applied in preparing these financial statements. The Directors are considering the potential impact of these amendments, but at the current time they are not expected to have a material effect on the company's financial statements.

## Notes (continued)

### 1 Accounting policies (continued)

IAS 1	Presentation of financial statements – non-current liabilities with covenants
IAS 1	Presentation of financial statements – classification of liabilities as current or non-current
IAS 12	Income taxes - International Tax Reform — Pillar Two Model Rules
IFRS 16	Leases - lease liability in a sale and leaseback

There are no amendments to IFRIC interpretations that are effective for the year ended 31 March 2024 that have a material impact on the company's financial statements.

#### **Going Concern**

The Company has net current assets, excluding the impact of the pension assets and debtors falling due after more than one year, of €6,888,000 (2023: €17,764,000 net current liability). The ultimate parent undertaking Sharp Corporation, 1 Takumi-cho, Sakai-ku, Sakai City, Osaka 590-8522, Japan, has confirmed its intention to provide any financial support required by the Company or its subsidiaries, including not seeking repayment of amounts currently made available by Sharp Corporation or other of its subsidiaries, for each company to meet its financial obligations as they are due as long as they remain within the Sharp Group for 12 months from the approval of these financial statements.

For the reasons explained, the Directors consider that Sharp Corporation has the ability and intention to continue to support the Company and therefore deem it appropriate to adopt the going concern basis in preparing the financial statements.

#### **Foreign currency transactions**

Transactions in foreign currencies are translated to functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The division of the Company, Sharp (UK) Manufacturing, operates under a functional currency of Great British Pound Sterling. The company's policy is to translate profit and loss items to the company's functional currencies at the foreign exchange rate using an average of monthly exchange rates for the year. Balance sheet items are translated at the foreign exchange rate ruling at that date. The resulting exchange differences are recognised in other comprehensive income.

#### **Tangible assets**

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Tangible assets costs include the purchase cost and any costs incurred to bring the asset to the location and condition needed for it to operate in the manner intended by management.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Freehold land and buildings	10 - 25 years or life of lease
Vehicles and equipment	2 - 10 years
Tool, fixtures and fittings	2 - 10 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. Assets under construction are not subject to depreciation.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Intangible assets*

##### *Computer software*

Cost associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets where the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use
- Management intends to complete the software product and use or sell it
- There is an ability to use or sell the software product
- It can be demonstrated how the software product will generate probable future economic benefits
- Adequate technical, financial and other resources to complete the development and to use or sell the software products are available, and
- The expenditure attributable to the software product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed three years.

##### *Investment property*

Investment property, which is property held to earn rentals, is initially measured at cost including transactions costs. The company has adopted the cost model as accounting policy, so investment property is stated at its historical cost less depreciation at the balance sheet date. Historical cost includes expenditure that is directly attributable to the acquisition of the assets and to bring items to the location and condition needed for it to operate in the manner intended by management.

The estimated useful lives are as follows:

Land and buildings	10 - 25 years or life of lease
Tool, fixtures and fittings	2 - 5 years

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of property (calculated as the difference between the net disposal proceeds and the carrying amount of the assets) is included in profit and loss in the period in which the property is derecognised.

##### *Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

#### **Impairment excluding stocks, and deferred tax assets**

##### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. 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. For financial instruments measured at cost less impairment, an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. 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.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Non-financial assets*

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to

determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### **Employee benefits**

##### *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which the company 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 profit and loss account 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 Company's net obligation in respect of defined benefit pension plan 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) are deducted. The Company determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset). The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Company's obligations and that are denominated in the currency in which the benefits are expected to be paid.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss. The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements. The Company's employees are members of a group wide defined benefit pension plan. The net defined benefit cost of the plan is charged to participating entities on the following basis: share of the assets and liabilities in the scheme based on an allocation of liabilities performed by the scheme's actuaries. The contributions payable by the participating entities are determined on the following basis: as per the share of the scheme's liabilities allocated to the entity.

##### *Provisions*

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

## Notes (continued)

### 1 Accounting policies (continued)

#### **Turnover**

The Company operates in five key revenue streams, digital document systems, audio-visual and communication equipment, health and environment systems, business solutions and variable strategic management fee. All turnover is stated net of VAT and trade discounts. Digital document systems, audio-visual and communication equipment, health and environment systems, business solutions turnover is recognised after the amount of revenue and associated costs can be measured reliably and the economic benefits associated with the transaction is probable, in line with relevant International Commercial Terms and relevant accounting standards. Variable strategic management fee turnover is recognised on an accrual basis until when results have been reviewed and finalised.

#### **Dividend income**

Subsidiaries of the company may on occasion issue dividends to the Company. The Company defines dividend income as the distribution of profits and as such recognises this income as dividend income in the profit and loss, in accordance with IAS 18.5c. Distributions from subsidiaries other than that of distribution of profits, example being capital reduction distributions, the Company chooses not to recognise as dividend income; such distributions will be recognised as repayment of the initial investment.

#### **Classification of financial instruments issued by the Company**

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

#### **Non-derivative financial instruments**

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings and trade and other creditors.

#### **Trade and other debtors**

Trade and other debtors 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.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and other assets.

To measure the expected credit losses, trade receivables and other assets are grouped based on shared credit risk characteristics and the days past due. The company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

#### **Trade and other creditors**

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

#### **Investments in subsidiaries**

Investments in subsidiaries are carried at cost less impairment.

#### **Interest-bearing borrowings**

Interest-bearing borrowings 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.

## Notes (continued)

### 1 Accounting policies (continued)

#### Expenses

##### Leases

The company leases assets such as buildings and vehicles. Lease contracts are typically made for periods of minimum 2 years to 10 years but may have extension options.

Contracts contain both lease and non-lease components. The company allocates the consideration in the contract to the lease and non-lease components and has elected to separate lease and non-lease components. Non lease components will continue to be charged against expenses in profit and loss.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The company recognises leases as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Amounts expected to be payable by the company under residual value guarantees;
- The exercise price of a purchase option if the company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined for leases, the company's incremental borrowing rate is used - the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the company:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the company, which does not have recent third-party financing; and
- Makes adjustments specific to the lease, e.g. term, currency and security.

The company used incremental borrowing rates specific to each lease and the rates range between 1.75% - 5.49% translating to an average rate of 3.62%.

The company is exposed to potential future increases in lease payments, which are not included in the lease liability until they take effect. When adjustments to lease payments take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Leases (continued)*

Lease income from operating lease where the company is a lessor is recognised in income on a straight-line basis over the lease term. The costs associated with the operating lease are recognised as an expense over the lease term on the same basis as the lease income.

Assets held under finance lease are included in debtors as gross receivables less related unearned income. Income from finance leases is credited to the profit and loss account using the sum of digits method to give a return on the net cash invested in leases.

#### *Exceptional items*

Items that are material in size and unusual or infrequent in nature are disclosed as exceptional items in the notes to the financial statements. The directors are of the opinion that the separate recoding of exceptional items provides helpful information about the Company's underlying business performance.

#### *Interest receivable and Interest payable*

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

#### *Taxation*

Tax on the profit or loss for the year comprises of current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or 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 balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

#### *Capital Management*

The Company's capital consists of share capital, share premium, capital surplus and retained losses totalling €101,984,000 (31 March 2023: €77,699,000). The Company's objectives when maintaining capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

All funding required for working capital purposes is financed from existing cash resources where possible.

The preparation of financial statements in conformity with Financial Reporting Standard 101 reduced Disclosure Framework requires management to make judgement, estimates and assumptions that affect the application of policies and reported annual amounts of assets and liabilities, incomes and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

## Notes (continued)

### 2 Accounting estimates and judgements

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 effects on that period, or in the period of the revision and future periods if the revision affects both the current and future periods.

The company believe the principal accounting estimates, assumptions and uncertainties employed in the preparation of these financial statements are:

#### ***Pension assumptions***

Actuarial assumptions are established to anticipate future events and are used in calculating post-employment benefit expenses and liabilities. These factors include assumptions with respect to interest rates, rates of future compensation increase, turnover rate and life expectancy.

#### ***Recognition of deferred tax asset***

The recognition of deferred tax assets is based upon whether it is more likely than not that there will be sufficient and suitable taxable profits against which to utilise assets in the future. Judgement is required when determining probable future taxable profits, which are estimated using the latest available forecasts. Prior to recording deferred tax assets for tax losses, relevant tax law is considered to determine the availability of losses to offset against future taxable profits.

#### ***Impairment of assets***

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (Cash generating units).

**Notes (continued)**

**3 Turnover**

Turnover represents amounts derived from the provision of goods and services which fall within the Company's ordinary activities after deduction of trade discounts and value added tax. Turnover is recognised upon delivery of the products or provision of services. We have reclassified the rental income from the investment property from turnover to other operating income and since the change is not material to the financial statements, the comparative figures have not been restated. The turnover presented below includes sales to both Sharp Group Entities as well as third party entities.

The analysis of the Company's turnover is as follows:

	2024	2023
	€000	€000
<i>By activity</i>		
Digital Document systems	18,902	16,511
Audio-Visual and communication equipment	819	834
Health and Environment systems	39,946	71,534
Business Solutions	323	295
Variable strategic management fee	40,864	37,981
Rental income from the investment property	-	230
	100,854	127,385
	2024	2023
	€000	€000
<i>By geographical market</i>		
United Kingdom	4,225	4,884
France	42,484	41,520
Germany	10,560	19,489
Sweden	3,459	5,660
Poland	4,807	7,021
Netherlands	1,426	2,043
Spain	18,255	16,406
Switzerland	96	92
Czech Republic	1,485	1,629
Hungary	413	490
Italy	2,456	3,302
Finland	775	1,672
Other	10,413	23,177
	100,854	127,385

**Notes (continued)**

**4 Information regarding directors and employees**

*Directors' emoluments*

	2024	2023
	€000	€000
Aggregate emoluments	437	637
	<u>437</u>	<u>637</u>
Remuneration of highest paid director	<u>254</u>	<u>485</u>

**5 Staff costs during the year (including directors)**

	2024	2023
	€000	€000
Wages and salaries	16,914	17,743
Social security costs	2,030	1,960
Other pension costs	813	792
	<u>19,757</u>	<u>20,495</u>

*Average monthly number of persons employed*

	2024	2023
	No.	No.
Production and service	126	133
Administration	86	79
Sales	45	43
	<u>257</u>	<u>255</u>

**6 Operating profit**

	2024	2023
	€000	€000
<i>Other Operating Income</i>		
Rental income from the investment property	936	-
<i>Operating profit is stated after charging:</i>		
Amortisation of purchased intangible assets	203	154
Depreciation of owned tangible fixed assets	593	539
Depreciation of right-of-use assets	1,109	708
Inventory recognised as expense	46,540	69,089
Impairment of inventory	(332)	205
Research and development costs	681	667

**Notes** *(continued)*

**6 Operating profit** *(continued)*

	2024	2023
	€000	€000
Restructuring cost provision	22	61
(Loss)/gain on disposal of tangible fixed assets	(11)	8

**Auditors' Remuneration**

Across the Sharp Electronics (Europe) Limited, audit and non-audit fees amounted to:

	2024	2023
	€000	€000
Audit of these financial statements	84	108
<u>Other professional services</u>		
Taxation compliance services	-	8
	<u>84</u>	<u>116</u>

**7 Interest payable and similar expenses**

	2024	2023
	€000	€000
Net exchange gains/(losses)	16	-
Cash pooling interest due to group undertakings	3,891	1,656
Right-of-use finance cost	45	55
Other charges	31	1
	<u>3,983</u>	<u>1,712</u>

**8 Interest receivable and similar income**

	2024	2023
	€000	€000
Net exchange gains/(losses)	-	848
Bank interest	311	106
Cash pooling interest	1,735	538
Net pension interest and similar income	2,019	2,156
Other income	-	1
	<u>4,065</u>	<u>3,649</u>

**Notes** *(continued)*

**9 Tax on profit**

<b>Recognised in the profit and loss account</b>	<b>2024</b>	<b>2023</b>
	<b>€000</b>	<b>€000</b>
Current year tax	(1,659)	(1,060)
Prior year tax adjustment	591	183
Prior year losses surrendered by way of group relief	268	187
With-holding tax write off	(1)	(1)
<b>Total current tax</b>	<b>(801)</b>	<b>(691)</b>
<b>Deferred tax (see note 18)</b>		
Current year deferred tax	3,135	(1,919)
	<b>3,135</b>	<b>(1,919)</b>
<b>Total tax</b>	<b>2,334</b>	<b>(2,610)</b>
<b><i>Income tax recognised in other comprehensive income</i></b>		
	<b>2024</b>	<b>2023</b>
	<b>€000</b>	<b>€000</b>
Deferred tax arising on (loss) in the pension scheme	7,133	13,149
<b><i>Reconciliation of standard UK tax rate</i></b>		
	<b>2024</b>	<b>2023</b>
	<b>€000</b>	<b>€000</b>
Profit before taxation	25,504	37,548
Corporation tax rate of 25% (2023: 19%)	(6,376)	(7,236)
<i>Effect of:</i>		
Prior year tax adjustment	591	183
Expenses not deductible for tax purposes	(258)	(194)
Expenses deductible for tax purpose	861	749
Pension scheme	(467)	(1,919)
Prior year losses surrendered by way of group relief	268	187
Tax exempt income	804	2,355
Relief for losses bought forward	3,122	2,055
Pension contribution deduction for tax purposes	188	1,211
With-holding tax write off	(1)	(1)
Deferred Tax asset previously not recognised	3,602	-
<b>Total tax expense</b>	<b>2,334</b>	<b>(2,610)</b>

**Notes** *(continued)*

**9 Tax on profit** *(continued)*

On 1<sup>st</sup> April 2023, the main rate of corporation tax increase from 19% to 25%.

The deferred tax as on 31 March 2024 has been calculated using the enacted tax rates and is included in these financial statements. The deferred tax on employee benefits represents the amount which would be withheld at a rate of 25% (35% previously) from any refund due under the pension regulations.

**10 Intangible assets**

	<b>Computer Software</b>
	<b>€000</b>
<b>Cost</b>	
At 1 April 2023	3,127
Additions	371
<b>At 31 March 2024</b>	<u>3,498</u>
<b>Accumulated Amortisation</b>	
At 1 April 2023	(2,882)
Charge for the year	(203)
<b>At 31 March 2024</b>	<u>(3,085)</u>
<b>Net book value</b>	
<b>At 31 March 2024</b>	<u>413</u>
At 31 March 2023	<u>245</u>

Notes (continued)

11 Tangible assets

	Freehold land and buildings	Tools, Fixtures and fittings	Vehicles and equipment	Assets under construction	Total
	€000	€000	€000	€000	€000
<b>Cost</b>					
At 1 April 2023	8,962	6,553	4,484	220	20,219
Additions	-	75	16	323	414
Disposals	-	(115)	(36)	-	(151)
Transfer	-	145	-	(530)	(385)
Translation adjustment	213	165	93	1	472
<b>At 31 March 2024</b>	<b>9,175</b>	<b>6,823</b>	<b>4,557</b>	<b>14</b>	<b>20,569</b>
<b>Accumulated Depreciation</b>					
At 1 April 2023	8,470	5,973	4,236	-	18,679
Charge for the year	156	357	80	-	593
Disposals	-	(104)	(32)	-	(136)
Translation adjustment	209	151	90	1	451
<b>At 31 March 2024</b>	<b>8,835</b>	<b>6,377</b>	<b>4,374</b>	<b>1</b>	<b>19,587</b>
<b>Net book value</b>					
<b>At 31 March 2024</b>	<b>340</b>	<b>446</b>	<b>183</b>	<b>13</b>	<b>982</b>
At 31 March 2023	492	580	248	220	1,540

The company has granted a fixed charge over the building and long leasehold land to the trustees of the Sharp Electronics (U.K.) Pension Scheme as security in respect of the obligations and liabilities of certain companies which are party to that pension scheme to make payments up to a maximum of their aggregate amount as at 31 March 2014.

Notes (continued)

12 Investment Property

	Land and Building	Tools, Fixtures and fittings	Total
	€000	€000	€000
<b>Cost</b>			
At 1 April 2023	4,185	275	4,460
Additions	-	-	-
<b>At 31 March 2024</b>	<u>4,185</u>	<u>275</u>	<u>4,460</u>
<b>Accumulated Depreciation</b>			
At 1 April 2023	(6)	(19)	(25)
Charge for the year	(26)	(74)	(100)
<b>At 31 March 2024</b>	<u>(32)</u>	<u>(93)</u>	<u>(125)</u>
<b>Net book value</b>			
<b>At 31 March 2024</b>	<u>4,153</u>	<u>182</u>	<u>4,335</u>
At 31 March 2023	<u>4,179</u>	<u>256</u>	<u>4,435</u>

The company has granted a fixed charge over the building and long leasehold land to the trustees of the Sharp Electronics (U.K.) Pension Scheme as security in respect of the obligations and liabilities of certain companies which are party to that pension scheme to make payments up to a maximum of their aggregate amount as at 31 March 2014.

Management's best estimate of the buildings fair value as at 31 March 2024 is £13.5m.

**Notes** *(continued)*

**13 Investments**

	<b>Shares in subsidiaries</b>
	<b>€000</b>
<b>Cost</b>	
At 1 April 2023	91,578
<b>At 31 March 2024</b>	<b>91,578</b>
<b><i>Provisions for Impairment</i></b>	
At 1 April 2023	(31,008)
<b>At 31 March 2024</b>	<b>(31,008)</b>
<b>Net Book Value</b>	
<b>At 31 March 2024</b>	<b>60,570</b>
At 31 March 2023	60,570

During the year, the Company received total dividends of €3,216,651 (2023: €10,438,891) of which €1,248,642 (2023: €1,202,396) from Sharp Manufacturing France S.A., €649,411 (2023: €465,560) from Sharp Business Systems UK Plc, €1,318,598 (2023: €1,426,826) from Sharp IT Services (UK) Ltd and nil (2023: €7,344,109) from Sharp Laboratories of Europe Ltd following to the liquidation of investments.

An impairment indicator assessment has been carried out during the current year and no impairment indication were noted.

**Notes** *(continued)*

**13 Investments** *(continued)*

*Directly held Subsidiaries*

<b>Company</b>	<b>Class/%</b>	<b>Principal Activity</b>	<b>Country of Incorporation/ principal place of business</b>
Sharp Business Systems UK Plc	Ordinary/100%	Sale of copiers	Northern House Wakefield WF3 2EE Great Britain
Sharp Laboratories of Europe Ltd	Ordinary/100%	Dissolved on 2 <sup>nd</sup> January 2024	4 Furzeground Way Stockley Park UB11 1EZ Great Britain
Sharp IT Services (UK) Ltd	Ordinary/100%	IT service provider	Oakingham House Frederick Place London Road, High Wycombe HP11 1JU Great Britain
Sharp Manufacturing France S.A.	Ordinary/100%	Manufacture & sales of office equipment	Route Bollwiller Soultz, 68360 France

*Indirect holdings*

<b>Company</b>	<b>Class/ %</b>	<b>Principal activity</b>	<b>Country of incorporation</b>	<b>Status</b>
Copifax Limited	100%	n/a	Northern House Moor Knoll Lane Wakefield WF3 2EE Great Britain	Dissolved on 2 <sup>nd</sup> April 2024

**Notes (continued)**

**14 Stocks**

	2024	2023
	€000	€000
Raw materials and consumables	4,829	6,749
Spare parts	153	157
Finished goods	523	758
	5,505	7,664

The directors believe there is no material difference between the balance sheet value of stocks and their replacement cost.

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to €46,539,580 (2023: €69,089,032). The write-down of stocks to net realisable value amounted to €-332,495 (2023: €205,000). The write-down is included in cost of sales. Provisions held against inventory in the year amounts to €609,015 (2023: €941,510)

**15 Debtors**

	2024	2023
	€000	€000
<i>Amounts falling due within one year</i>		
Trade debtors	15,266	20,556
Amounts owed by group undertakings	44,070	41,016
Short term loans receivable by group undertakings	31,184	30,724
Other debtors and prepayments	910	1,607
Short term finance lease receivables	984	500
VAT receivable	-	131
Deferred Tax Assets (Note 18)	3,242	-
	95,656	94,534
	2024	2023
	€000	€000
<i>Amounts falling due after more than one year</i>		
Long term finance lease receivables	1,863	-
Long term security deposit	2,859	2,713
	4,722	2,713

The fair value of trade debtors, amounts owed by group undertakings, and other debtors approximate their carrying value due to short term maturities. There are short term loans receivable by group undertaking of €31,184,356 (2023: €30,723,732) of unsecured short term intercompany cash position with an interest rate of 5.6818% on which interest is earned based on daily rates provided by Sharp group treasury centre Sharp International Finance (U.K.) Plc, and receivable on maturity. Provisions held against trade receivables are €135,203 (2023: €135,203). Long term security deposit for 2023: €2,713,000 includes €936,000 regarding long term finance lease receivables.

**Notes (continued)**

**16 Creditors**

	2024	2023
	€000	€000
<i>Amounts falling due within one year</i>		
Trade creditors	1,977	2,475
Amounts owed to group undertakings	2,491	3,874
Short term loans payable to group undertakings	94,900	120,000
Short term lease liability (see note 21)	1,471	1,245
Corporate tax liability	41	159
Other creditors	886	1,844
Accruals	4,304	4,383
VAT payables	307	-
	<u>106,377</u>	<u>133,980</u>
	2024	2023
	€000	€000
<i>Amounts falling due after more than one year</i>		
Long-term lease liability (see note 21)	167	1,346
	<u>167</u>	<u>1,346</u>

The fair value of trade creditors, amounts owed to group undertakings, and other creditors approximate their carrying value due to short term maturities. Short term loans payable to group undertakings includes €94,900,000 (2023: €120,000,000) of unsecured short term intercompany cash positions with an interest rate range of 4.545% to 4.600%, on which interest is incurred based on daily rates provided by Sharp group treasury centre Sharp International Finance (U.K.) Plc, and payable on maturity.

**17 Provisions for liabilities**

	Deferred Tax €000	Product warranties €000	Restructuring €000	Restoration €000	Total €000
At 1 April 2023	14,903	41	53	1,172	16,169
Additions/(decrease) in the year	(6,691)	433	-	100	(6,158)
Provisions released during the year	-	-	(22)	-	(22)
Provisions used during the year	-	(25)	-	-	(25)
<b>At 31 March 2024</b>	<u>8,212</u>	<u>449</u>	<u>31</u>	<u>1,272</u>	<u>9,964</u>

The Company continues to hold the warranty risk for microwave products calculated with reference to the level of sales and actual warranty costs incurred in remedying claims for the microwave product category. Product warranties include specific fault provisions recognised during the year €351,000 calculated based on the expected cost of tooling modifications required for design change and replacement.

The restructuring provision relates to the restructuring of the Consumer Electronics Divisions within the Europe region. The closing provision includes facilities and warehouse charges based on legally binding obligations and a warranty provision for discontinued product categories. The greatest uncertainty in estimating the provision is the estimation of future product returns for products still under warranty which is based on historic sales information and product return trends.

Restoration provisions comprise of dilapidation cost on the leasehold properties occupied by the Company. The cost has been estimated based on the reliable figures obtained at the time when renovations took place while moving into the office and duly updated for any further relevant information obtained. It is expected to be utilised by July 2025, when the lease term ends.

Notes (continued)

18 Deferred taxation

	Assets		Liabilities		Net	
	2024 €000	2023 €000	2024 €000	2023 €000	2024 €000	2023 €000
Employee benefits	-	-	(8,212)	(14,541)	(8,212)	(14,541)
Tangible fixed assets	521	-	-	(362)	521	(362)
Tax Losses	2,721	-	-	-	2,721	-
Net tax liabilities	<u>3,242</u>	-	<u>(8,212)</u>	<u>(14,903)</u>	<u>(4,970)</u>	<u>(14,903)</u>
					2024 €000	2023 €000
Provisions for liabilities (Note: 17)					(8,212)	(14,903)
Debtors: Amount falling due in one year (Note: 15)					3,242	-
					<u>(4,970)</u>	<u>(14,903)</u>

The tax rate used for the deferred tax assets/liabilities is 25%. In the Autumn Statement, it was announced that, starting from 6 April 2024, the tax charge on authorised surplus payments to sponsoring employers of a registered defined benefit pension scheme will decrease from 35% to 25%. The Statutory Instrument implementing this change was issued on 11 March 2024. The impact of this rate change, recognised in these financial statements in equity, amounts to €4,270,000. The deferred tax asset and liability are not netted off as they fall under different tax regimes.

The Company's carried forward trading losses amount to €108,007,443 (2023: €121,417,311) and capital losses amount to €1,790,992 (2023: €1,792,148), both these tax losses can be carried forward indefinitely. The Company's excess tax written down value on fixed assets amount to €15,231,584 (2023: €17,972,269). The company's temporary differences relating to provisions amount to €1,900,351 (2023: €1,201,816). The Company has decided to recognise deferred tax asset based on a forecast model of expected loss utilisation in year ended 31 March 2025.

	Deferred tax assets / (liability) recognised		Full potential deferred tax assets / (liability)	
	2024 €000	2023 €000	2024 €000	2023 €000
Tax losses carried forwards	2,721	-	27,002	30,379
Accelerated depreciation over capital allowance	521	-	3,808	-
Provisions	-	-	(61)	-
Net tax liabilities	<u>3,242</u>	-	<u>30,749</u>	<u>30,379</u>

Movement in deferred tax during the year

	1 April 2023 €000	Transferred from SLE €000	Recognised in income €000	Recognised in equity €000	Foreign exchange €000	31 March 2024 €000
Employee benefits	(14,541)	-	(467)	7,133	(337)	(8,212)
Tangible Fixed assets	(362)	-	881	-	2	521
Tax losses	-	-	2,721	-	-	2,721
	<u>(14,903)</u>	-	<u>3,135</u>	<u>7,133</u>	<u>(335)</u>	<u>(4,970)</u>

Notes (continued)

18 Deferred taxation (continued)

Movement in deferred tax during the prior year

	1 April 2022 €000	Transferred from SLE €000	Recognised in income €000	Recognised in equity €000	Foreign exchange €000	31 March 2023 €000
Employee benefits	(24,478)	(2,511)	(1,919)	13,419	948	(14,541)
Tangible Fixed assets		(362)	-	-	-	(362)
	<u>(24,478)</u>	<u>(2,873)</u>	<u>(1,919)</u>	<u>13,419</u>	<u>948</u>	<u>(14,903)</u>

19 Pension commitments

Composition of the scheme

The Company participates in a group defined benefit scheme in the UK. The scheme is governed by the scheme Trustees in accordance with the Pension Scheme regulations. The Company accounts for its share of the assets and liabilities in the scheme based on an allocation of liabilities performed by the scheme's actuaries. The policy for charging net defined benefit costs and determining the contribution to be paid by the entity is based on the Recovery Plan dated 28 November 2023 and using LCP's Advisory note dated September 2023. The Company's share is not necessarily the same as its potential liability under the Debt on Employer regulations. The directors consider that the assets and liabilities in the scheme are split between the participating employers on a consistent and reasonable basis.

The scheme was closed to future accruals on 30 September 2010.

Contributions to the scheme were made in accordance with advice from the Actuary and in accordance with the Schedule of Contributions in place during the year. For figures as at 31 March 2024 it has been assumed that members will retire at their normal retirement age of 65.

The Company made contributions of €751,507 (2023: €6,376,015) in the year (payable monthly).

<i>Net surplus for the Company</i>	2024 €000	2023 €000
Share of defined benefit asset	198,918	210,289
Share of defined benefit liabilities	<u>(166,069)</u>	<u>(168,745)</u>
<b>Pension asset</b>	<u>32,849</u>	<u>41,544</u>

The information disclosed below is in respect of the whole of the plans for which the Company has been allocated a share of costs under an agreed group policy throughout the periods shown. Amounts have been rounded to the nearest € 1,000.

The Pensions scheme is denominated in Sterling. The below provides the Euro value of the total Scheme:

	2024 €000	2023 €000
Total defined benefit assets	199,190	210,580
Total defined benefit liability	<u>(166,401)</u>	<u>(169,077)</u>
<b>Defined benefit pension assets</b>	<u>32,789</u>	<u>41,503</u>

Uncertainty and Sensitivity analysis on the total scheme was performed, results are outlined below:

**Notes (continued)**

**19 Pension commitments (continued)**

	2024	2023
Discount rate before and after retirement decreased by 0.1% pa	+2,100	+2,300
Inflation increased by 0.1% pa	+1,500	+1,700
Members are assumed to live 1 year longer	+4,300	+4,800

The Company agrees contributions following triennial valuation of the scheme. The last triennial valuation was performed in March 2023, which commits the following contributions for the company up to March 2027 – for the year from 1 April 2023 to 31 March 2024 £0.65m and for the period 1 April 2024 until 31 March 2027 £0.7m

**Movements in net defined benefit asset/liability**

	Defined benefit obligation		Fair value of plan assets		Net defined benefit asset	
	2024 €000	2023 €000	2024 €000	2023 €000	2024 €000	2023 €000
Balance at 1 April 2023 and 2022	(169,077)	(258,778)	210,580	336,254	41,503	77,476
<b>Included in profit or loss</b>						
Administration costs incurred during the year	-	-	(904)	(713)	(904)	(713)
Interest (cost)/income	(8,059)	(6,935)	10,067	9,134	2,008	2,199
Foreign exchange gain/(loss) on pension	(4,722)	10,151	5,891	(13,344)	1,169	(3,193)
<b>Included in OCI</b>						
Remeasurements gain/(loss)						
Actuarial (loss)/gain arising	8,510	85,252	(21,733)	(116,551)	(13,223)	(31,299)
Experience (loss) on defined benefit obligation	(4,751)	(10,568)	-	-	(4,751)	(10,568)
Changes in demographic assumptions for valuation of liabilities	6,235	1,253	-	-	6,235	1,253
<b>Other</b>						
Contributions paid by the employer	-	-	752	6,348	752	6,348
Benefits paid	5,830	10,548	(5,830)	(10,548)	-	-
Other movement	(367)	-	367	-	-	-
Balance at 31 March 2024 and 2023	<b>(166,401)</b>	<b>(169,077)</b>	<b>199,190</b>	<b>210,580</b>	<b>32,789</b>	<b>41,503</b>

## Notes (continued)

### 19 Pension commitments (continued)

#### Plan assets

	2024	2023
	€000	€000
Equities	-	5,159
Corporate Bonds	64,539	60,978
LDI	66,829	85,058
Property	18,777	20,880
Cash	48,678	38,505
Insured Assets	367	-
<b>Total</b>	<b>199,190</b>	<b>210,580</b>

All equity securities and government bonds have quoted prices in active markets. All government bonds are issued by European governments and are AAA- or AA-rated. All other plan assets are not quoted in an active market.

#### Actuarial assumptions

	2024	2023
Discount rate at 31 March	4.9%	4.8%
Future pension increases	2.9%	3.1%

The 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 are equivalent to expecting a 65-year-old to live for a number of years as follows:

- Current pensioner aged 65: 20.8 years (male), 23.4 years (female)
- Future retiree upon reaching 65: 21.8 years (male), 24.5 years (female)

#### Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to € 813,062 (2022: €791,935).

### 20 Called up share capital

	2024	2023
	€000	€000
<i>Authorised, called up, allotted and fully paid</i>		
80,469,437 (2022: 80,469,437) ordinary shares of €1 each	<u>80,469</u>	<u>80,469</u>

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.

## Notes (continued)

### 21 Leases

The company has lease contracts for buildings and vehicles used in the operations. The amounts recognised in the financial statements in relation to the leases are as follows:

#### *Amounts recognised in the statement of financial position*

	2024	2023
	€000	€000
<b>Right-of-use Assets</b>		
Buildings	1,183	1,747
Vehicles	173	184
	<u>1,356</u>	<u>1,931</u>
<b>Lease liabilities</b>		
Non-current	167	1,346
Current	1,471	1,245
	<u>1,638</u>	<u>2,591</u>

Additions to the right-of-use assets during the 2024 financial year ended 31st March 2024 were €854,081 (2023: €1,009,162).

#### *Amounts recognised in the income statement*

The income statement shows the following amounts relating to leases:

	Note	2024	2023
		€000	€000
<b>Depreciation charge of right-of-use assets</b>			
Buildings		(1,024)	(646)
Vehicles		(85)	(62)
		<u>(1,109)</u>	<u>(708)</u>
Interest expense (included in finance cost)	7	(45)	(55)
Expense relating to leases of low value assets that are not shown above as short-term leases		-	(7)

The future minimum lease payments as at 31<sup>st</sup> March 2024 are as follows:

	2024	2023
	€000	€000
Within one year	1,492	1,282
Between one year and five years	172	1,365
Later than five years	-	-
Total gross payments Later than five years	<u>1,664</u>	<u>2,647</u>
Impact of finance expenses	(26)	(56)
Carrying amount of liability	<u>1,638</u>	<u>2,591</u>

The total cash outflow for leases in financial year ended 31st March 2024 were €1,483,482 (2023: €1,447,877).

**Notes** *(continued)*

**22 Related party transactions**

The Company has taken advantage of the exemption in FRS 101 not to disclose details of transactions with other wholly owned group undertakings since the consolidated financial statements of Sharp Corporation, in which the Company is included, are publicly available at the address given in note 23.

**23 Ultimate Parent company**

The Company is a wholly owned subsidiary undertaking of Sharp Corporation, who is the ultimate and immediate parent undertaking incorporated in Japan.

The largest and smallest group in which Sharp Electronics (Europe) Limited is a member and for which group financial statements are drawn up is that headed by Sharp Corporation, whose principal place of business is at 1 Takumi-cho, Sakai-ku, Sakai City, Osaka 590-8522, Japan. The consolidated financial statements of this group are available to the public and may be obtained from <https://global.sharp/corporate/ir/index.html> Investor Relations | Sharp Global.

**24 Subsequent Events**

There are no subsequent events after year ended 31 March 2024 that could have a significant impact on these financial statements.



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# SHARPELECTRONICS (EUROPE) LIMITED

Company number **08060689**

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**Overview**

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### Registered office address

4 Furzeground Way, Stockley Park, Uxbridge, UB11 1EZ

### Company status

Active

### Company type

Private limited Company

### Incorporated on

8 May 2012

## Accounts

**Next accounts made up to 31 March 2024**  
due by **31 December 2024**

Last accounts made up to **31 March 2023**

## Confirmation statement

Next statement date **31 May 2025**  
due by **14 June 2025**