

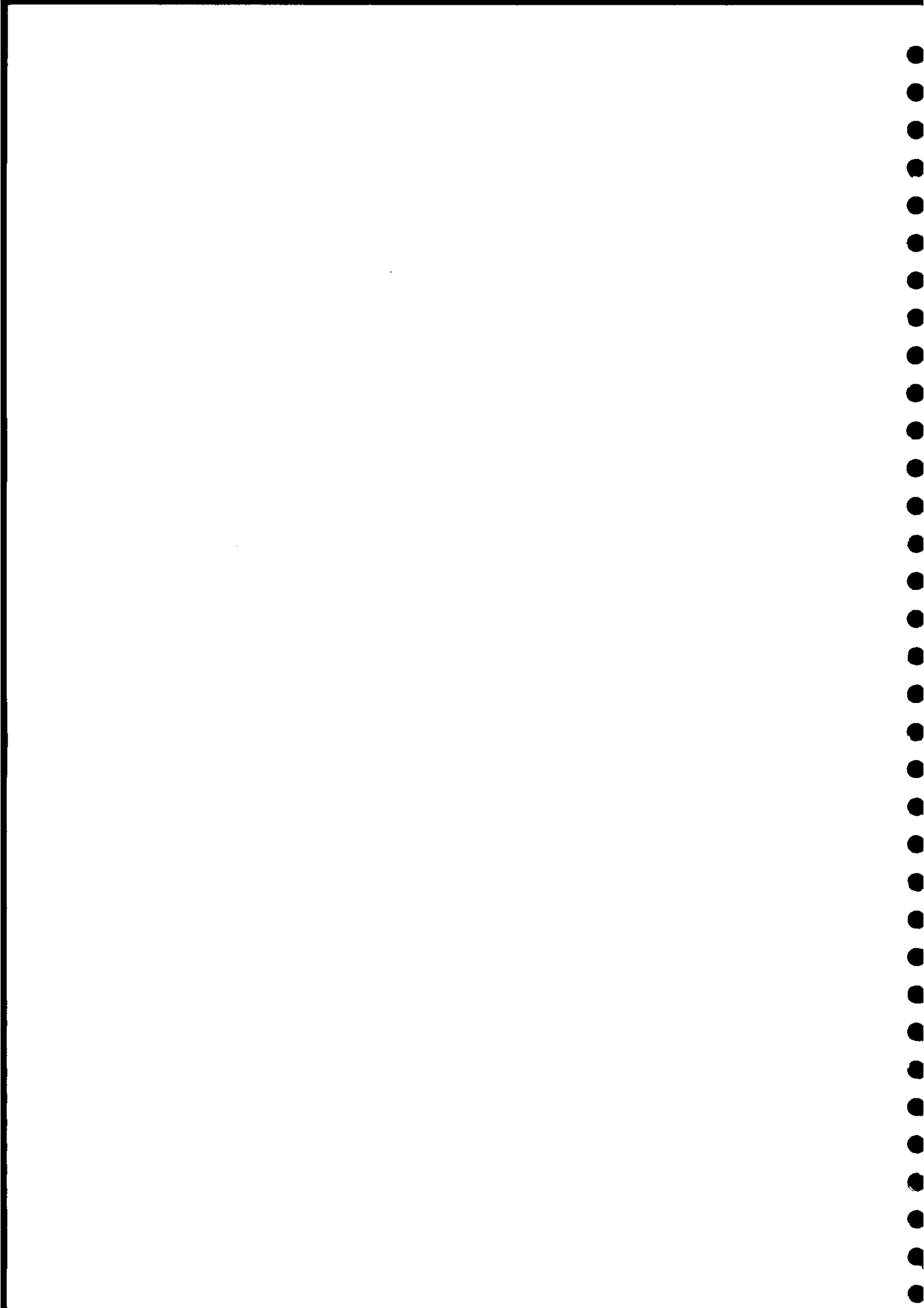
Meiji (UK) Limited

Directors' report and accounts

for the year ended 31 December 2002

Registered number 3498621





Meiji (UK) Limited

Directors' report and accounts for the year ended 31 December 2002

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Directors' report for the year ended 31 December 2002

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2002.

Principal activity

The Company's principal business activity is the sale (or distribution) of Japanese parts and automated equipment.

Business review

During the year the company expanded its customer base and the directors are optimistic regarding the company's future prospects.

Restatements

Following the implementation of Financial Reporting Standard 19 "Deferred tax" certain comparative numbers have been restated. The impact of this change in accounting policy is to decrease tax on profit on ordinary activities by £1,121 (2001: increase by £16,557) and to increase the profit for the period by £1,121 (2001: decrease by £16,557).

Results and dividend

The Company made a profit after taxation for the period of £188,223 (2001: profit of £132,332 – as restated). The profit for the year has been transferred to reserves.

The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2002 (2001: £nil).

Directors and Directors' interests

The Directors of the company during the year were:

S Kishioka (resigned 30th September 2002)
Y Yasui
M Hayashi

None of the directors had any beneficial interest in any contract to which the Company was a party to during the year.

Statement of Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to assume that the Company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently, with the exception of the adoption of new accounting standards in the year as explained on page 6 under note 1, "Principal accounting policies". They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2002 and that applicable accounting standards have been followed.

Directors' report for the year ended 31 December 2002 (continued)

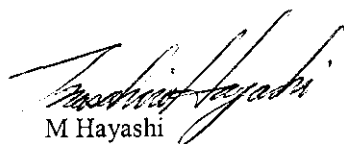
Statement of Directors' responsibilities (continued)

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 7 February 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting.

By Order of the Board



M Hayashi
Director
27 May 2003

Independent auditors' report to the members of Meiji (UK) Limited

We have audited the financial statements on page 4 and 12, which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

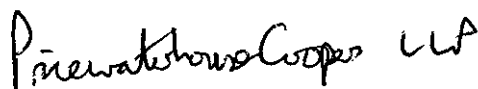
Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Birmingham
27 May 2003

Profit and loss account for the year ended 31 December 2002

	Notes	2002 £	2001 (restated) £
Turnover	2	2,032,140	2,093,491
Cost of sales		(1,461,778)	(1,527,469)
Gross profit		570,362	566,022
Administrative expenses		(311,100)	(405,904)
Operating profit		259,262	160,118
Interest receivable and similar income	5	11,060	6,264
Profit on ordinary activities before taxation		270,322	166,382
Taxation on profit on ordinary activities	6	(82,099)	(34,050)
Retained profit for the financial year	12	188,223	132,332

The above results are derived wholly from continuing activities.

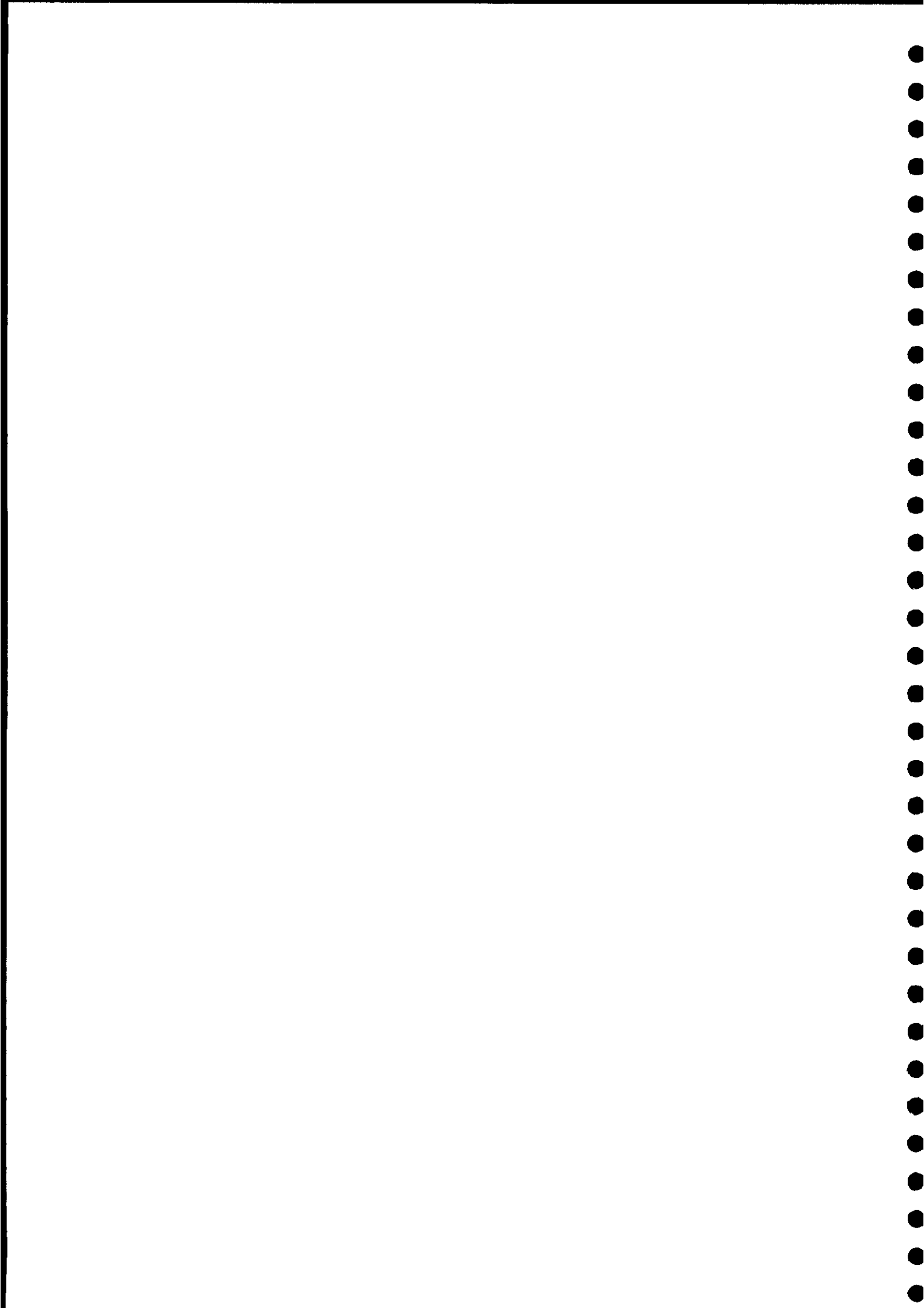
There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

The results for the year ended 31 December 2001 have been restated as a result of applying FRS19 "Deferred Tax" (note 1).

The notes on pages 6 to 12 form part of these accounts.

**Statement of recognised gains and losses
for the year ended 31 December 2002**

	2002 £	2001 (restated) £
Profit for the financial year	188,223	132,332
Total recognised gains and losses for the year	188,223	132,332
Prior year adjustments (see note 1)	1,021	
Total gains recognised since last annual report	189,244	

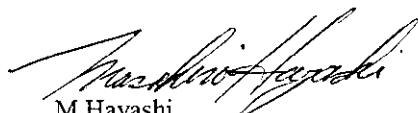


Balance sheet as at 31 December 2002

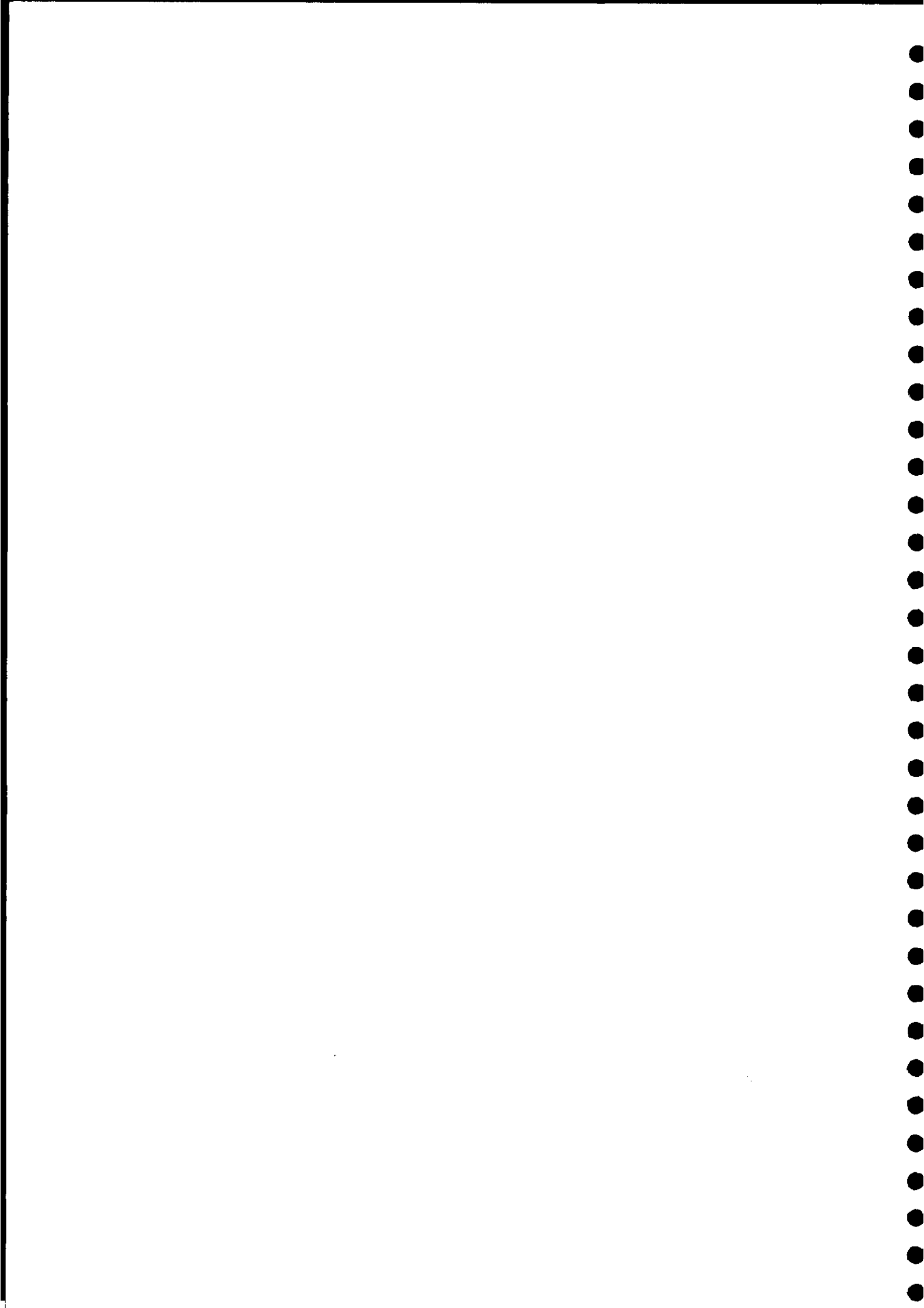
	Notes	2002 £	2001 (restated) £
Fixed assets			
Tangible assets	7	33,973	48,285
Current assets			
Stock	8	84,196	46,310
Debtors	9	291,037	203,874
Cash at bank and in hand		598,804	366,807
		974,037	616,991
Creditors (amounts due falling within one year)	10	(560,777)	(406,266)
Net current assets		413,260	210,725
Total assets less current liabilities		447,233	259,010
Capital and reserves			
Called up share capital	11	200,000	200,000
Profit and loss account	12	247,233	59,010
Equity shareholders' funds	13	447,233	259,010

The balance sheet as at 31 December 2001 has been restated as a result of applying FRS 19 "Deferred Tax" (note 1).

Approved by the Board on 27 May 2003 and signed on their behalf by:



M Hayashi
Director



**Notes to the financial statements
for the year ended 31 December 2002****1 Principal accounting policies****Basis of preparation**

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Changes in accounting policies

The Company has adopted Financial Reporting Standard No.19 "Deferred tax" during the year. This has resulted in the recognition of a deferred tax asset of £1,021 at 1 January 2002. The tax charge for the year ended 31 December 2002 has been reduced by £1,121 and the charge for the year ended 31 December 2001 has been increased by £16,557.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided on a straight line basis at rates calculated to write off the cost of tangible fixed assets over their estimated useful economic lives which are:

Office equipment	-	5 years
Motor vehicles	-	5 years

Operating leases

Rentals incurred under operating leases are charged against profits on a straight line basis over the term of the lease.

Foreign currency balances

Transactions in foreign currencies are translated at the rates ruling at the dates of each transaction, any translation differences are included within the current profit and loss account.

Assets and liabilities denominated in foreign currencies are translated using the rate of exchange prevailing at the balance sheet date.

Stocks

Stocks are stated at the lower of cost and net realisable value.

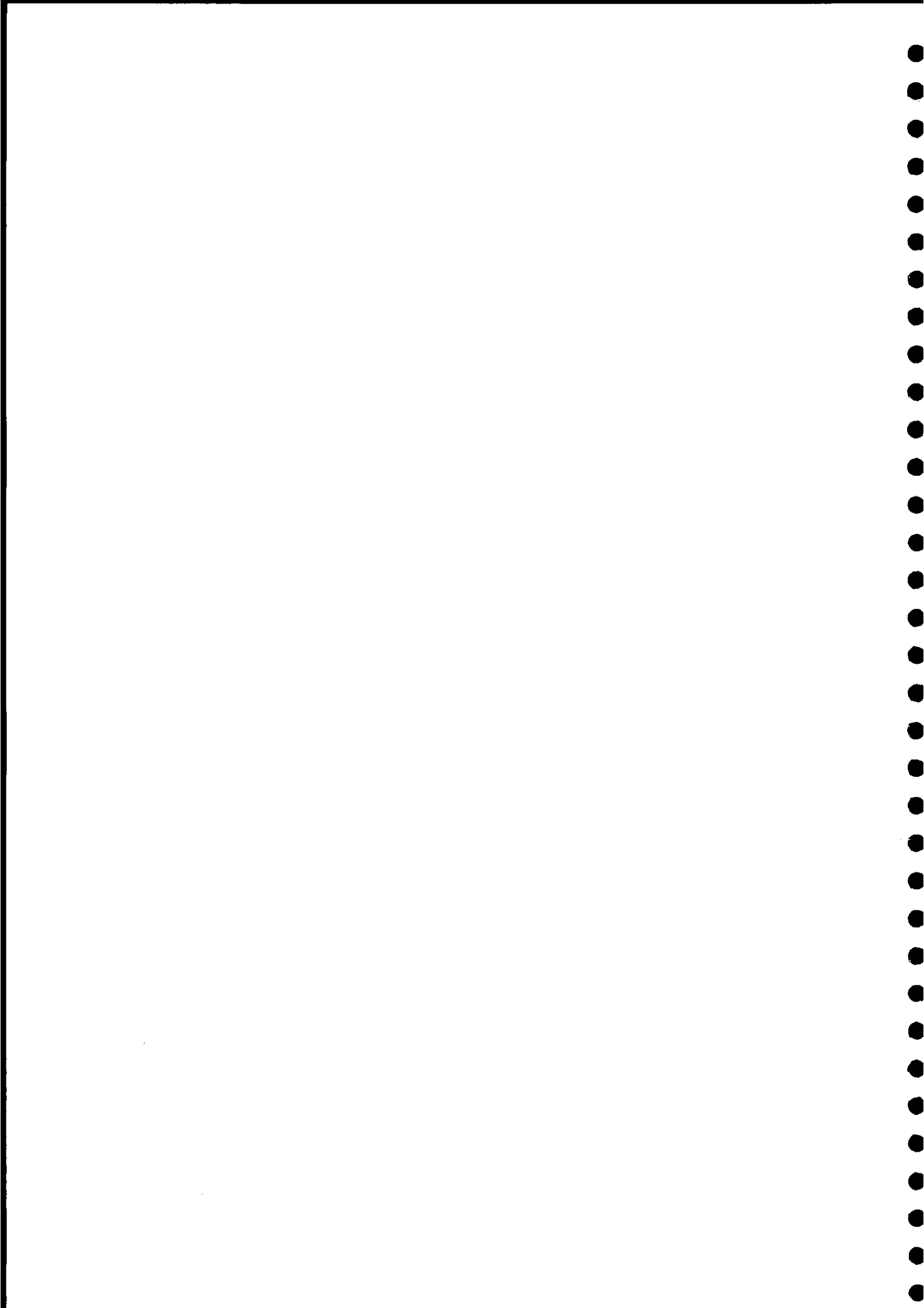
Taxation including deferred taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred taxation is provided on all timing differences in accordance with Financial Reporting Standard No. 19 "Deferred tax". Deferred taxation assets are recognised to the extent they are recoverable.

Deferred tax assets and liabilities are not discounted.

Cash flow

The accounts do not include a statement of cash flows because the Company is exempt from the requirements of including such a statement by virtue of FRS 1 (Revised 1996) "Cash Flow Statements".



**Notes to the financial statements
for the year ended 31 December 2002 (continued)**

2 Turnover

Turnover is the value of goods and services invoiced, excluding value added tax. The turnover is wholly attributable to the company's principal activity which, in the opinion of the directors, comprises of one class of business.

3 Profit on ordinary activities before taxation

	2002	2001
	£	£
Profit on ordinary activities before taxation is stated after charging the following amounts		
Auditors' remuneration:		
Audit services	8,750	7,750
Non audit services	10,300	8,950
Depreciation	16,680	16,227
Operating lease charges:		
Plant and machinery	-	-
Other	44,628	44,096
Loss on disposal of tangible fixed assets	852	-

4 Staff numbers and costs

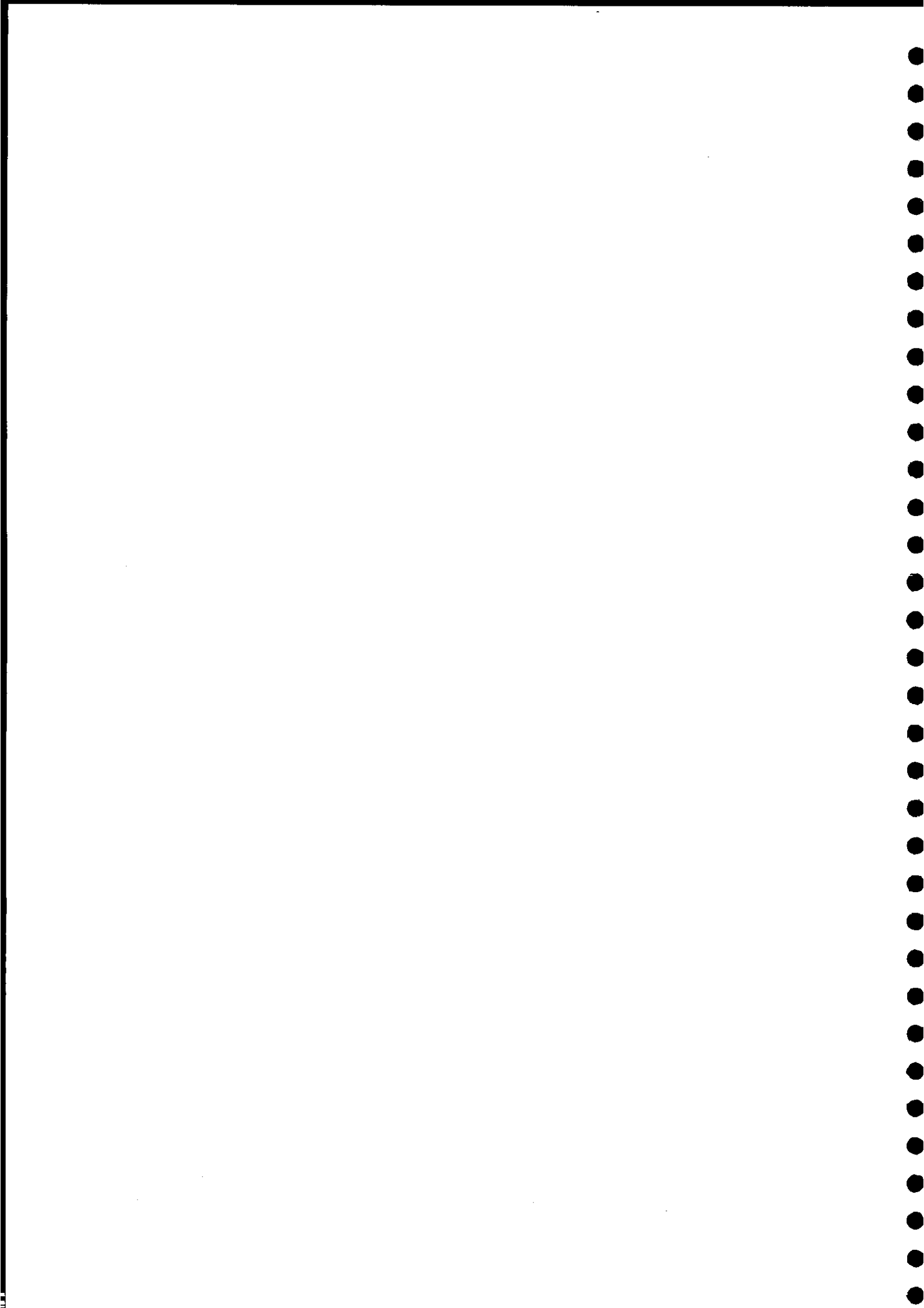
	2002	2001
	£	£
Wages and salaries	145,158	229,544
Social security costs	5,924	6,883
	151,082	236,427

The average number of persons employed by the Company during the period was 8 (2001: 7).

The directors received no remuneration during the period and no pension scheme is available to the directors.

5 Interest receivable and similar income

	2002	2001
	£	£
Bank interest	11,060	6,264



**Notes to the financial statements
for the year ended 31 December 2002 (continued)**

6 Taxation

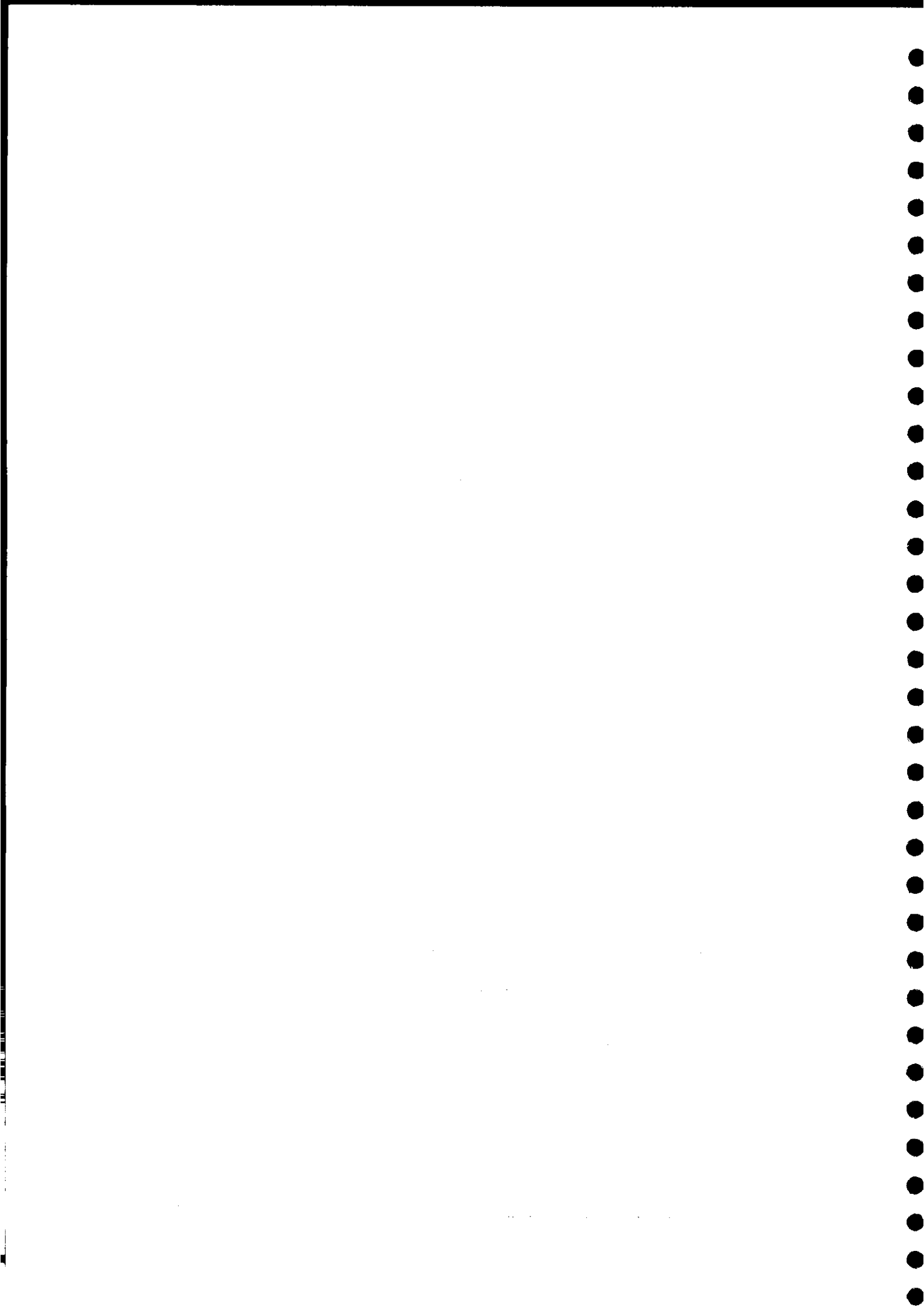
(a) Tax on profit on ordinary activities

	2002	2001 (restated)
	£	£
Current tax :		
Corporation tax at 30% (2001: 20%) in respect of current year	83,220	18,080
Prior year adjustment	-	(587)
Total current tax	83,220	17,493
Deferred tax :		
Origination and reversal of timing differences	(610)	16,557
Effect of increased tax rate of 30% (20% on opening asset)	(511)	-
Total deferred tax	(1,121)	16,557
Tax on profit on ordinary activities	82,099	34,050

(b) Factors affecting tax charge

The difference between the current tax charge on ordinary activities for the year and the tax on the profit on ordinary activities for the year assessed at the standard rate of corporation tax in the UK can be explained as follows:

	2002	2001
	£	£
Profit on ordinary activities before tax	270,323	166,382
Tax on profit on ordinary activities before tax at 30% (2001: 20%)	81,097	33,276
Effects of:		
Permanent differences	676	200
Movement on accelerated capital allowances	1,447	402
Movement on losses	-	(15,798)
Adjustments to tax charge in respect of previous periods	-	(587)
Current tax charge for the period	83,220	17,493



**Notes to the financial statements
for the year ended 31 December 2002 (continued)**

6 Taxation (continued)

(c) Deferred tax

Deferred tax assets relate to:

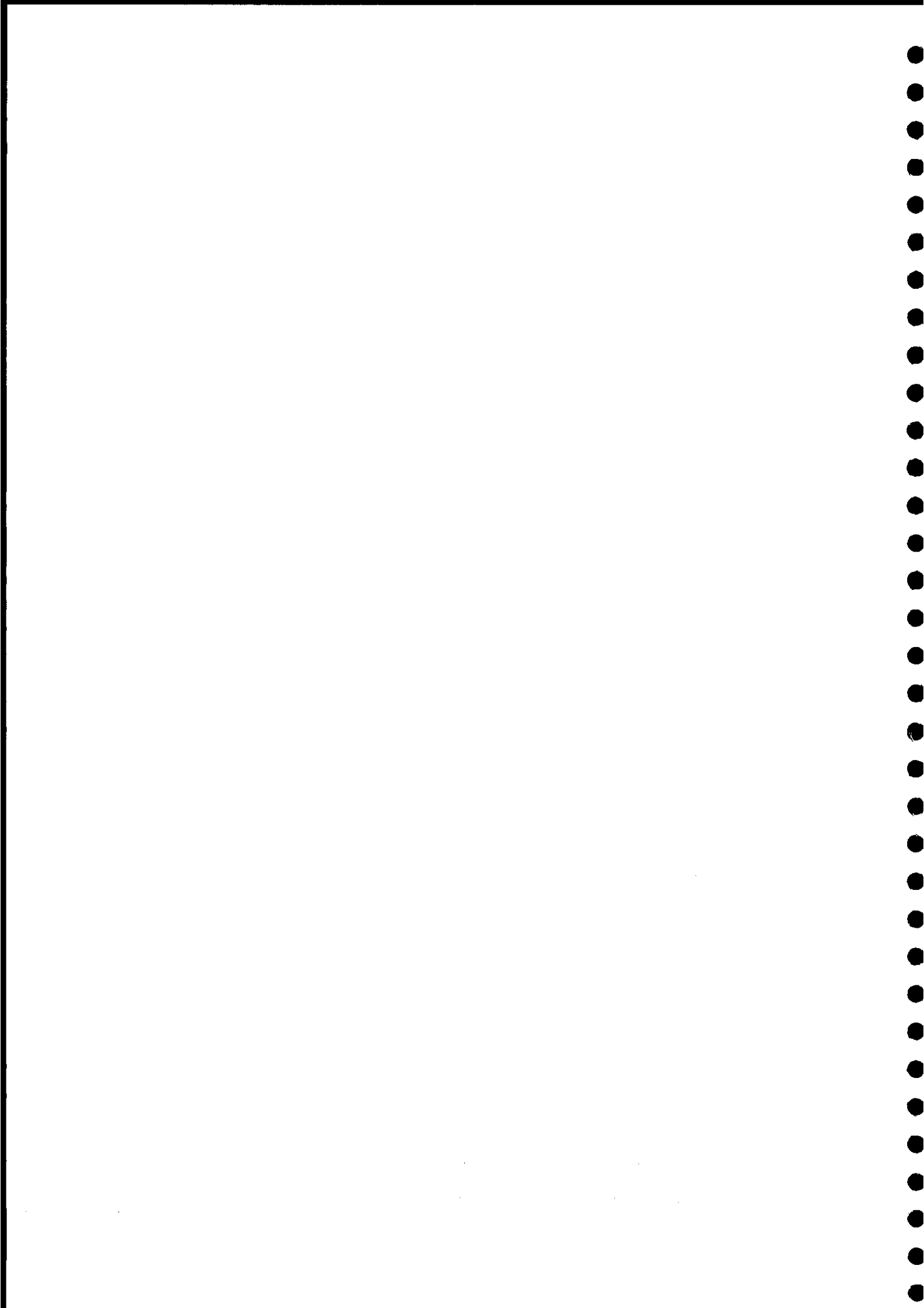
	2002	2001 (restated)
	£	£
Accelerated capital allowances	2,142	1,021
Deferred tax asset	2,142	1,021

The movement in deferred tax balances during the year is as follows:

	£
Deferred tax asset at 1 January 2002 (restated)	1,021
Deferred tax credit in profit and loss account for the year	1,121
Deferred tax asset at 31 December 2002	2,142

7 Tangible fixed assets

	Motor vehicles	Office equipment	Total
	£	£	£
Cost			
At 1 January 2002	56,950	9,376	66,326
Additions	-	3,220	3,220
Disposals	-	(5,543)	(5,543)
At 31 December 2002	56,950	7,053	64,003
Depreciation			
At 1 January 2001	12,746	5,295	18,041
Charge for year	14,843	1,837	16,680
Disposals	-	(4,691)	(4,691)
At 31 December 2002	27,589	2,441	30,030
Net book amount			
At 31 December 2002	29,361	4,612	33,973
At 31 December 2001	44,204	4,081	48,285



**Notes to the financial statements
for the year ended 31 December 2002 (continued)**

8 Stocks

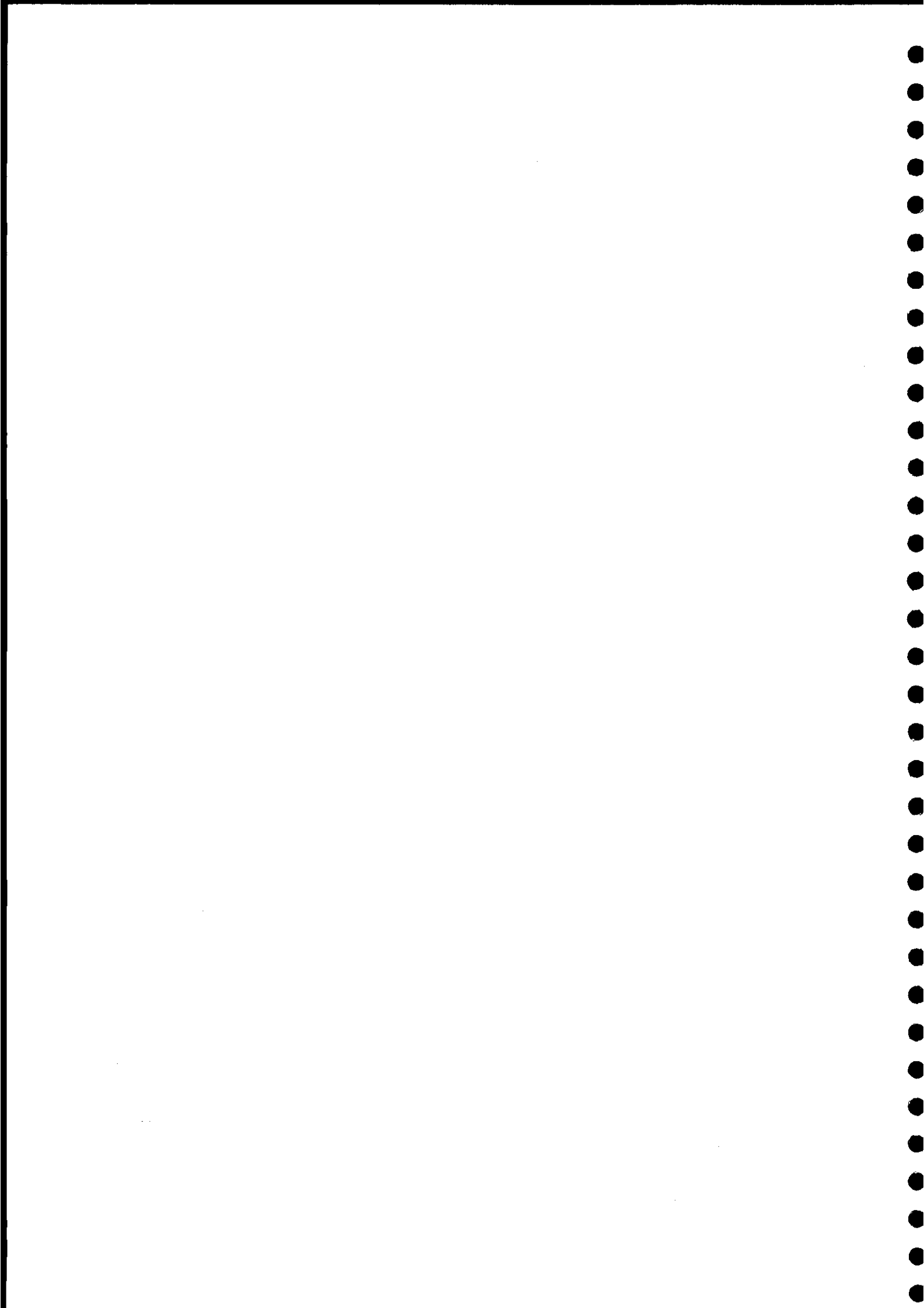
	2002	2001
	£	£
Purchased goods and goods for sale	84,196	46,310

9 Debtors

	2002	2001
	£	£
Amounts falling due within one year		
Trade debtors	266,477	164,261
Amounts owed by ultimate parent company	-	25,624
Other debtors	20,314	9,413
Prepayments and accrued income	2,104	3,555
	288,895	202,853
Amounts falling due after more than one year		
Deferred taxation (note 6)	2,142	1,021
	291,037	203,874

10 Creditors (amounts falling due within one year)

	2002	2001
	£	£
Trade creditors	85,193	67,574
Amounts owed to ultimate parent company	364,140	291,398
Corporation tax	85,066	17,493
Other taxation and social security	17,650	17,601
Accruals and deferred income	8,728	12,200
	560,777	406,266



**Notes to the financial statements
for the year ended 31 December 2002 (continued)**

11 Called up share capital

	2002	2001
	£	£
Authorised:		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
Allotted, issued and fully paid:		
200,000 ordinary shares of £1 each	200,000	200,000

12 Reserves

	Profit and loss account
	£
At 1 January 2002 (as previously reported)	57,989
Prior year adjustment (note 1)	1,021
At 1 January 2002 (as restated)	59,010
Profit for the year	188,223
At 31 December 2002	247,233

13 Reconciliation of movements in equity shareholder's funds

	2002	2001
	£	£
Profit for the financial year	188,223	132,332
Net addition to equity shareholders' funds	188,223	132,332
Opening equity shareholders' funds as previously reported	257,989	109,100
Prior year adjustment – FRS 19	1,021	17,578
Opening equity shareholders' funds – restated	259,010	126,678
Closing equity shareholders' funds	447,233	259,010

**Notes to the financial statements
for the year ended 31 December 2002 (continued)**

14 Related party transactions

The company has taken advantage of the exemption under Financial Reporting Standard 8 relating to 90% subsidiary undertakings and has not disclosed details of transactions with other undertakings Meiji Electrics Industries Co. Ltd group.

15 Parent and Ultimate Controlling Party

The immediate parent company is Meiji Corporation in the U.S., which consolidates Meiji UK Ltd into its accounts.

The ultimate parent company is Meiji Electric Industries Corporation Inc, Ltd incorporated in Japan, and is the largest group to consolidate these accounts.

A copy of Meiji Corporation Inc group accounts can be obtained from 660 Fango Avenue, Elk Grove Village, Illinois 60007, USA. A copy of Meiji Electrics Industries Co. Ltd group accounts can be obtained from 2-Chome 13-8, Kamijima, Nakamura Ku, Nagoya, Japan.