

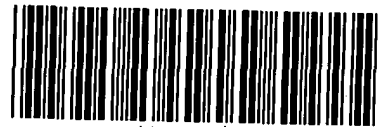
Konica Minolta Business Solutions (UK) Limited

Annual report and consolidated financial statements

Registered number 01132885

For the year ended 31 March 2025

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Konica Minolta Business Solutions (UK) Limited
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For the year ended 31 March 2025

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Konica Minolta Business Solutions (UK) Limited
Strategic Report
For the year ended 31 March 2025

Strategic Report

The directors present their Strategic report, Directors' report and financial statements for the year ended 31 March 2025.

Principal activities

The principal activities of the Group are:

- Import and distribution within the United Kingdom of multi-functional printing devices and their supplies.
- Delivery of software solutions and managed IT services to our business customers.

Results

The Group's operating loss for the financial year ended 31 March 2025 was £6.6m (2024: loss £4.5m) and the Group has net assets of £23.2m (2024: £28.3m) at the year end. Stock levels at year end were £5.9m (2024: £7.1m).

Business review, key performance indicators and principal risks

Business Review

Turnover decreased in the year by 4.5% to £123.0m (2024: £128.8m). Our gross profit decreased from £44.1m to £41.5m in the current year, with gross profit margin of 33.7% (2024: 34.2%). Profit margins decreased 0.5% year on year due to pricing pressure and a shift towards lower margin products, partially offset by improvements in the global supply chain.

Distribution and Administration costs for the year have decreased to £48.1m (2024: £48.6m). The Group have insourced some key third-party contracts to drive cost savings and operational improvements, which partially offset the impact of reduced turnover.

Traditional core hardware turnover (sale of goods) was broadly in line with the prior year, reflecting stable demand despite continued market competition. Unit volumes performed well during the year, with full-year A3 unit volumes 5% ahead of budget and A4 units 10% ahead of budget. Colour devices remained dominant in the office segment, accounting for approximately 84% of new unit sales. Gross margin on hardware remained resilient, helping to support overall profitability despite a modest reduction in reported hardware turnover.

We continue to evolve into a customer-centric solution focused business, driving sustainable growth through solving customer business problems with an empowered workforce. To reflect this focus we have created dedicated solutions teams in both Sales and the newly created Operations communities, with a clear focus on delivering customer value into existing accounts. This approach will be customized for each industry sector, ensuring that the solutions align with the specific needs of customers within that market. By tailoring the offerings to the unique challenges and requirements of each industry, we can provide more relevant, effective, and value-driven solutions.

We have continued to focus on efficiency measures in all our businesses, further to efforts in the previous year. In the financial year this included rationalisation of our office space, process automation and some headcount reductions through churn and through ProcessFlows (UK) Limited integration. The Distribution and Administration costs have decreased by £0.5m ((1.0%)).

Business Strategy

The focus for us is to ensure we are delivering value to our customers in helping resolve their business problems. We are striving to put the customer at the centre of all we do within the business, thereby developing lasting, mutually profitable partnerships. Alongside this our Service teams have been driving a remote-fix strategy of our Hardware devices.

The business offers a broad range of products and services to the UK market, with Rendering of services accounting for 59% of our turnover in 2025 (2024: 60%).

Production Print and Industrial Print turnover is a core business line with a strategic focus for the UK business, with us being able to make notable progress in Industrial Print B2 market achieving our Operating Plan for that product category despite challenging market conditions. Replicating the growth rates of the prior year proved challenging due to factors such as fluctuating industry trading conditions, higher borrowing costs, and technical constraints on select devices. As a result, turnover decreased by 4.5% to £123.0m (2024: £128.8m).

Konica Minolta Business Solutions (UK) Limited
Strategic Report
For the year ended 31 March 2025

Business Strategy (continued)

The business continues to benefit from its positions on a number of Public Sector Buying Frameworks (Crown Commercial Services, Crescent Purchasing Consortium, the Central Buying Consortium, North Eastern Universities Purchasing Consortium, National Procurement Services framework for Wales, enFrame, NHS London Procurement Partnership and Scottish Procurement). These Buying Frameworks not only provide us with extensive partnering opportunities with a wide range of public sector organisations but also demonstrate best value for money to those organisations able to utilise the frameworks.

Key Performance Indicators

The business uses a range of Key Performance Indicators to measure the performance of the Company, with gross profit % and operating loss % being the main indicators used, measuring actual performance against planned performance and prior year.

Gross Profit %

The Group's gross profit margin for the year to 31 March 2025 was 33.7% (2024: 34.2%)

Operating loss %

The Group's operating loss % for the year to 31 March 2025 was (5.4%) (2024: operating loss % (3.5%))

The business also employs a range of non-financial key performance indicators including colleague retention and colleague engagement. The engagement is measured by an annual global engagement survey, the introduction of monthly surveys (pulse) surveys for a live view on our employee engagement, loyalty and satisfaction. This has been developed by the growing employee experience team within people and culture.

Financial risk management

The Group's operations expose it to a variety of financial risks that include the effects of credit risk, currency risk, interest rate risk, asset volatility risk, and global supply chain risk.

Credit risk

The Group has a large customer base and therefore has very little credit risk concentration. The Group's largest customers are well known finance houses. A significant percentage of our direct customer base is in the public sector. Credit risk is managed through credit approval processes, close management of relationships and pro-active debt management. A small amount of long-term credit risk is taken relating to finance leases funded directly by the Company. Again, this risk is managed in a similar manner to that stated above. Credit insurance is used to minimise credit risk in the partner channel.

Currency risk

The Group purchases most of our products from a group company based in Germany. The pricing for these products is in Sterling which is calculated with reference to an underlying Euro cost converted at an agreed Euro/Sterling exchange rate. There is currency risk associated with the Sterling price, but this is somewhat mitigated by having a 5% fluctuation corridor from the base rate over a quarterly period before any rate change is implemented.

Interest rate risk

The company is subject to interest risk on any potential bank loans it may require in future. Any loans that are required will be provided through a Group facility and the terms of the loans are reviewed and negotiated through the Group treasury function. Due to the sources being used to fund the loans the directors are not using hedging instruments, as no additional risk mitigation required.

Asset Volatility

There is a risk that a fall in asset values is not matched by a corresponding reduction in the value placed on the Plan's DBO. The Plan holds a proportion of growth assets, which are expected to outperform corporate and government bond yields in the long term but gives exposure to volatility and risk in the short term.

Konica Minolta Business Solutions (UK) Limited
Strategic Report
For the year ended 31 March 2025

Global Supply Chain

The Company recognizes the challenges posed by global supply chain disruptions and their potential impact on business operations. To mitigate these risks, we have implemented measures to enhance supply chain resilience and ensure operational continuity. These include diversifying supplier networks, strengthening relationships with key partners, leveraging process automation, and optimizing logistics to safeguard product availability.

The directors remain committed to monitoring global supply chain developments closely and adapting strategies to manage risks effectively, ensuring minimal disruption to our customers and stakeholders.

Going Concern

These financial statements have been prepared on a going concern basis. The Board continues to consider the going concern basis to be appropriate, having considered the current financial position of the Company and Group, future forecast trading results and cash flows. The central group loan facilities available from Konica Minolta Business Solutions Europe GmbH have been increased during the March 2025 year end to a value of £26 million (the loan value of the loan for 31 March 2024 was £14.5 million).

Employees

The Group is committed to being an Employer of Choice by fostering inclusive and rewarding workplaces for all employees. We evaluate our progress using both internal and external metrics. Internally, we conduct an annual engagement survey, and beginning in 2024, we introduced concise monthly pulse surveys to monitor engagement more frequently this continued throughout 2025. Externally, we are proud to be recognised as an accredited Top Employer 2018 to 2025, consistently upholding high standards, benchmarking best practices, and driving continuous improvement in all aspects relating to our people. In January 2025, we received this accreditation with our highest ever score, reflecting our ongoing dedication to enhancing the Konica Minolta employee experience.

In 2025, we established a new Employee Representative Group (ERG) titled Unity in Diversity to advance racial diversity, equity. This ERG aims to create a supportive environment where colleagues can connect, share experiences, and collaborate on initiatives that promote inclusivity for individuals from all backgrounds and cultures. This initiative aligns with our steadfast commitment to the Race at Work Charter and expands our ERG offerings from four to five. The existing groups include Prism (Neurodiversity), Breathe (Employee Wellbeing), Vibrant (LGBTQ+ community and allies), and Balance (Gender Equality). Each group is employee-led, aligned to our global diversity, equity, and inclusion strategy, and supported by our Executive Leadership Team. These ERGs offer opportunities for connection, education, resources, and host regular events for all employees.

To address the evolving business landscape in 2025, we enhanced our focus on driving performance through effective management and continuous development. We implemented significant changes to strengthen performance development, skills growth, feedback, and business impact. Our updated approach and processes support consistent, transparent, and effective performance conversations across the organisation, including the rollout of a new performance management tool in all business areas.

Furthermore, our commitment to robust succession planning, internal mobility, and global career opportunities continues to provide pathways for employees to advance within the UK or across our international operations.

We remain dedicated to promoting flexible work locations and arrangements wherever feasible. In 2025, we further advanced these efforts to enhance connectivity. We prioritised improvements in our digital communication channels and office environments to ensure employees feel engaged and regularly informed across all areas of the business.

Corporate Social Responsibility & Environment

At Konica Minolta, we seamlessly integrate environmental, economic, and social perspectives into our business strategies, ensuring our activities align harmoniously with society and the environment. Our commitment to integrity drives us to maintain transparency in our operations and across our supply chain, as outlined in our annually reviewed Supplier Code of Conduct and our approach to supplier due diligence and management.

Over the past year, we became a Top Employer for the 8th year in a row and achieved our Level 2 Disability Confident Employer status. We have continued to support our employees' contributions to their local communities through our company wide employee volunteering day, allowing each employee to dedicate a day to a charity or cause close to their heart. Additionally, we introduced a new charity partner and organised multiple fundraising events on their behalf.

Konica Minolta Business Solutions (UK) Limited
Strategic Report
For the year ended 31 March 2025

Corporate Social Responsibility & Environment (continued)

We are committed to reducing our environmental impact by promoting a circular economy and minimising our carbon footprint, as outlined in our annual Carbon Reduction Plan. Through innovative solutions like Virtual Service Visits, we collaborate with our customers to enhance efficiency and further reduce our environmental impact.

Energy and Emissions Report

The reporting period is 1st April 2024 – 31st March 2025, corresponding with the company financial period.

This is the sixth year of reporting under SECR. The current gross emissions compared to the base year (April 2019 – March 2020) have been reduced by 1,515.5 tonnes of CO₂e, which accounts for a 55% reduction. The main factors causing this reduction are associated with the reduction in the mileage from company-owned cars and private cars used for business purposes. The emissions associated with electricity and gas consumption have been reduced further due to office closures.

Activities relating to travel are limited to company cars and employee-owned vehicles for business use.

HM Government Environmental Reporting Guidelines: including streamlined energy and carbon reporting guidance (March 2019), have been used for the collation of data sources and reporting of emissions. UK Government GHG Conversion Factors for Company Reporting have been used for the reporting of emissions, using the 2024 version.

The financial boundary of the business has been used to determine the reporting boundary. Measurements include mandatory scope 1, 2, and 3 emissions. Estimates have been made with the collation of data. Additionally, optional emissions from electricity transmission and distribution losses have been included in the report. There are no data exclusions in this reporting period. The emissions reported were 241.7 tonnes of CO₂e, but the actual emissions were significantly lower, 4.5 tonnes of CO₂e. The base year is April 2019 – March 2020, and the gross reported emissions during that period were 2,767.6 tonnes of CO₂e. The emissions for the current period show a significant reduction (55%) regarding the base year, which is mainly due to the reduction of the fuel, used for transport and the electricity and gas consumption.

The target is to reduce gross scope 1, 2, and part of scope 3 emissions in tonnes of CO₂e per employee by 2% per year. The reduction of the performance of the current period against the target was 18%. The reporting metric chosen is gross scope 1, 2, and 3 emissions in tonnes of CO₂e per employee, as this best reflects business activity. The intensity measurement will be reported each year, with a comparison made against the previous year's performance. Electricity purchased is certified with REGO credits from the electricity supplier, Pozitive Energy until October 2024 and from British Gas afterwards.

SCOPE 1 CO ₂ e (tonnes)	% estimated	2023 - 2024	2024 - 2025
Gas consumption	-	77.3	87.1
Owned transport	-	1,108.3	1,036.5
Fugitive emissions	-	4.0	4.0
Total	-	1,189.6	1,127.6

SCOPE 2 CO ₂ e (tonnes)	% estimated	2023 - 2024	2024 - 2025
Total	-	110.0	108.9

SCOPE 3 CO ₂ e (tonnes)	% estimated	2023 - 2024	2024 - 2025
Fuel and energy related activities not included in Scopes 1 & 2 above	-	9.5	9.6
Business travel activity: private vehicles, rental car trips	-	1.8	5.9
Total	-	11.3	15.5

Gross emissions (tonnes CO ₂ e)	2023 - 2024	2024 - 2025
Scope 1, Scope 2, Scope 3	1,310.9	1,252.0
Offsets	110.0	108.9
Total	1,200.9	1,143.1

Intensity Metric (Net emissions)	2023 - 2024	2024 - 2025
Net Scope 1, 2, 3 emissions / employee	1.860	2.153

In the financial period, April 2024 to March 2025, Konica Minolta has helped to minimise energy consumption by closing the Livingston Office to further consolidate energy use.

Konica Minolta Business Solutions (UK) Limited
Strategic Report
For the year ended 31 March 2025

Political and charitable donations

The Company's Charities' Committee is comprised of colleagues from various parts and levels of the Group. In the financial year, the company decided to support one charity, Mind. This was in direct response to growing awareness amongst the company employee base around mental health. The Charities Committee organises a range of activities that colleagues can participate in to raise money for our charity partner. The Company made £0.2k direct charitable donations during the year (2024: £0.2k). Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year ending 31 March 2025 (2024: £nil).

Section 172(1) statement

The directors of large organisations like Konica Minolta Business Solutions (UK) limited are required by law to consider a range of factors when making decisions, and to make a clear statement about how they have done that.

The Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of the company for the benefit of its members, and in doing so had regard, amongst other matters, to:

- the likely consequences of any decision in the long term,
- the interests of the Company's employees,
- the need to foster the Company's business relationships with suppliers, customers, and others,
- the impact of the Company's operations on the community and the environment, and
- the desirability of the Company maintaining a reputation for high standards of business conduct.

The Directors also considered the views and interests of a wider set of stakeholders, including our pensioners, regulators, the Government, and non-governmental organisations.

The strategic focus for Konica Minolta Business Solutions (UK) Limited is to ensure we are delivering value to our customers in helping resolve their business problems and we are striving to put the customer at the centre of all we do within the business, thereby developing lasting, mutually profitable partnerships.

As we focus on delivering customer value through innovative IT solutions, we have strengthened supplier management and procurement governance to ensure compliance, mitigate risks, and drive cost-effective value creation.

The business offers a broad range of products and services to the UK market, with IT solutions and services now accounting for 59% of our turnover. We also provide Office, Production and Industrial Print Hardware products and some of these have been upgraded during this Financial Year providing added value to our customers and partners.

Considering this broad range of interests is an important part of the way the Board makes decisions, although in balancing those different perspectives it won't always be possible to deliver everyone's desired 'outcome.

Board stakeholders and Partner Engagement

The Board will often engage directly with certain stakeholders on certain issues.

The Board considers and discusses information from across the organisation to help it understand the impact of Konica Minolta's operations, and the interests and views of our key stakeholders. It also reviews strategy, financial and operational performance, as well as information covering areas such as key risks, and legal and regulatory compliance.

As a result of these activities, the Board has an overview of engagement with stakeholders, and other relevant factors, which enables the Directors to comply with their legal duty under section 172 of the Companies Act 2006.

Konica Minolta Business Solutions (UK) Limited
Strategic Report
For the year ended 31 March 2025

Engagement in action

Employee Engagement

We have maintained high levels of engagement with employees in what is a fast-moving environment, with many external challenges. Our 2025 annual survey saw an increase in engagement across all business areas. We continue with our weekly two-way business-wide communication with employees, called All Hands, where we keep everyone updated on the latest situation in our business, celebrate successes and achievements, and enable questions to be raised. We have also extended our communication across the Global organisation with monthly updates from our European President, including a results dashboard detailing our 3 North Stars, uniting all employees to our strategic direction and achievement against the associated goals.

Our Employee Resource Groups (ERGs) have expanded to include a network specifically focused on Race and Ethnicity, aligned with our people strategy that places a fully inclusive workplace at its centre. We continue to leverage our quarterly insights pack for all leaders, providing critical metrics such as engagement monthly pulse survey results, All Hands attendance, talent movements, and office utilisation. This enables leaders to understand the data and insight for their business area and take action to ensure the best employee experience for their team members. We continue to celebrate our employees through an Employee of the Month recognition scheme, ensuring that employees can regularly publicly recognise and be recognised. Utilisation of this increased in 2025.


We regularly review our benefit offerings. In January 2026, following a benefits survey, we will be introducing new benefits that employees have expressed interest in. We also continue to offer a highly flexible working model with full choice-based working for the majority of our roles. We continue to provide specific additional 2 days leave for well-being and volunteering, ensuring our employees know that their well-being is paramount to business success and their employee experience. We also provide social value initiatives such as volunteer options with partners such as Tech Girls and Cancer Research. We ran several health initiatives, including our London Landmarks walk, with many of our employees walking 13 miles across London to raise money for Cancer Research. Through volunteering and charity-raising, we enable our employees to make impactful social change with national and local initiatives.

Our aim is to keep a constant dialogue open between the leaders and employees of our organisation. Our communication channels are two-way, giving us more insight into our employees' current sentiment, and how we can improve their overall experience at Konica Minolta. We also support a range of communication tools for our employees to use, which are essential in remaining connected with colleagues and peers from across the UK and our global organisation.

Customer Engagement

Maintaining high levels of engagement with our customers is critical to overall business success. In the financial year ended 31 March 2025, we continued to use on-line platforms for customer engagements as well as increasing the number of in person face to face meeting. We have invested in improving our customer experience by introducing a dedicated resource to review feedback and highlight improvement areas to the business.

By order of the board,

DocuSigned by:

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Robert Ferris
Director

Date: 09-01-2026

Konica House
Miles Gray Road
Basildon
Essex
SS14 3AR

Konica Minolta Business Solutions (UK) Limited
Directors' Report
For the year ended 31 March 2025

Directors' Report

The Directors present their Directors' report and financial statements for the year ended 31 March 2025.

Proposed dividend

The directors do not propose the payment of a dividend for the year ended 31 March 2025 (2024: £nil).

Directors

The directors who held office between the start of the financial year and the date of the signing of the financial statements were as follows:

R Ferris, Chief Executive
K Takayanagi
K Suhara (resigned 31 March 2025)
S Isogai (resigned 31 March 2025)
K Itamoto (appointed 1 April 2025)
G Lee (appointed 1 April 2025)

Company Secretary

The Company secretary who held office between the start of the financial year and the date of the signing of the financial statements was as follows:

S Thorogood, Company Secretary

Disclosure of information to auditor

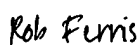
The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor are unaware; and each director has taken all the steps that they ought to have taken as a director to make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

Certain disclosures required under Schedule 7 of the Companies Act 2006, including political and charitable donations, financial risk management, employee matters, and energy and emissions report, have been included in the Strategic Report, as permitted under the Act.

Auditor

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

By order of the board,

DocuSigned by:

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Robert Ferris
Director

Date: 09-01-2026

Konica House
Miles Gray Road
Basildon
Essex
SS14 3AR

Konica Minolta Business Solutions (UK) Limited
Statement of Directors' Responsibilities
For the year ended 31 March 2025

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group and parent Company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KONICA MINOLTA BUSINESS SOLUTIONS (UK) LIMITED

Opinion

We have audited the financial statements of Konica Minolta Business Solutions (UK) Limited ("the Company") for the year ended 31 March 2025 which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Other Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, Consolidated Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2025 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic.

They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KONICA MINOLTA BUSINESS SOLUTIONS (UK) LIMITED (Continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Group's high-level policies and procedures to prevent and detect fraud including the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that Group management may be in a position to make inappropriate accounting entries;
- the risk of bias in accounting estimates such as pension assumptions with regards to the net defined pension asset;
- the risk that revenue generated through the sale of products and copy click revenue is overstated through recording revenues in the wrong period.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Group-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test for all full scope components based on risk criteria specific to each component and comparing the identified entries to supporting documentation. These included those posted to unusual accounts and those posted by senior management.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
- Obtaining a sample of invoices and related delivery documentation around the year end to assess whether revenue has been recorded in the appropriate period with respect to the sale of goods
- Obtaining a sample of invoices relating to copy click revenue around year end and performing procedures to ensure that the invoice related to the services performed were accounted for in the correct period with reference to invoices, billing schedules and customer payments.
- Obtaining a list of post year end credit notes and ensuring that the credit notes were accounted for in the correct period.
- Obtaining a sample of accrued income relating to copy click revenue and ensuring that the amount accrued was appropriate

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KONICA MINOLTA BUSINESS SOLUTIONS (UK) LIMITED (Continued)

Fraud and breaches of laws and regulations – ability to detect (Continued)

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, pension legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery and money laundering and employment law, and certain aspects of company legislation recognising the regulated nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KONICA MINOLTA BUSINESS SOLUTIONS (UK) LIMITED (Continued)

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit. or We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 10, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Mathew Radwell (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
20 Station Road Cambridge
CB1 2JD

9 January 2026

Konica Minolta Business Solutions (UK) Limited
Consolidated Profit and Loss Account
For the year ended 31 March 2025

Consolidated Profit and Loss Account

	Notes	2025 £000	2024 £000
Turnover	2	123,003	128,838
Cost of sales		(81,551)	(84,754)
Gross profit		41,452	44,084
Distribution costs		(29,160)	(30,155)
Administrative expenses		(18,943)	(18,448)
Operating loss		(6,651)	(4,519)
Other interest receivable and similar income	7	5,839	5,883
Interest payable and similar charges	8	(5,739)	(5,707)
Loss before taxation	3	(6,551)	(4,343)
Taxation credit/(charge) for the year	9	1,522	(1,613)
Loss for the financial year		(5,029)	(5,956)
<i>Loss attributable to</i> Shareholders of the parent company		(5,029)	(5,956)
Total Loss for the year		(5,029)	(5,956)

The financial results above derive from continuing activities.

The accompanying notes on pages 22 to 41 form an integral part of these financial statements.

Konica Minolta Business Solutions (UK) Limited
Consolidated Statement of Other Comprehensive Income
For the year ended 31 March 2025

Consolidated Statement of Other Comprehensive Income

	Notes	2025 £000	2024 £000
Loss for the year		(5,029)	(5,956)
Other comprehensive expense			
Remeasurement of the net defined benefit liability	18	(100)	(4,325)
Deferred tax impact	10	25	1,939
Other comprehensive expense for the year, net of income tax		(75)	(2,386)
Total comprehensive expense for the year		(5,104)	(8,342)
Total comprehensive expense attributable to Shareholders of the parent company		(5,104)	(8,342)
		(5,104)	(8,342)

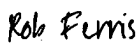
The accompanying notes on pages 22 to 41 form an integral part of these financial statements.

Konica Minolta Business Solutions (UK) Limited
Consolidated Balance Sheet
As at 31 March 2025

Consolidated Balance Sheet

	Notes	2025 £000	2025 £000	2024 £000	2024 £000
Fixed assets					
Intangible assets	11		854		1,477
Tangible assets	12		6,216		6,274
Net defined benefit pension asset	18		<u>26,127</u>		<u>24,299</u>
			33,197		32,050
Current assets					
Stocks	14	5,944		7,101	
Debtors (Amounts due after more than one year £3,919k (2024: £2,044k))	15	55,440		56,760	
Cash at bank and in hand		<u>1,115</u>		<u>671</u>	
		62,499		64,532	
Creditors: amounts falling due within one year	16		<u>(61,392)</u>		<u>(55,787)</u>
Net current assets			1,107		8,745
Total assets less current liabilities			34,304		40,795
Creditors: amounts due after more than one year	16		<u>(4,265)</u>		<u>(4,080)</u>
Provisions for liabilities	17		<u>(6,817)</u>		<u>(8,389)</u>
Net assets			23,222		28,326
Capital and reserves					
Called up share capital	19		21,000		21,000
Profit and loss account			<u>2,222</u>		<u>7,326</u>
Equity attributable to the parent's shareholders			23,222		28,326
Shareholders' funds			23,222		28,326

These financial statements were approved by the board of directors on and were signed on its behalf by:

DocuSigned by:

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Robert Ferris
Director

Date: 09-01-2026

Company registered number: 1132885


The accompanying notes on pages 22 to 41 form an integral part of these financial statements.

Konica Minolta Business Solutions (UK) Limited
Company Balance Sheet
As at 31 March 2025

Company Balance Sheet

	Notes	2025 £000	2025 £000	2024 £000	2024 £000
Fixed assets					
Intangible assets	11		567		939
Tangible assets	12		6,216		6,274
Investment	13		7,576		7,576
Net defined benefit pension asset	18		26,127		24,299
			<u>40,486</u>		<u>39,088</u>
Current assets					
Stocks	14	5,944		7,101	
Debtors (Amounts due after more than one year £5,476k (2024: £3,601k))	15	56,989		58,299	
Cash at bank and in hand		999		669	
		<u>63,932</u>		<u>66,069</u>	
Creditors: amounts falling due within one year	16	(73,395)		(67,892)	
			<u>(9,463)</u>		<u>(1,823)</u>
Net current liabilities					
Total assets less current liabilities			31,023		37,265
Creditors: amounts due after more than one year	16		(4,265)		(4,080)
Provisions for liabilities	17		(6,817)		(8,389)
			<u>(11,082)</u>		<u>(12,469)</u>
Net assets			19,941		24,796
Capital and reserves					
Called up share capital	19		21,000		21,000
Profit and loss account			637		5,492
Merger reserve account	23		(1,696)		(1,696)
			<u>19,941</u>		<u>24,796</u>
Equity attributable to the parent's shareholders			<u>19,941</u>		<u>24,796</u>
Shareholders' funds			19,941		24,796

These financial statements with a loss for the year of £4.8m (2024: loss £9.6m) for the year, were approved by the board of directors on and were signed on its behalf by:

DocuSigned by:

A1D68DCF2CF74E8...
Robert Ferris
Director

Date: 09-01-2026

Company registered number: 1132885

The accompanying notes on pages 22 to 41 form an integral part of these financial statements.

Konica Minolta Business Solutions (UK) Limited
Consolidated Statement of Changes in Equity
For the year ended 31 March 2025

Consolidated Statement of Changes in Equity

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2023	21,000	15,668	36,668
Loss for the year	-	(5,956)	(5,956)
Other comprehensive expense	-	(2,386)	(2,386)
Total comprehensive expense for the year	-	(8,342)	(8,342)
Balance at 31 March 2024	21,000	7,326	28,326

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2024	21,000	7,326	28,326
Loss for the year	-	(5,029)	(5,029)
Other comprehensive expense	-	(75)	(75)
Total comprehensive expense for the year	-	(5,104)	(5,104)
Balance at 31 March 2025	21,000	2,222	23,222

The accompanying notes on pages 22 to 41 form an integral part of these financial statements.

Konica Minolta Business Solutions (UK) Limited
Company Statement of Changes in Equity
For the year ended 31 March 2025

Company Statement of Changes in Equity

	Notes	Called up share capital £000	Profit and loss account £000	Merger reserve account £000	Total equity £000
Balance at 1 April 2023		21,000	17,468	-	38,468
Loss for the year		-	(9,590)	-	(9,590)
Other comprehensive expense		-	(2,386)	-	(2,386)
Total comprehensive expense for the year		-	(11,976)	-	(11,976)
Merger reserve account	23	-	-	(1,696)	(1,696)
Total merger reserve account		-	-	(1,696)	(1,696)
Balance at 31 March 2024		21,000	5,492	(1,696)	24,796

	Notes	Called up share capital £000	Profit and loss account £000	Merger reserve account £000	Total equity £000
Balance at 1 April 2024		21,000	5,492	(1,696)	24,796
Loss for the year		-	(4,780)	-	(4,780)
Other comprehensive expense		-	(75)	-	(75)
Total comprehensive expense for the year		-	(4,855)	-	(4,855)
Balance at 31 March 2025		21,000	637	(1,696)	19,941

The accompanying notes on pages 22 to 41 form an integral part of these financial statements.

Konica Minolta Business Solutions (UK) Limited
Consolidated Cash Flow Statement
For the year ended 31 March 2025

Consolidated Cash Flow Statement

	Notes	2025 £000	2024 £000
Cash flows from operating activities			
Loss for the year		(5,029)	(5,956)
<i>Adjustments for:</i>			
Depreciation, amortisation and impairment	11/12	3,850	6,461
Unrealised foreign exchange losses/(gains)		(2)	3
Interest receivable	7	(1,268)	(5,883)
Interest payable	8	1,168	5,707
Loss on disposal of tangible assets		411	475
Taxation for the year	9	(1,522)	1,613
		<u>(2,392)</u>	<u>2,420</u>
Decrease/(increase) in Trade and other debtors		1,320	(1,119)
Decrease in Stocks		1,157	354
(Decrease)/increase in Trade and other creditors		(3,428)	3,370
(Decrease) in provisions		(25)	(320)
		<u>(976)</u>	<u>2,285</u>
Pension Contributions	18	<u>(714)</u>	<u>(2,856)</u>
		<u>(714)</u>	<u>(2,856)</u>
Net cash (outflow)/inflow from operating activities		<u>(4,082)</u>	<u>1,849</u>
Cash flows from investing activities			
Purchase of tangible assets	12	(3,536)	(4,437)
Interest received	7	54	105
Acquisition of intangible assets	11	(44)	(17)
Net cash (outflow) from investing activities		<u>(3,526)</u>	<u>(4,349)</u>
Cash flows from financing activities			
Interest paid	8	(1,168)	(1,171)
Draw down of borrowings	16	9,220	3,063
Net cash inflow from financing activities		<u>8,052</u>	<u>1,892</u>
Net increase/(decrease) in cash and cash equivalents		444	(608)
Cash and cash equivalents at beginning of year		671	1,279
Cash and cash equivalents at the end of the year		<u>1,115</u>	<u>671</u>

The accompanying notes on pages 22 to 41 form an integral part of these financial statements.

Konica Minolta Business Solutions (UK) Limited
Notes to the Financial Statements
For the year ended 31 March 2025

1 Accounting policies

Konica Minolta Business Solutions (UK) Limited is a private company incorporated, domiciled and registered in the UK. The registered number is 01132885 and the registration address is Miles Gray Road, Basildon, Essex, SS14 3AR.

These financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102").

The presentation currency of these financial statements is pounds sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company, and consolidated financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included;
- Key Management Personnel compensation has not been included a second time;
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1; and
- Per Paragraph 33.1A, disclosures need not be given of transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements, which indicate that the Group and Company will have sufficient funds to meet its liabilities as they fall due for that period. The directors have also prepared a severe but plausible downside forecast, which reflects trading levels at a lower rate than current plans. In the base and downside scenario, the Group and Company will need to continue to access the support available to it under the rolling inter-group treasury facility, that has no fixed expiry date. The Group's financial stability over the next 15 months is further supported by a formal Letter of Support received from Konica Minolta Inc, confirming their ongoing commitment to funding.

This facility was increased to a limit of £26m (2024: £26m) and as of the end of November 2025 the Group had cash on hand of £0.8m and had used £20.6m of the facility. The Group and Company are also dependent on Konica Minolta Inc not recalling amounts owed under the facility.

These financial statements have been prepared on the basis that the company's parent company, Konica Minolta Inc, will continue to make available the £26m inter-group facility noted above, which it has indicated that it will do for a period of at least 15 months from signing these financial statements. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue, although at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The directors are satisfied that the global trading environment is not likely to impact the parent's ability to provide further financial support to the company, this was demonstrated with the loan facility increase in November 2024. The parent company reported a loss for the year ended 31 March 2025 of £260m (2024: profit £22m).

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

Konica Minolta Business Solutions (UK) Limited
Notes to the Financial Statements
For the year ended 31 March 2025

1 Accounting policies (continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2025. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

Under section 408 of the Companies Act 2006 the Company is exempt from the requirements to present its own profit and loss account.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Goodwill

Purchased goodwill arising on consolidation/business combinations in respect of acquisitions before 1 January 1998, when FRS 10 'Goodwill and intangible assets' was adopted, was written off to reserves in the year of acquisition. When a subsequent disposal occurs any related goodwill previously written off to reserves is written back through the profit and loss account as part of the profit or loss on disposal.

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) arising on consolidation/business combinations in respect of acquisitions since 1 January 1998 is capitalised. Positive goodwill is amortised to nil by equal annual instalments over its estimated useful life.

Investments

In the Company's financial statements, investments in subsidiary undertakings are stated at cost less amounts written off.

Turnover

Turnover is generated from both sale of products and service activities. Product sales turnover derives from the sale of new and second-hand machines to customers, including equipment which is financed by third party lessors. Where equipment is financed, customers may contract directly with the lessor or alternatively customers may contract with the Company and give permission for the rentals to be assigned with all the risks and rewards transferring to the lessor. The Company also provides machines to customers through rental agreements and recognises the resulting income in line with FRS 102 Section 23. The contract with the customer and its separate performance obligations are identified which are:

- Sale of goods (hardware) - On Delivery
- Copy click turnover - On usage / Volumes of click
- Sale of Software - Upfront recognition on issue for Perpetual Licences and Over period for Fixed Period Licenses
- Sale of Software Support - Over the period
- Professional and outsourcing services - On performance of the services

The transaction price is determined and allocated to each performance obligation. Turnover is recognised when the performance obligation is satisfied.

Intangible fixed assets and amortisation

Intangible assets acquired as part of an acquisition are capitalised at their fair value where this can be measured reliably. Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

These are amortised on a straight-line basis over their estimated useful lives which are as follows:

Goodwill	10 years
Customer relationship	10 years
Software	3 years

Konica Minolta Business Solutions (UK) Limited
Notes to the Financial Statements
For the year ended 31 March 2025

1 Accounting policies (continued)

Tangible fixed assets and depreciation

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. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Short term leasehold improvements	3 - 17 years
Rental machines	1 - 5 years
Computer equipment	3 - 4 years
Plant and equipment	4 - 10 years

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

Leases to Customers

The fair value (net of provision) is detailed in the Balance Sheet as a Finance lease receivable within Debtors. Rental income is apportioned between the reduction of the debtor and interest receivable to give a constant periodic rate of return on the net cash investment.

Classification of financial instruments issued by the group

In accordance with FRS 102.22, financial instruments issued by the group are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the group 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 group; and
- (b) where the instrument will or may be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity 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 entity'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.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Investments in ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Post-retirement benefits

The Company operates a pension scheme providing post-retirement benefits for eligible employees. The scheme has a defined contribution section and a defined benefit section providing benefits based on final pensionable pay.

Konica Minolta Business Solutions (UK) Limited
Notes to the Financial Statements
For the year ended 31 March 2025

1 Accounting policies (continued)

Defined contribution section

The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Defined benefit section

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The entity's net obligation in respect of defined benefit plans 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. The fair value of any plan assets is deducted. The entity determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability (asset) taking account of changes arising because of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of and having maturity dates approximating to the terms of the entity's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The entity recognises net defined benefit plan assets to the extent that it can recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Remeasurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the weighted average principle.

Taxation

Tax on the profit or loss for the year comprises 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 timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Provisions

A provision is recognised in the balance sheet when the entity 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 recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Subsidiary Hive Up

In the prior year, ProcessFlows (UK) Limited transferred its Assets and Liabilities into Konica Minolta Business Solutions (UK) Limited on the 1st September 2023. The Company elected to apply merger accounting for a qualifying group reorganization. All assets were transferred at book value. The hive up balance was transferred to a merger reserve following the application of merger accounting. Details of the Hive Up are set out in Note 23.

Konica Minolta Business Solutions (UK) Limited
Notes to the Financial Statements
For the year ended 31 March 2025

2 Turnover

	2025	2024
	£000	£000
Sale of goods (hardware)	50,852	51,815
Rendering of services		
Copy click turnover	51,141	54,962
Sale of Software Support	8,339	6,426
Sale of Software	4,887	4,157
Rental income	4,447	4,685
Professional and outsourcing services	3,337	6,793
Total turnover	123,003	128,838

All turnover is generated in the United Kingdom.

3 Loss before taxation

	2025	2024
	£000	£000
<i>This is stated after charging / (crediting)</i>		
Depreciation of owned assets	3,183	2,906
Loss on disposal of tangible fixed assets	411	475
Loss on disposal of intangible assets	-	5
Amortisation of intangible assets	667	1,569
Impairment of goodwill	-	1,986
Operating lease rental payments:		
Plant and machinery	1,475	575
Other	969	938
Foreign currency losses	20	19

4 Expenses and auditor's remuneration

	2025	2024
	£000	£000
Auditor's remuneration:		
Audit of these financial statements	410	374
Amounts receivable by the company's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries of the company	20	41
Other non-audit services	9	9
	439	424

Konica Minolta Business Solutions (UK) Limited
Notes to the Financial Statements
For the year ended 31 March 2025

5 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows:

	2025 £000	2024 £000
Management	25	28
Administration	446	289
Marketing and service	285	340
	<u>756</u>	<u>657</u>

The aggregate payroll costs of the Group's employees were as follows:

	2025 £000	2024 £000
Wages and salaries	31,509	30,400
Social security costs	4,242	3,885
Other pension costs	2,714	2,709
	<u>38,465</u>	<u>36,994</u>

6 Directors' remuneration

	2025 £000	2024 £000
Directors' remuneration	573	573
	<u>573</u>	<u>573</u>

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £417k (2024: £362k), and company pension contributions of £Nil (2024: £Nil) were made to a money purchase scheme on his behalf. Certain directors are paid by the ultimate parent company and any allocation of the remuneration is deemed to be highly insignificant.

7 Other interest receivable and similar income

	2025 £000	2024 £000
Other interest receivable	54	105
Interest income on pension scheme assets	1,214	5,778
	<u>1,268</u>	<u>5,883</u>

In the current year, interest income on pension scheme assets is presented on a net basis together with interest expense on pension scheme liabilities, in accordance with FRS 102 requirements for net interest/income on the net defined benefit liability/asset.

In the prior year, these amounts were presented gross as separate line items. This difference relates to presentation only and does not affect the accounting recognition or total profit. As the Directors do not consider the effect on the prior period financial statements to be material, the balances have not been restated.

Konica Minolta Business Solutions (UK) Limited
Notes to the Financial Statements
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8 Interest payable and similar charges

	2025 £000	2024 £000
Interest on pension scheme liabilities	-	4,536
Other finance costs	1,168	1,171
	<u>1,168</u>	<u>5,707</u>

In the current year, interest income on pension scheme assets is presented on a net basis together with interest expense on pension scheme liabilities, in accordance with FRS 102 requirements for net interest/income on the net defined benefit liability/asset.

In the prior year, these amounts were presented gross as separate line items. This difference relates to presentation only and does not affect the accounting recognition or total profit. As the Directors do not consider the effect on the prior period financial statements to be material, the balances have not been restated.

9 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2025 £000	2024 £000
Current tax		
Current tax on income for the year	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax (see note 10)		
Origination and reversal of timing differences	491	1,175
Adjustments in respect of prior periods	(9)	29
Effect of tax rate change on opening balance	(2,004)	409
	<u>(1,522)</u>	<u>1,613</u>
	<u>(1,522)</u>	<u>1,613</u>

Reconciliation of effective tax rate

	2025 £000	2024 £000
Loss before taxation	(6,551)	(4,343)
Tax using the UK corporation tax rate of 25% (2024: 25 %)	(1,638)	(1,087)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	230	575
Adjustments in respect of prior periods – deferred tax	-	29
Remeasurement of deferred tax for changes in tax rates	(2,004)	409
Movement in Deferred tax not recognised	1,890	1,687
Total tax charge	<u>(1,522)</u>	<u>1,613</u>

In the 3 March 2021 Budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023. This has had a consequential effect on the company's current year and future tax charge.

Konica Minolta Business Solutions (UK) Limited
Notes to the Financial Statements
For the year ended 31 March 2025

10 Deferred taxation

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2025	2024	2025	2024	2025	2024
	£000	£000	£000	£000	£000	£000
Accelerated capital allowances	-	(154)	-	-	-	(154)
Intangibles	-	-	-	154	-	154
Employee benefits	-	-	6,532	8,079	6,532	8,079
Net tax (assets) / liabilities	-	(154)	6,532	8,233	6,532	8,079

Company	Assets		Liabilities		Net	
	2025	2024	2025	2024	2025	2024
	£000	£000	£000	£000	£000	£000
Accelerated capital allowances	-	-	-	-	-	-
Intangibles	-	-	-	-	-	-
Employee benefits	-	-	6,532	8,079	6,532	8,079
Net tax (assets) / liabilities	-	-	6,532	8,079	6,532	8,079

Movement in the net deferred tax (asset)/liability (Group and company)

	Group Net	Company Net
	2025	2025
	£000	£000
Opening balance	8,079	8,079
Debited through Profit and loss	(1,522)	(1,522)
Credited through Other comprehensive income	(25)	(25)
At year end	6,532	6,532

The Group made an assessment of taxable profits that would be available in the future against which unused tax losses could be used. Based on this assessment, deferred tax assets have not been recognised in respect of unused tax losses amounting to £60,804k (2024: £53,244k). Deferred tax asset not recognised of £15,201k (2024: £13,311k).

Konica Minolta Business Solutions (UK) Limited
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11 Intangible fixed assets

Group	Customer Relationship £000	Goodwill £000	Software £000	Total £000
Cost				
At beginning of year	2,804	20,924	1,594	25,322
Additions	-	-	44	44
At end of year	<u>2,804</u>	<u>20,924</u>	<u>1,638</u>	<u>25,366</u>
Amortisation				
At beginning of year	2,187	20,113	1,545	23,845
Charge for year	288	359	20	667
At end of year	<u>2,475</u>	<u>20,472</u>	<u>1,565</u>	<u>24,512</u>
Net book value				
At 31 March 2025	<u>329</u>	<u>452</u>	<u>73</u>	<u>854</u>
At 31 March 2024	<u>617</u>	<u>811</u>	<u>49</u>	<u>1,477</u>

The remaining goodwill carrying amount of £452k relates to Konica Minolta Business Solutions (Northern Scotland) Limited. ProcessFlows (UK) Limited goodwill was fully impaired at 31 March 2024.

The Net book values at the year end were Konica Minolta Business Solutions (Northern Scotland) Limited £452k (2024: £811k) and ProcessFlows (UK) Limited £Nil (2024: £Nil).

The Amortisation charges for the year were Konica Minolta Business Solutions (Northern Scotland) Limited £359k (2024: £359k) and ProcessFlows (UK) Limited £Nil (2024: £877k).

Company	Goodwill £000	Software £000	Total £000
Cost			
At beginning of year	11,860	831	12,691
Additions	-	44	44
At end of year	<u>11,860</u>	<u>875</u>	<u>12,735</u>
Amortisation			
At beginning of year	10,968	784	11,752
Charge for year	396	20	416
At end of year	<u>11,364</u>	<u>804</u>	<u>12,168</u>
Net book value			
At 31 March 2025	<u>496</u>	<u>71</u>	<u>567</u>
At 31 March 2024	<u>892</u>	<u>47</u>	<u>939</u>

The remaining goodwill carrying amount of £496k relates to Konica Minolta Business Solutions (Northern Scotland) Limited.

The Net book value at the year end was Konica Minolta Business Solutions (Northern Scotland) Limited £496k (2024: £892k).

The Amortisation charge for the year was Konica Minolta Business Solutions (Northern Scotland) Limited £396k (2024: £396k).

Konica Minolta Business Solutions (UK) Limited
Notes to the Financial Statements
For the year ended 31 March 2025

12 Tangible fixed assets

Group	Short leasehold property and improvements	Plant and equipment	Rental machines	Total
	£000	£000	£000	£000
Cost				
At beginning of year	645	4,558	14,193	19,396
Additions	502	770	2,264	3,536
Disposals	(72)	(160)	(3,981)	(4,213)
At end of year	<u>1,075</u>	<u>5,168</u>	<u>12,476</u>	<u>18,719</u>
Depreciation				
At beginning of year	497	3,828	8,797	13,122
Charge for year	151	244	2,788	3,183
On disposals	(72)	(154)	(3,576)	(3,802)
At end of year	<u>576</u>	<u>3,918</u>	<u>8,009</u>	<u>12,503</u>
Net book value				
At 31 March 2025	<u>499</u>	<u>1,250</u>	<u>4,467</u>	<u>6,216</u>
At 31 March 2024	<u>148</u>	<u>730</u>	<u>5,396</u>	<u>6,274</u>
Company				
	Short leasehold property and improvements	Plant and equipment	Rental machines	Total
	£000	£000	£000	£000
Cost				
At beginning of year	647	4,543	14,206	19,396
Additions	502	770	2,264	3,536
Disposals	(72)	(160)	(3,981)	(4,213)
At end of year	<u>1,077</u>	<u>5,153</u>	<u>12,489</u>	<u>18,719</u>
Depreciation				
At beginning of year	499	3,831	8,792	13,122
Charge for year	151	244	2,788	3,183
On disposals	(72)	(154)	(3,576)	(3,802)
At end of year	<u>578</u>	<u>3,921</u>	<u>8,004</u>	<u>12,503</u>
Net book value				
At 31 March 2025	<u>499</u>	<u>1,232</u>	<u>4,485</u>	<u>6,216</u>
At 31 March 2024	<u>148</u>	<u>712</u>	<u>5,414</u>	<u>6,274</u>

Konica Minolta Business Solutions (UK) Limited
Notes to the Financial Statements
For the year ended 31 March 2025

13 Fixed asset investments

Company	2025
	£000
Cost	
At beginning of year	15,794
At end of year	<u>15,794</u>
Provisions	
At beginning of year	(8,218)
At end of year	<u>(8,218)</u>
Net book value	
At 31 March 2025	<u>7,576</u>
At 31 March 2024	<u>7,576</u>

Investments in subsidiaries are stated at cost less amounts written off where there has been a permanent diminution in value. The investment in ProcessFlows Holdings Limited was fully impaired during the year ended 31 March 2024 by £3,232k. For Processflows, the carrying amount was compared with the net assets in ProcessFlows Holdings Limited which resulted in the full impairment of the investment.

The principal undertakings in which the Company's interest at the year-end is more than 20% are as follows:

Subsidiary undertakings	Principal activity	Class and percentages of shares held	Registered office address*
Konica Minolta Business Solutions East Limited	Dormant	100% ordinary "A" shares of £1	A
Konica Minolta Business Solutions (Wales) Limited	Dormant	100% ordinary "B" shares of £1	B
ProcessFlows Holdings Limited	Holding Company	100% ordinary shares of £1	C
ProcessFlows (UK) Limited**	Prior to Hive up (1st September 2023) - Provider of technology and services for the capture, processing, management and delivery of documents, information, voice and data. Post Hive up (1st September 2023) - Dormant	100% ordinary "A" shares of £1	C
Konica Minolta Business Solutions (Northern Scotland) Limited	Holding Company	100% ordinary "A" shares of £1	D
Capture Imaging Limited	Dormant	100% ordinary "B" shares of £1	D

*** Registered addresses:**

A: 2 Orchard Way, Calladine Park, Sutton In Ashfield, NG17 1JU.
 B and C: Konica House, Miles Gray Road, Basildon, Essex, SS14 3AR.
 D: 8 Deer Park Avenue, Livingston, Scotland, EH54 8GA

All subsidiary companies are wholly owned and are consolidated into the Group financial statements.

** Direct Parent is ProcessFlows Holdings Limited which is a subsidiary of Konica Minolta Business Solutions (UK) Limited.

Konica Minolta Business Solutions (UK) Limited
Notes to the Financial Statements
For the year ended 31 March 2025

14 Stocks

	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Finished goods and goods for resale	<u>5,944</u>	<u>7,101</u>	<u>5,944</u>	<u>7,101</u>

The write-down of stocks to net realisable value amounted £11k (2024: £84k). The write-down is included in cost of sales.

15 Debtors

	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Trade debtors	39,476	39,712	39,468	39,694
Amounts owed by group undertakings:				
Parent and fellow group undertakings	685	704	685	704
Subsidiary undertakings	-	-	1,557	1,557
Other debtors	49	-	49	-
Prepayments and accrued income	14,937	15,989	14,937	15,989
Finance Lease	293	355	293	355
	<u>55,440</u>	<u>56,760</u>	<u>56,989</u>	<u>58,299</u>
Due within one year	51,521	54,716	51,513	54,698
Due after more than one year	3,919	2,044	5,476	3,601
	<u>55,440</u>	<u>56,760</u>	<u>56,989</u>	<u>58,299</u>

Amounts owed by group undertakings (parent) are repayable in line with intercompany payment terms (end of month + one month + 20 days). There are no interest arrangements on these balances.

Amounts owed by group undertakings (subsidiary) are repayable on demand and are interest free.

Konica Minolta Business Solutions (UK) Limited
Notes to the Financial Statements
For the year ended 31 March 2025

16 Creditors: amounts falling due within one year

	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Trade creditors	5,813	5,845	5,550	5,580
Amounts owed to group undertakings:				
parent company and fellow group undertakings	8,586	14,074	8,586	14,074
subsidiary undertakings	2,760	2,764	15,026	15,134
Other creditors	9,342	10,139	9,342	10,139
Taxation and social security	5,107	5,169	5,107	5,169
Accruals and deferred income	10,870	8,102	10,870	8,102
Loan Payable to Group undertaking	18,914	9,694	18,914	9,694
	<u>61,392</u>	<u>55,787</u>	<u>73,395</u>	<u>67,892</u>

Amounts owed to group undertakings are repayable in line with intercompany payment terms (end of month + one month + 20 days). There are no interest arrangements on these balances.

The Company has access to a rolling group loan facility of £26.0 million (2024: £26.0 million). As at 31 March 2025 £18.9m (2024: £9.7m) was drawn down under this loan facility. Interest is payable on this loan facility on a monthly basis it is calculated by the monthly SONIA base rate + 0.3% spread.

Creditors: amounts falling due after more than one year

	Group 2025 £000	Group 2024 £000	Company 2025 £000	Company 2024 £000
Accruals and deferred income	4,265	4,080	4,265	4,080
	<u>4,265</u>	<u>4,080</u>	<u>4,265</u>	<u>4,080</u>

Konica Minolta Business Solutions (UK) Limited
Notes to the Financial Statements
For the year ended 31 March 2025

17 Provisions

Group	Total 2025 £000	Total 2024 £000
Dilapidations on premises		
At beginning of year	310	630
Provisions utilised during the year	<u>(25)</u>	<u>(320)</u>
At end of year	<u>285</u>	<u>310</u>
Deferred Tax Liability		
At beginning of year	8,079	8,630
Provisions utilised during the year	<u>(1,547)</u>	<u>(551)</u>
At end of year	<u>6,532</u>	<u>8,079</u>
At end of year	<u><u>6,817</u></u>	<u><u>8,389</u></u>
Company		
Dilapidations on premises		
At beginning of year	310	630
Provisions utilised during the year	<u>(25)</u>	<u>(320)</u>
At end of year	<u>285</u>	<u>310</u>
Deferred Tax Liability		
At beginning of year	8,079	8,405
Provisions utilised during the year	<u>(1,547)</u>	<u>(326)</u>
At end of year	<u>6,532</u>	<u>8,079</u>
At end of year	<u><u>6,817</u></u>	<u><u>8,389</u></u>

The Company holds a provision for dilapidations on premises that are due to be vacated. The Company is negotiating with the landlords to finalise the dilapidations.

Provisions include deferred tax liabilities, see note 10 for more information on the deferred tax balances.

Konica Minolta Business Solutions (UK) Limited
Notes to the Financial Statements
For the year ended 31 March 2025

18 Employee benefits

Group and Company

During the year ended 31 March 2025, the Group operated the following pension scheme in the United Kingdom:

The Konica Minolta Business Solutions (UK) Pension Plan

The Plan has a defined benefit section which was closed for future contributions from the 1 April 2010. There are no informal practices giving rise to constructive obligations that are required to be included in the measurement of Plan liabilities. A full FRS102 actuarial valuation was carried out as at 30 September 2023 by a qualified independent actuary and rolled forward to 31 March 2025.

Konica Minolta Business Solutions (UK) Limited is the principal employer of the Konica Minolta Business Solutions (UK) Pension Plan, with Konica Minolta Business Solutions East Limited participating. The Plan operates as a group-administered defined benefit scheme with obligations allocated between employers on a segregated, employee-based basis. For the purpose of determining the Plan's Pension Protection Levy it is assumed that the Plan may operate under a partially segregated basis following the exit or insolvency of either participating employer.

In line with group policy, the directors have allocated the entire scheme pension surplus on the balance sheet of Konica Minolta Business Solutions (UK) Limited.

At the effective date of 31 March 2025, there were 31 deferred and 13 pensioners members allocated to the Konica Minolta Business Solutions East Limited Pension Plan. The net defined plan assets were split between the participating employers Konica Minolta Business Solutions (UK) and Konica Minolta Business Solutions East Limited by £25.2m and £0.9m resulting in the total consolidated view of £26.1m.

Net pension asset

	2025 £000	2024 £000
Defined benefit obligation	(84,510)	(95,974)
Plan assets	110,637	120,273
Net pension asset	26,127	24,299

Movements in present value of defined benefit obligation

	2025 £000	2024 £000
At the beginning of the year	95,974	96,681
Interest expense	4,571	4,536
Remeasurement: actuarial gains	(11,747)	(1,197)
Benefits paid	(4,288)	(4,046)
At the end of the year	84,510	95,974

Movements in fair value of plan assets

	2025 £000	2024 £000
At the beginning of the year	120,273	121,207
Interest income	5,785	5,778
Contributions by employer	714	2,856
Remeasurement: return on plan assets less interest income	(11,847)	(5,522)
Benefits paid	(4,288)	(4,046)
At the end of the year	110,637	120,273

This section of the plan is closed to new entrants. The Scheme is closed to future accrual, and accordingly there is no annual service cost.

Konica Minolta Business Solutions (UK) Limited
Notes to the Financial Statements
For the year ended 31 March 2025

18 Employee benefits (continued)

Analysis if the amount is included in other finance expenses

	2025	2024
	£000	£000
Interest income	5,785	5,778
Interest on pension liabilities	(4,571)	(4,536)
Other finance income	<u>1,214</u>	<u>1,242</u>

The fair value of the plan assets and the return on those assets were as follows:

	2025	2024
	Fair value	Fair value
	£000	£000
Equities	3,998	3,007
Government bonds	66,317	63,142
Cash	3,656	16,959
Buy and maintain credit	35,769	37,165
Insured annuities	897	-
	<u>110,637</u>	<u>120,273</u>

Total quoted assets £4,553k (2024: £17,952k), and total unquoted assets £106,084k (2024: £102,321k)

Included within the 2024 balances above is £993k of insured annuities, which was incorrectly included within other asset categories, rather than being presented separately. The total pension scheme asset balance was correctly stated. As the Directors do not consider the effect on the prior period financial statements to be material, the balances have not been restated.

	2025	2024
	£000	£000
Actual return on plan assets	(11,847)	(5,522)

None of the plan assets are represented by financial instruments of the Entity. None of the plan assets are occupied or used by the Entity.

Principal actuarial assumptions (expressed as weighted averages) at the year-end were as follows:

	2025	2024
	%	%
Discount rate	5.75	4.87
Future salary increases	4.82	4.86
Pension increase in payments rate	2.95	3.04
Inflation assumption after members' retirement (RPI)	3.01	3.12
Inflation assumption after members' retirement (CPI)	2.80	2.86
Inflation assumption before members' retirement (CPI)	2.82	2.86

Pension Scheme Compliance and Financial Reporting

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. On 2 September 2025, the Government published draft amendments to the Pensions Scheme Bill which would give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standards. The draft legislation will need to be agreed by both Houses of Parliament before it passes into law.

Following the publication of draft legislation, the Directors do not expect the Virgin Media ruling to give rise to any additional liabilities and so the DBO has not been adjusted and continues to reflect the benefits currently being administered.

Konica Minolta Business Solutions (UK) Limited
Notes to the Financial Statements
For the year ended 31 March 2025

18 Employee benefits (continued)

Mortality Assumptions

Pre-retirement TXNL16

Allowance for each member's year of birth has been made. Future mortality should be projected in accordance with the CMI_2023_Core_M [1.5%] male and the CMI_2023_Core_F [1.25%] female projections, parameter A=0%, rebased to the year 2016.

Post-retirement S3PXA

Allowance for each member's year of birth has been made. A rating factor of 97% for males and 102% for females should be applied to the post retirement base mortality rates. Future mortality should be projected in accordance with the CMI_2022_Core_M [1.5%] male and the CMI_2022_Core_F [1.25%] female projections, parameter A=0%, rebased to the year 2016.

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: 21.6 years (male), 23.7 years (female).
- Future retiree upon reaching 65: 23.2 years (male), 25.1 years (female).

The plan does not invest in the sponsor's own financial instruments, including property or other assets owned by the sponsor.

No adjustments have been made to account for the impact of Covid-19 as the actual Plan experience is not yet available and as it is too soon to make a judgement on the impact of the pandemic on future mortality improvements.

The Trustees hold insured annuity policies in respect of several members of the Plan. At 31 March 2025, the value placed on these annuities was £897k (2024: £993k). Other than the potential impact of GMP equalisation, these annuities are assumed to exactly match the corresponding liability under the Plan and the value of these annuities has been included in both the assets and the liabilities shown below. The sponsor's best estimate of contributions to be paid in the year following 31 March 2025 is £nil. The actual loss on scheme assets in the year was £11,847 (2024: £5,522).

The duration of the Defined Benefit scheme is 13 years.

Analysis of amount recognised in statement of total recognised gains and losses:

	2025	2024
	£000	£000
Actual return	(11,847)	(5,522)
Experience gains arising on scheme liabilities	654	(1,794)
Changes in financial assumptions underlying the present value of scheme liabilities	9,403	1,287
Changes in demographic assumptions underlying the present value of scheme liabilities	1,690	1,704
Movement in deferred tax through OCI	25	1,939
Actuarial gains recognised in statement of other comprehensive income	<u>(75)</u>	<u>(2,386)</u>

On the 1 December 2007 the Minolta (UK) Pension Plan was merged into the Konica Minolta Business Solutions (UK) Pension Plan.

The Group made contributions of £714k (2024: £2,856k) to the defined benefit section over the course of the year.

Konica Minolta Business Solutions (UK) Limited
Notes to the Financial Statements
For the year ended 31 March 2025

18. Employee benefits (continued)

Company

Defined benefit sections

The Company participates in the Konica Minolta Business Solutions (UK) Pension Plan, for eligible employees of the Company providing benefits based on pensionable pay as at the date of the scheme closure.

A full actuarial valuation of the Plan was carried out as at 31 March 2025 by a qualified independent actuary using the projected unit credit method. For disclosure purposes, the defined benefit obligations and related assets are allocated between Konica Minolta Business Solutions (UK) Limited and Konica Minolta Business Solutions East Limited based on the present value of the defined benefit obligations attributable to employees and former employees of each employer. The Company recognises its share of the defined benefit surplus or deficit accordingly.

The total pension income/charge for the Company for the period was £1,214k (2024: £1,242k). There were no unpaid contributions at the end of the 2025 and 2024 financial year end.

Defined contribution scheme

For staff previously not eligible to join the defined benefit pension scheme and for all qualifying staff from 1 March 2003 the Company and Group operates a defined contribution scheme and a NEST (National Employment Savings Trust), has been in force since January 2014.

Total contributions (employee and employer) included within the accounts were as follows:

Defined contribution costs:

Analysis if the amount is included in other finance expenses

	2025	2024
	£000	£000
Defined contribution scheme	2,312	2,294
NEST contribution scheme	402	415
	<u>2,714</u>	<u>2,709</u>

Accrued and outstanding defined contribution costs at the period end amounted to £Nil (2024: £Nil). NEST contributions costs were £33k (2024: £33k).

19. Capital and reserves

Share capital (Group and Company)

	2025	2024
	£000	£000
Allotted, called up and fully paid 21,000,000 (2024: 21,000,000 ordinary shares) ordinary shares of £1 each	<u>21,000</u>	<u>21,000</u>
Shares classified in shareholders' funds	<u>21,000</u>	<u>21,000</u>
	<u>21,000</u>	<u>21,000</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.

Konica Minolta Business Solutions (UK) Limited
Notes to the Financial Statements
For the year ended 31 March 2025

20 Operating leases

Non-cancellable operating lease rentals are payable as follows:

Group	2025	2025	2024	2024
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire:				
Within one year	1,016	937	1,254	647
In the second to fifth years inclusive	1,640	1,345	2,021	1,424
Over five years	540	-	73	-
	<u>3,196</u>	<u>2,282</u>	<u>3,348</u>	<u>2,071</u>
Company	2025	2025	2024	2024
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire:				
Within one year	1,016	937	1,218	647
In the second to fifth years inclusive	1,640	1,345	2,015	1,424
Over five years	540	-	73	-
	<u>3,196</u>	<u>2,282</u>	<u>3,306</u>	<u>2,071</u>

During the year, £2,444k was recognised as an expense in the profit and loss account in respect of operating leases (2024: £1,513k). The increase in operating leases year on year is driven by the opening of the Customer Experience Centre in Luton.

21 Capital commitments

There were no capital commitments at the end of the financial year (2024: £Nil).

22 Accounting estimates and judgements

In applying its accounting policies, the Group has made estimates and assumptions concerning the future, which may differ from the actual outcomes. Those estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Retirement Benefits valuation

The costs, assets and liabilities of the defined benefit pension schemes operating within the Group are determined using methods relying on actuarial estimates and other assumptions. Details of the key assumptions are set out in Note 18.

The Group takes advice from independent actuaries relating to the appropriateness of the assumptions. It is important to note, however, that comparatively small changes in the assumptions used may have a significant effect on the Group's Financial Statements.

Recent economic circumstances and volatility in financial markets has caused the valuation of pension assets to become subject to a greater degree of uncertainty. There is a much less active market in certain asset classes (such as corporate bonds, property and unquoted private equity investments). The fair value of the pension assets is determined based on valuations obtained from third parties and employ a variety of methods. Where available this will typically be the market price at the balance sheet date. However, for certain asset types of other valuation methods are used including net asset valuation which involves a higher degree of estimation and subjectivity.

Konica Minolta Business Solutions (UK) Limited
Notes to the Financial Statements
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23 Subsidiary Hive Up

Company	2024 £000	2024 £000
Tangible Assets		9
Cash and Cash equivalents		349
Debtors		3,603
Total Assets Transferred		<u>3,961</u>
Creditors: amounts falling due within one year	(5,657)	
Total Liabilities Transferred	<u>(5,657)</u>	
Net Assets and Liabilities Transferred as at 1 September 2023		<u><u>(1,696)</u></u>

Processflows (UK) Limited transferred its Assets and Liabilities into Konica Minolta Business Solutions UK Limited on the 1st September 2023. Subsequent to this, the directors will look to wind down the ProcessFlows UK entity in an orderly manner at an appropriate time in the future.

The Hive up balance was transferred to a Merger reserve account instead of the Profit and Loss account as substantially there is no change in the group, and therefore should be reflected in equity.

24 Ultimate parent company and parent company of larger group

The ultimate holding company and controlling party is Konica Minolta, Inc. which is incorporated in Japan. Konica Minolta Inc. is the only undertaking for which consolidated accounts, which include consolidated accounts of the Group, are drawn up. Copies of the consolidated financial statements of Konica Minolta, Inc. may be obtained from their website <http://www.konicaminolta.com> and from its registered address at JP Tower, 2-7-2 Marunouchi, Chiyoda-ku, Tokyo 100-7015, Japan.

25 Subsequent events

There were no significant events after the balance sheet date.