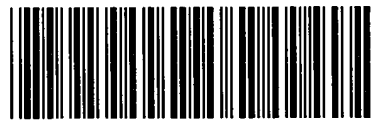


REGISTERED NUMBER: 05000707 (England and Wales)

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2021
for
Yushin Automation Limited**

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for the Year Ended 31 December 2021**

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Yushin Automation Limited
Company Information
for the Year Ended 31 December 2021

DIRECTORS: P Park-Davies
M Fukui
Dr T Kotani

SECRETARY: P Park-Davies

REGISTERED OFFICE: Unit 15/16 Aston Fields Industrial Est
Aston Road
Bromsgrove
Worcestershire
B60 3EX

REGISTERED NUMBER: 05000707 (England and Wales)

SENIOR STATUTORY AUDITOR: Clinton J. Meehan Bsc (Hons) FCA

AUDITORS: Manex Accountants Ltd
Chartered Accountants and Statutory Auditors
9 Castle Court 2
Castlegate Way
Dudley
West Midlands
DY1 4RD

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

Yushin Automation Limited
Strategic Report
for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

REVIEW OF BUSINESS

The director aims to present a review of the development and performance of the company during the year under review and its position at the year end. This review is consistent with the size and nature of the company and is written in the context of the risks and uncertainties it faces.

The principle activity of the company during the year was that of a distributor of robotic equipment. The company has continued its growth by developing highly complex systems for a variety of customers and industries. The directors are of the opinion that analysis using additional KPI's is not necessary for an understanding of the development, performance or position of the company.

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the company and the nature of its trading strategy are subject to a number of risks, which are set out below. The company operates a thorough risk assessment and management process which involves a formal review of all the risks identified below and introducing processes to monitor and mitigate each risk, where possible.

As the company operates globally, it is very sensitive to the varying foreign currency rates. Currencies used within the trade are GBP, USD, EUR and JPY. Fluctuations can cause significant price increases. The company mitigates this risk by having funds in each of the currencies to hedge the fluctuations

The company operates in a highly competitive market with high levels of price sensitivity. Consumer behaviour can impact the company's turnover and profitability. The company mitigates this risk by adopting a policy of constantly assessing its pricing strategy with ongoing market research. Demand has increased during the year and the economic outlook has continued to improve.

FINANCIAL RISK MANAGEMENT AND POLICIES

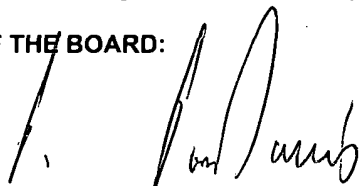
The company's principal financial instruments comprise bank balances and trade creditors. The main purpose of these instruments is to provide funds for the company's operations. Their existence exposes the company to a number of financial risks, which have been considered and are managed as follows:

Liquidity risk: Liquidity risk is the risk that the company will have insufficient resources to meet its financial liabilities as they fall due. The company's strategy to managing liquidity risk is to ensure that the company has sufficient funds to meet all its potential liabilities as they fall due. The liquidity risk is therefore managed by ensuring there are sufficient funds available to meet the monthly repayments. In respect of trade creditors, the liquidity risk is managed by ensuring sufficient funds are available to meet amounts due for payment.

Operational risk: Operational risk is the risk of a direct or indirect loss resulting from the inadequacies or failures of processes or controls due to technology, staff, organisation or external factors. To monitor and control operational risk, the company maintains a system of comprehensive policies and a control framework which is designed to provide a sound and well-controlled operational environment.

Currency risk: Currency risk is the risk that financial performance of the company will be adversely affected by adverse fluctuations in foreign currencies used by the company. This has been detailed above.

ON BEHALF OF THE BOARD:



P Park-Davies - Secretary

7 March 2022

Yushin Automation Limited

**Report of the Directors
for the Year Ended 31 December 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

DIVIDENDS

No interim dividend was paid during the year. The directors recommend a final dividend of 1312.97 per share.

The total distribution of dividends for the year ended 31 December 2021 will be £1,969,455.

DIRECTORS

P Park-Davies has held office during the whole of the period from 1 January 2021 to the date of this report.

Other changes in directors holding office are as follows:

Ms M Kotani - resigned 18 June 2021
K Oda - resigned 18 June 2021
M Fukui - appointed 18 June 2021
Dr T Kotani - appointed 18 June 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

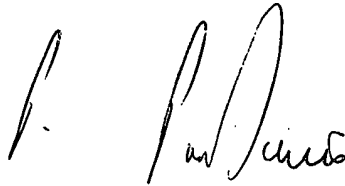
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Manex Accountants Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



P Park-Davies - Secretary

7 March 2022

Report of the Independent Auditors to the Members of Yushin Automation Limited

Opinion

We have audited the financial statements of Yushin Automation Limited (the 'company') for the year ended 31 December 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Yushin Automation Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

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

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

Report of the Independent Auditors to the Members of Yushin Automation Limited

Auditors' responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We determined that the following laws and regulations were most significant: Companies Act 2006/FRS 102, Employment Law, Waste, Health & Safety. We enquired of management to obtain an understanding of how the Company is complying with those legal and regulatory frameworks and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our discussions with the directors and management. We did not identify any matters relating to non-compliance with laws and regulation or matters in relation to fraud;

" We obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making inquiries of management and those responsible for legal and compliance procedures.

" In assessing the potential risks of material misstatement, we obtained an understanding of the Company's operations, including its objectives and strategies to understand the expected financial statement disclosures and business risks that may result in risks of material misstatement.

" In assessing the appropriateness of the collective competence and capabilities of the engagement team, the engagement partner considered the engagement team's:

" understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation

" the specialist skills required and

" knowledge of the industry in which the client operates.

" We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

" assessing the design effectiveness of controls management has in place to prevent and detect fraud;

" challenging assumptions and judgements made by management in its significant accounting estimates;

" identifying and testing journal entries, in particular manual journal entries made at year end for financial statement preparation; and

" assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

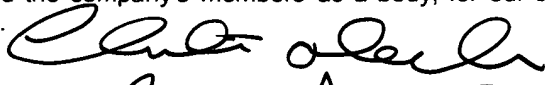
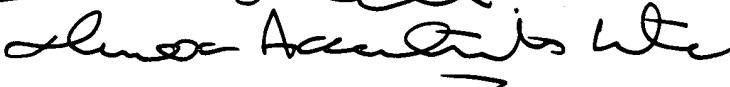
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of
Yushin Automation Limited**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

Clinton J. Meehan Bsc (Hons) FCA (Senior Statutory Auditor)

for and on behalf of Manex Accountants Ltd
Chartered Accountants and Statutory Auditors
9 Castle Court 2
Castlegate Way
Dudley
West Midlands
DY1 4RD

7 March 2022

Yushin Automation Limited (Registered number: 05000707)

**Income Statement
for the Year Ended 31 December 2021**

	Notes	31.12.21 £	31.12.20 £
TURNOVER		10,028,945	15,626,962
Cost of sales		<u>(6,852,303)</u>	<u>(10,836,210)</u>
GROSS PROFIT		3,176,642	4,790,752
Distribution costs		(89,761)	(200,609)
Administrative expenses		<u>(1,674,813)</u>	<u>(1,549,608)</u>
		1,412,068	3,040,535
Other operating income		<u>3,709</u>	<u>-</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION		1,415,777	3,040,535
Tax on profit	5	<u>(267,701)</u>	<u>(578,719)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>1,148,076</u></u>	<u><u>2,461,816</u></u>

The notes form part of these financial statements

Yushin Automation Limited (Registered number: 05000707)

**Other Comprehensive Income
for the Year Ended 31 December 2021**

	Notes	31.12.21 £	31.12.20 £
PROFIT FOR THE YEAR		1,148,076	2,461,816
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,148,076</u>	<u>2,461,816</u>

The notes form part of these financial statements

Yushin Automation Limited (Registered number: 05000707)

**Balance Sheet
31 December 2021**

	Notes	31.12.21 £	31.12.20 £
FIXED ASSETS			
Tangible assets	7	227,946	248,302
CURRENT ASSETS			
Stocks	8	1,245,137	3,838,505
Debtors	9	3,385,901	2,279,163
Cash at bank and in hand		5,464,947	8,118,694
		<u>10,095,985</u>	<u>14,236,362</u>
CREDITORS			
Amounts falling due within one year	10	(6,246,814)	(9,359,008)
NET CURRENT ASSETS		<u>3,849,171</u>	<u>4,877,354</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,077,117	5,125,656
PROVISIONS FOR LIABILITIES	11	(476,405)	(703,565)
NET ASSETS		<u><u>3,600,712</u></u>	<u><u>4,422,091</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	150,000	150,000
Retained earnings	13	3,450,712	4,272,091
SHAREHOLDERS' FUNDS		<u><u>3,600,712</u></u>	<u><u>4,422,091</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 7 March 2022 and were signed on its behalf by:



Dr T Kotani - Director

The notes form part of these financial statements

Yushin Automation Limited (Registered number: 05000707)

**Statement of Changes in Equity
for the Year Ended 31 December 2021**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	150,000	2,494,501	2,644,501
Changes in equity			
Dividends	-	(684,226)	(684,226)
Total comprehensive income	-	2,461,816	2,461,816
Balance at 31 December 2020	<u>150,000</u>	<u>4,272,091</u>	<u>4,422,091</u>
Changes in equity			
Dividends	-	(1,969,455)	(1,969,455)
Total comprehensive income	-	1,148,076	1,148,076
Balance at 31 December 2021	<u><u>150,000</u></u>	<u><u>3,450,712</u></u>	<u><u>3,600,712</u></u>

The notes form part of these financial statements

Yushin Automation Limited (Registered number: 05000707)

**Cash Flow Statement
for the Year Ended 31 December 2021**

	Notes	31.12.21 £	31.12.20 £
Cash flows from operating activities			
Cash generated from operations	1	(22,076)	2,757,685
Tax paid		<u>(580,600)</u>	<u>(176,115)</u>
Net cash from operating activities		<u>(602,676)</u>	<u>2,581,570</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(81,616)	(126,091)
Sale of tangible fixed assets		-	26,500
Net cash from investing activities		<u>(81,616)</u>	<u>(99,591)</u>
Cash flows from financing activities			
Equity dividends paid		<u>(1,969,455)</u>	<u>(684,226)</u>
Net cash from financing activities		<u>(1,969,455)</u>	<u>(684,226)</u>
(Decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year	2	8,118,694	6,320,941
Cash and cash equivalents at end of year	2	<u><u>5,464,947</u></u>	<u><u>8,118,694</u></u>

The notes form part of these financial statements

Yushin Automation Limited (Registered number: 05000707)

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2021**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.12.21	31.12.20
	£	£
Profit before taxation	1,415,777	3,040,535
Depreciation charges	101,973	131,873
Profit on disposal of fixed assets	-	(11,122)
Warranty provision	(213,705)	40,300
	<hr/>	<hr/>
Decrease in stocks	1,304,045	3,201,586
Increase in trade and other debtors	2,593,368	1,485,116
Decrease in trade and other creditors	(1,106,607)	(337,714)
	<hr/>	<hr/>
Cash generated from operations	(22,076)	2,757,685
	<hr/> <hr/>	<hr/> <hr/>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	5,464,947	8,118,694
	<hr/> <hr/>	<hr/> <hr/>

Year ended 31 December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	8,118,694	6,320,941
	<hr/> <hr/>	<hr/> <hr/>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.21	Cash flow	At 31.12.21
	£	£	£
Net cash			
Cash at bank and in hand	8,118,694	(2,653,747)	5,464,947
	<hr/>	<hr/>	<hr/>
	8,118,694	(2,653,747)	5,464,947
	<hr/>	<hr/>	<hr/>
Total	8,118,694	(2,653,747)	5,464,947
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2021**

1. STATUTORY INFORMATION

Yushin Automation Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 25% on cost
Motor vehicles	- 25% on cost

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Provisions

Provision for warranties and after-sale modification work are recognised, when, the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

3. EMPLOYEES AND DIRECTORS

	31.12.21	31.12.20
	£	£
Wages and salaries	783,232	971,854
Social security costs	103,099	128,257
Other pension costs	22,678	24,652
	<u>909,009</u>	<u>1,124,763</u>

The average number of employees during the year was as follows:

	31.12.21	31.12.20
Management	2	2
Engineers	5	6
Office	3	2
	<u>10</u>	<u>10</u>

	31.12.21	31.12.20
	£	£
Directors' remuneration	250,000	445,000
Directors' pension contributions to money purchase schemes	13,398	13,200
	<u>263,398</u>	<u>458,200</u>

Information regarding the highest paid director is as follows:

	31.12.21	31.12.20
	£	£
Emoluments etc	250,000	445,000
Pension contributions to money purchase schemes	13,398	13,200
	<u>263,398</u>	<u>458,200</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.21	31.12.20
	£	£
Depreciation - owned assets	101,972	131,873
Profit on disposal of fixed assets	-	(11,122)
Auditors' remuneration	3,500	2,750
Foreign exchange differences	276,435	(105,709)
	<u>382,907</u>	<u>117,802</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

5. **TAXATION**

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.12.21 £	31.12.20 £
Current tax:		
UK corporation tax	281,156	582,406
Deferred tax	(13,455)	(3,687)
Tax on profit	<u>267,701</u>	<u>578,719</u>

6. **DIVIDENDS**

	31.12.21 £	31.12.20 £
Ordinary shares of 100 each		
Final	<u>1,969,455</u>	<u>684,226</u>

7. **TANGIBLE FIXED ASSETS**

	Improvements to property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 January 2021	51,402	336,828	339,963	728,193
Additions	-	18,048	63,568	81,616
At 31 December 2021	<u>51,402</u>	<u>354,876</u>	<u>403,531</u>	<u>809,809</u>
DEPRECIATION				
At 1 January 2021	51,402	300,065	128,424	479,891
Charge for year	-	21,579	80,393	101,972
At 31 December 2021	<u>51,402</u>	<u>321,644</u>	<u>208,817</u>	<u>581,863</u>
NET BOOK VALUE				
At 31 December 2021	<u>-</u>	<u>33,232</u>	<u>194,714</u>	<u>227,946</u>
At 31 December 2020	<u>-</u>	<u>36,763</u>	<u>211,539</u>	<u>248,302</u>

8. **STOCKS**

	31.12.21 £	31.12.20 £
Stocks	256,652	279,137
Work-in-progress	988,485	3,559,368
	<u>1,245,137</u>	<u>3,838,505</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

13. RESERVES

	Retained earnings £
At 1 January 2021	4,272,091
Profit for the year	1,148,076
Dividends	(1,969,455)
	<hr/>
At 31 December 2021	<u>3,450,712</u>

14. ULTIMATE PARENT COMPANY

Yushin Precision Equipment Co. Limited (incorporated in Japan) is regarded by the directors as being the company's ultimate parent company.

15. CONTINGENT LIABILITIES

Contingent liabilities in respect of guarantees given to HM Revenue and Customs for VAT deferment duty amount to £160,000.

In the opinion of the directors no loss will arise in connection with these guarantees.

16. RELATED PARTY DISCLOSURES

During the year under review the company made sales to and had purchases from Yushin Precision Equipment Co. Limited to the value of £8,437 (2020 - £7,100) and £3,249,182 (2020 - £7,753,362) respectively. There is £131 (2020 - £nil) outstanding in debtors and £976,145 (2020 - £1,695,213) outstanding in creditors at the year end.

Yushin Precision Equipment Co. Limited is the ultimate parent company, holding 1,434 of the ordinary shares in issue.

During the year under review the company had purchases from Yushin America Inc. to the value of £507 (2020 - £nil). The amount due to Yushin America Inc. at the year end was £nil (2020 - £nil).

Yushin America Inc is a fellow subsidiary of Yushin Precision Equipment Co. Limited.

17. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Yushin Precision Equipment Co. Limited.