

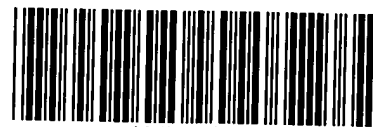
**Company Registration No. 305275**

**Denso Marston Limited**

**Report and Financial Statements**

**31 March 2015**

THURSDAY



\*A4H3HS7C\*

A18

01/10/2015

#474

COMPANIES HOUSE

# **Denso Marston Limited**

## **Report And Financial Statements 2015**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Strategic report</b>	<b>2</b>
<b>Directors' report</b>	<b>3</b>
<b>Directors' responsibilities statement</b>	<b>5</b>
<b>Independent auditor's report</b>	<b>6</b>
<b>Profit and loss account</b>	<b>7</b>
<b>Balance sheet</b>	<b>8</b>
<b>Notes to the financial statements</b>	<b>9</b>

# **Denso Marston Limited**

## **Report And Financial Statements 2015**

### **Officers And Professional Advisers**

#### **Directors**

M Di Rao Marotta  
D Hanson  
M Taguchi

#### **Secretary**

J White

#### **Registered office**

Marston House  
Otley Road  
Shipley  
West Yorkshire  
BD17 7JR

#### **Bankers**

Lloyds TSB  
City Office  
PO Box 72  
Bailey Drive  
Gillingham Business Park  
Kent  
ME8 0LS

Citibank  
Citibank Centre  
Canada Square  
Canary Wharf  
London  
E14 5LB

The Bank of Tokyo-Mitsubishi UFJ, Ltd  
London Branch  
Finsbury Circus House  
12-15 Finsbury Circus  
London  
EC2M 7BT

#### **Auditor**

Deloitte LLP  
Chartered Accountants & Statutory Auditor  
Leeds

# Denso Marston Limited

## Strategic report

The directors present their strategic report for the year ended 31 March 2015.

The Company is a wholly owned subsidiary of DENSO Corporation, which is incorporated in Japan, and is a leading global supplier of advanced automotive technologies, systems and components. The immediate parent Company is DENSO International UK Ltd. At the operational and reporting level, the Company is a member of DENSO's Thermal Europe Centre, which is headquartered in Italy and has member businesses and satellites in the United Kingdom, Italy, Czech Republic, Poland, Spain, Portugal, Turkey, Morocco, India, Brazil and Argentina.

The Company's principal activity is the manufacture of radiators, charge air coolers, oil coolers and fuel coolers, for the off-highway (construction and agriculture) and power generation sectors.

Turnover for the year showed a slight decrease from £91.6m to £89.0m (3%), reflecting prevailing market conditions. The Power Generation sector again showed the strongest increase year on year at 8%, but the Agriculture and Construction sectors both showed a decrease (9% and 3% respectively).

Net assets (see Balance Sheet on page 8) have not changed significantly from the previous year, due to the dividend paid to the parent company in accordance with Group policy. Because the Company is a division of a larger Group, the directors believe that no further key performance indicators are required to assess the Company's performance. Discussion of KPIs of the division is made in the accounts of DENSO Corporation which are publicly available.

The Company continues to invest strongly in new technology, in research and development activities, and in its employees, and the directors believe that the Company is in excellent financial health.

### Principal risks and uncertainties

*Markets and customers* - The success of any business is contingent upon the success of its customers and the strength of the market sectors in which it operates. The Company's main marketplaces (see note 2 to the financial statements) are the United Kingdom and Europe with 63% of sales (2014: 69%) and the Americas with 28% (2014: 25%). The Company is very proud of its high quality customer base. Furthermore the directors feel that the Company has a good balance of sales and profit between its main three market sectors (agriculture, construction and power generation).

*Competitors* - The Company operates in a highly competitive and ever changing marketplace, and has done so for over 100 years. Competition will always involve risk and uncertainty, but the directors regard this as healthy, and welcome the continuous improvement which must inevitably follow.

*Currency* - The Company has some currency exposure, primarily in purchasing Euros and in selling US Dollars. Foreign Currency exposure risk is managed by the Group's European Central Treasury Function in Amsterdam. Any local deficit/surplus in Euros/US Dollars is purchased/sold for Pounds through the Central Treasury Function at rates fixed in advance for the duration of the financial year.

*Cash flow (liquidity) risk* - The Company has in place credit facilities provided by the Group's European Central Treasury Function which provides for all the Company's cash requirements. There are no external borrowings and there is more than adequate headroom in the facilities agreed annually with the parent Group.

Approved by the Board of Directors  
and signed on behalf of the Board



J White

Secretary  
25 September 2015

# **Denso Marston Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 March 2015.

### **Dividends and transfers to reserves**

The directors have proposed a final dividend of £9,096,000 being 606p per ordinary share (2014: £9,774,000 being 652p per ordinary share). The retained profit, before dividends, for the financial year of £9,096,000 (2014: £10,574,000) is to be transferred to reserves. The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

### **Directors**

The directors who held office during the year and since the year end were as follows:

M Nicoletti (resigned 1 July 2015)  
M Di Rao Marotta (appointed 1 July 2015)  
D Hanson  
M Taguchi

### **Research and development**

Research and development activity has been concerned with products and process reliability and also the development of new products to increase the Company's competitive position. The cost incurred in the year is disclosed in note 4.

### **Employees**

Details of the number of employees and related costs can be found in note 3 to the financial statements.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues by assessing any adjustments that may be made together with the provision of appropriate training. It is the policy of the Company that the training, career development and promotion of disabled persons should be free from discrimination and the same opportunities be available to all employees.

The Company participates in the Group's policies and practices to keep employees informed on matters relevant to them as employees through regular meetings and newsletters. Employee representatives are consulted regularly on a wide range of matters affecting their interests.

### **Going concern**

The Directors believe that Denso Marston Limited will have sufficient cash and borrowing facilities for at least the next 12 months. The directors believe that, having considered uncertainties and reviewed cash flow forecasts for this period which allow for appropriate downside sensitivities, Denso Marston has adequate debt facilities in place with the Group to cover its requirements. They believe the Company is a going concern based on the existence of future business and continued financial support being made available from Denso Group.

# **Denso Marston Limited**

## **Directors' report**

### **Disclosure of relevant information to auditor**

In the case of each of the persons who are directors of the Company at the date of approval of this report:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### **Auditor**

A resolution to re-appoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



J White

Secretary  
25 September 2015

## **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent Auditor's Report To The Members Of Denso Marston Limited**

We have audited the financial statements of Denso Marston Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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



Matthew Hughes ACA BSc (Hons) (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Leeds, England

30 September 2015



# Denso Marston Limited

## Profit and loss account Year ended 31 March 2015

		2015 £'000	2014 £'000
	Note		
Turnover	2	89,014	91,640
Cost of sales		(74,209)	(77,208)
<b>Gross profit</b>		<b>14,805</b>	<b>14,432</b>
Distribution costs		(426)	(370)
Administrative expenses		(4,420)	(4,465)
Other operating expense		(757)	237
<b>Operating profit</b>	4	<b>9,202</b>	<b>9,834</b>
Interest payable and similar charges	5	(13)	(60)
<b>Profit on ordinary activities before taxation</b>		<b>9,189</b>	<b>9,774</b>
Tax on profit on ordinary activities	6	(93)	800
<b>Retained profit for the financial year transferred to reserves</b>	12,13	<b>9,096</b>	<b>10,574</b>

The results of the current and previous year derive wholly from continuing operations.

A reconciliation of movements in shareholders' funds is given in note 13 to the financial statements.

There are no recognised gains and losses for the current financial period or preceding financial year other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses is given

# Denso Marston Limited

## Balance Sheet 31 March 2015

		2015 £'000	2014 £'000
	Note		
<b>Fixed assets</b>			
Tangible assets	7	28,493	29,638
<b>Current assets</b>			
Stocks	8	6,053	5,952
Debtors: due within one year	9	24,082	24,083
Cash at bank and in hand		236	64
		30,371	30,099
<b>Creditors: amounts falling due within one year</b>	10	(18,744)	(18,939)
<b>Net current assets</b>		11,627	11,160
<b>Net assets</b>		40,120	40,798
<b>Capital and reserves</b>			
Called up share capital	11	1,500	1,500
Profit and loss account	12	38,620	39,298
<b>Shareholders' funds</b>	13	40,120	40,798

These financial statements of Denso Marston Limited, Company number 305275, were approved by the Board of Directors on 25 September 2015.

Signed on behalf of the Board of Directors



D Hanson  
Director

The accompanying notes form an integral part of this balance sheet.

**Notes to the financial statements**  
**Year ended 31 March 2015**

**1. Accounting Policies**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. The financial statements have been prepared on a going concern basis. Further detail is given in the directors' report on page 3. The accounting policies have been applied consistently in the current and prior period.

**Cash Flow**

Under the provisions of FRS 1 Cash flow statements (Revised 1996), the Company has not prepared a cash flow statement, because its ultimate parent Company, DENSO Corporation, has prepared consolidated financial statements which are publicly available and include the financial statements of the Company and which contain a cash flow statement.

**Depreciation**

Tangible fixed assets are stated at cost less provision for depreciation and impairment.

Depreciation is calculated so as to write off the cost or valuation of tangible fixed assets less estimated residual value by equal annual instalments over their estimated useful lives as follows:

Freehold buildings	40 years
Leasehold land and buildings	life of lease
Plant, tools, fixtures and fittings and equipment	between 4 and 15 years

No depreciation is provided on freehold land.

No depreciation is provided on assets in the course of construction.

Expenditure on patents purchased by the Company is charged against profits in the year in which it is incurred.

**Research and development**

Expenditure on research and development is written off against profits in the year in which it is incurred.

**Stocks**

Stocks and work-in-progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs. Provision is made for obsolete, slow-moving or defective items where appropriate.

**Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

**Notes to the financial statements  
Year ended 31 March 2015**

**1. Accounting Policies (continued)**

**Taxation (continued)**

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted.

Deferred tax assets and liabilities are not discounted.

**Tools**

Purchases of process tooling are included in tangible fixed assets. Tooling for the production of specific components is held as a current asset and to the extent that it is not recoverable from the respective customer is charged to the profit and loss account over its estimated useful life.

**Foreign currencies**

Balances denominated in a foreign currency are translated into sterling at the exchange rates ruling at the balance sheet date. Exchange differences arising on normal trading transactions in the year are included in the profit and loss account.

**Turnover**

Turnover consists of sales to third parties net of discounts and excluding VAT. Sales are recognised as goods are despatched to customers in the normal course of business.

**Operating Leases**

Leases and the rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

**Pension costs**

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs is the contribution payable in the year. Any contributions unpaid at the year end are shown as an accrual in the balance sheet.

**Notes to the financial statements**  
**Year ended 31 March 2015**

**2. Turnover**

Turnover represents amounts invoiced by the Company for goods despatched to customers in the normal course of business during the year, excluding value added tax.

	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>
United Kingdom	39,460	42,945
Rest of Europe	16,831	20,202
The Americas	25,344	22,759
Asia	7,379	5,734
	<u>89,014</u>	<u>91,640</u>

The directors consider that the Company operates in one business segment.

**3. Information regarding directors and employees**

	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>
Directors' emoluments	<u>184</u>	<u>261</u>

One director receives emoluments from the Company.

The average number of persons employed by the Company (including directors) during the year was as follows:

	<b>2015</b> <b>No.</b>	<b>2014</b> <b>No.</b>
<b>Average number of persons employed</b>	<u>735</u>	<u>760</u>
	<b>£'000</b>	<b>£'000</b>
<b>Staff costs during the year (including directors)</b>		
Wages and salaries	18,564	18,858
Social security costs	1,520	1,523
Pension costs	1,308	1,340
	<u>21,392</u>	<u>21,721</u>

Other directors are employed by other Group companies and are also directors of other Group companies. It is not practical to allocate this between the services as executives of Denso Marston Limited and their services to other Group companies.

# Denso Marston Limited

## Notes to the financial statements Year ended 31 March 2015

### 4. Operating profit

Operating profit is stated after charging/(crediting):	2015 £'000	2014 £'000
Depreciation of tangible fixed assets	5,242	5,237
Loss on sale of fixed assets	-	46
Impairment of fixed assets	73	646
Research and development costs	376	335
Hire of plant and machinery	446	447
Foreign exchange (gains)/losses	752	(229)
Staff costs (Note 3)	21,392	21,721
	<u>21,392</u>	<u>21,721</u>
Auditor's remuneration:		
Fees payable to the Company's auditor for the audit of the Company's financial statements	20	19
	<u>20</u>	<u>19</u>
Total audit fees	<u>20</u>	<u>19</u>
Tax services	6	8
Other services	4	2
	<u>10</u>	<u>10</u>
Total non audit fees	<u>10</u>	<u>10</u>

### 5. Interest payable and similar charges

	2015 £'000	2014 £'000
Amounts payable on Group loan	13	60
	<u>13</u>	<u>60</u>
Total	<u>13</u>	<u>60</u>

### 6. Tax on profit on ordinary activities

There is no current tax charge for the current and previous year. The Company has tax losses carried forward for relief against future trading profits amounting to approximately £18,457,368 (2014: £12,294,333). A deferred tax asset has been recognised in the year relating to the losses and some of the capital allowances (Note 9). At 31 March 2015 the unrecognised net deferred tax asset was £4,958,000 (2014: £6,747,000).

**Notes to the financial statements**  
**Year ended 31 March 2015**

**6. Tax on profit on ordinary activities (continued)**

	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>
<b>Current tax</b>		
UK corporation tax at 21% (2014: 23%)	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	93	(1,250)
Effect of change in tax rate	-	450
<b>Total deferred tax</b>	93	(800)
<b>Tax on profit on ordinary activities</b>	93	(800)

The difference between the nil tax charge and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	<b>2015</b> <b>£'000</b>	<b>2014</b> <b>£'000</b>
Profit on ordinary activities before tax	9,189	9,775
Tax on profit on ordinary activities of the standard UK corporation tax rate of 21% (2014: 23%)	1,930	2,248
Effect of:		
Capital allowances in excess of depreciation	(787)	1,265
Expenses not deductible for tax purposes	104	111
Short term timing differences	(2,496)	(2,992)
Income not taxable for tax purposes	(45)	-
Utilisation of tax losses	1,294	(632)
Current tax credit for the year	-	-

	<b>2015</b> <b>Provided</b> <b>£'000</b>	<b>2015</b> <b>Unprovided</b> <b>£'000</b>	<b>2014</b> <b>Provided</b> <b>£'000</b>	<b>2014</b> <b>Unprovided</b> <b>£'000</b>
<b>Deferred taxation and short term timing differences</b>				
Capital allowances in excess of depreciation	-	4,236	-	4,838
Losses	3,000	691	2,501	-
Other timing differences	-	31	499	1,909
	<u>3,000</u>	<u>4,958</u>	<u>3,000</u>	<u>6,747</u>

**Factors that may affect future tax charges**

The Government has subsequently announced in the Summer Budget on 8 June 2015 that the rates of corporation tax will be further reduced to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. As the enabling legislation has not been substantively enacted these rates do not apply to the deferred tax position at 31 March 2015. Applying these rates to the deferred tax provision at 31 March 2015 would reduce the deferred tax provision to £2,850,000 (19%) and £2,700,000 (18%).

# Denso Marston Limited

## Notes to the financial statements Year ended 31 March 2015

### 7. Tangible fixed assets

	Freehold land and buildings £'000	Long leasehold land and buildings £'000	Plant and machinery £'000	Assets in the course of construction £'000	Total £'000
<b>Cost</b>					
At beginning of year	15,880	5,018	72,238	1,939	95,075
Additions	-	-	-	4,170	4,170
Transfers	165	-	4,415	(4,580)	-
Disposals	-	-	(2,122)	-	(2,122)
At end of year	16,045	5,018	74,531	1,529	97,123
<b>Depreciation</b>					
At beginning of year	4,875	1,536	59,026	-	65,437
Charge for year	480	58	4,704	-	5,242
Impairment	-	-	73	-	73
Disposals	-	-	(2,122)	-	(2,122)
At end of year	5,355	1,594	61,681	-	68,630
<b>Net book value</b>					
At 31 March 2015	10,690	3,424	12,850	1,529	28,493
At 31 March 2014	11,005	3,482	13,212	1,939	29,638

Included in freehold land and buildings is land at a cost of £1,655,000 (2014: £1,655,000) which is not depreciated.

### 8. Stocks

	2015 £'000	2014 £'000
Raw materials and consumables	3,965	3,782
Work-in-progress	1,068	1,233
Finished goods	1,020	937
	6,053	5,952

There is no material difference between the balance sheet value of stocks and their replacement cost.



# Denso Marston Limited

## Notes to the financial statements Year ended 31 March 2015

### 9. Debtors

	2015 £'000	2014 £'000
Trade debtors	15,482	17,756
Amounts owed by Group undertakings	4,269	2,688
Other debtors	562	335
Prepayments and accrued income	468	304
Deferred taxation (Note 6)	3,000	3,000
RDEC Debtor	301	-
	<u>24,082</u>	<u>24,083</u>

The recognition of the deferred tax asset is based on management's assessment that it is probable that the entity will have taxable profits against which the unused tax losses can be utilised. Generally, in determining the amount of deferred tax asset to recognise, management use profitability information and forecasted operating results based on approved business plans.

### 10. Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	5,429	8,161
Amounts owed to Group undertakings	8,654	8,095
Other creditors including taxation and social security	3,845	1,855
Tooling prepayment	254	128
Accruals and deferred income	562	700
	<u>18,744</u>	<u>18,939</u>

The amounts owed to Group undertakings include £7,900,000 (2014: £7,040,000) of Group loans that are repayable on demand.

### 11. Share capital

	2015 £'000	2014 £'000
<i>Allotted, called up and fully paid</i>		
1,500,000 ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>

# Denso Marston Limited

## Notes to the financial statements Year ended 31 March 2015

### 12. Reserves

	Profit and loss account £'000
At 1 April 2014	39,298
Retained profit for the year	9,096
Dividend paid (note 18)	(9,774)
	<hr/>
At 31 March 2015	38,620
	<hr/>

### 13. Reconciliation of movements in shareholders' funds

	2015 £'000	2014 £'000
Retained profit for the year	9,096	10,574
Dividend paid (Note 18)	(9,774)	(3,634)
	<hr/>	<hr/>
Net (reduction)/addition to shareholders' funds	(678)	6,940
Opening shareholders' funds	40,798	33,858
	<hr/>	<hr/>
Closing shareholders' funds	40,120	40,798
	<hr/>	<hr/>

### 14. Commitments

Capital commitments at the end of the financial year, for which no provision has been made, are as follows:

	2015 £'000	2014 £'000
Contracted commitments	2,321	1,677
	<hr/>	<hr/>

### 15. Contingent liabilities and guarantees

The Company's bankers have provided an unsecured guarantee to HMRC in respect of duties payable by the Company. At the balance sheet date, the guarantee amounted to £600,000 (2014: £600,000).

### 16. Operating lease commitments

Annual commitments under operating leases are as follows:

	Plant and machinery 2015 £'000	2014 £'000
Contracts expiring:		
Within one year	328	340
In the second to fifth years	454	702
	<hr/>	<hr/>
	782	1,042
	<hr/>	<hr/>

**Notes to the financial statements**  
**Year ended 31 March 2015**

**17. Pension costs**

**Defined contribution schemes**

The company operates a defined contribution retirement benefit scheme ("DC scheme") for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension cost charge (Note 3) includes contributions payable by the company to the DC scheme amounting to £1,307,618 (2014: £716,978). As at 31 March 2015, contributions of £152,308 (2014: £115,140) due in respect of the current reporting period had not been paid over to the scheme.

**Defined benefit schemes**

The Company operated a defined benefit pension scheme until March 2012, the benefits provided by which were then (largely) replaced and replicated by an insurance-based benefit which remained in place until August 2013, when it ceased to be provided. At that date all affected employees were invited to join the company's DC scheme. The pension cost charge (Note 3) includes insurance premiums paid by the company in respect of the above benefit amounting to £nil (2014: £623,000).

**18. Dividends on equity shares**

	2015 £'000	2014 £'000
Proposed final dividend for the year	9,096	9,774

The proposed final dividend of 606p per ordinary share (2014: 652p per ordinary share) is subject to approval by shareholders at the annual general meeting and has not been included as a liability in these financial statements.

**19. Ultimate parent company and parent undertaking**

The immediate parent undertaking is DENSO International UK Limited.

The ultimate parent Company is DENSO Corporation incorporated in Japan. The parent undertaking of the largest Group which includes the Company and for which Group accounts are prepared is DENSO Corporation. Copies of the Group financial statements are available from DENSO Corporation, Financial Planning Centre, 1-1, Show a-cho, Kariya, Aichi 448 – 8661, Japan.

The parent undertaking of the smallest Group for which the Group accounts are drawn up and of which the Company is a member is DENSO International (Europe) BV incorporated in Holland.

**20. Related party transactions**

Advantage has been taken of the exemption in Financial Reporting Standard 8 'Related Party Transactions' from disclosing transactions with other wholly owned members of the Group headed by DENSO Corporation Limited.