

Meiji (UK) Limited

Directors' report and accounts

for the year ended 31 December 2003

Registered number 3498621



Meiji (UK) Limited

Directors' report and accounts for the year ended 31 December 2003

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Meiji (UK) Limited

Directors' report for the year ended 31 December 2003

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2003.

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 anticipate that the business is stable in the forthcoming year.

Results and dividend

The Company made a profit after taxation for the period of £140,045 (2002: profit of £188,223). 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 2003 (2002: £nil).

Directors and Directors' interests

The Directors of the company during the year were:

Y Yasui

M Hayashi

T. Abe (appointed 30th November 2003)

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. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2003 and that applicable accounting standards have been followed.

Meiji (UK) Limited

Directors' report for the year ended 31 December 2003 (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

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By Order of the Board



T. Abe
Director
22 March 2004

Meiji (UK) Limited

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

We have audited the financial statements 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. The other information comprises only the directors' report.

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 2003 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
22 March 2004

Meiji (UK) Limited

Profit and loss account for the year ended 31 December 2003

	Notes	2003 £	2002 £
Turnover	2	2,364,858	2,032,140
Cost of sales		(1,829,655)	(1,461,778)
Gross profit		535,203	570,362
Administrative expenses		(381,783)	(311,100)
Operating profit		153,420	259,262
Interest receivable and similar income	6	14,440	11,060
Profit on ordinary activities before taxation		167,860	270,322
Taxation on profit on ordinary activities	7	(27,815)	(82,099)
Retained profit for the financial year	13	140,045	188,223

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 notes on pages 7 to 14 form part of these accounts.

Meiji (UK) Limited

Statement of total recognised gains and losses for the year ended 31 December 2003

	2003	2002
	£	£
Profit for the financial year	140,045	188,223
Total recognised gains and losses for the year	140,045	188,223
Prior year adjustments	-	1,021
Total gains recognised since last annual report	140,045	189,244

Meiji (UK) Limited

Balance sheet as at 31 December 2003

	Notes	2003 £	2002 £
Fixed assets			
Tangible assets	8	34,123	33,973
Current assets			
Stock	9	82,529	84,196
Debtors	10	334,093	291,037
Cash at bank and in hand		518,658	598,804
		935,280	974,037
Creditors (amounts due falling within one year)	11	(382,125)	(560,777)
Net current assets		553,155	413,260
Total assets less current liabilities		587,278	447,233
Capital and reserves			
Called up share capital	12	200,000	200,000
Profit and loss account	13	387,278	247,233
Equity shareholders' funds	14	587,278	447,233

Approved by the Board on 22 March 2004 and signed on their behalf by:



T. Abe
Director

Meiji (UK) Limited

Notes to the financial statements for the year ended 31 December 2003

1 Principal accounting policies

Basis of preparation

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

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	-	3 to 4 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".

Meiji (UK) Limited

Notes to the financial statements for the year ended 31 December 2003 (continued)

2 Turnover

The analysis of turnover by geographical destination is as follows:

	2003	2002
	£	£
United Kingdom	1,803,965	1,597,799
Rest of Europe	537,572	401,008
Rest of World	23,321	33,333
	2,364,858	2,032,140

3 Profit on ordinary activities before taxation

	2003	2002
	£	£
Profit on ordinary activities before taxation is stated after charging the following amounts		
Auditors' remuneration:		
Audit services	9,500	8,750
Non audit services	12,580	10,300
Depreciation	13,350	16,680
Operating lease charges:		
Other	28,992	44,628
(Profit)/loss on disposal of tangible fixed assets	(2,000)	852

Meiji (UK) Limited

Notes to the financial statements for the year ended 31 December 2003 (continued)

4 Directors' emoluments

	2003	2002
	£	£
Aggregate emoluments	5,728	-

No pension scheme is available to the directors.

5 Staff numbers and costs

	2003	2002
	£	£
Wages and salaries	227,806	145,158
Social security costs	7,668	5,924
	235,474	151,082

The average number of persons employed by the Company during the period was 7 (2002: 8).

6 Interest receivable and similar income

	2003	2002
	£	£
Bank interest	14,440	11,060

7 Taxation

(a) Tax on profit on ordinary activities

	2003	2002
	£	£
Current tax :		
Corporation tax at 30% (2002: 30%) in respect of current year	34,573	83,220
Prior year adjustment	(7,742)	-
Total current tax	26,831	83,220

Meiji (UK) Limited

Notes to the financial statements for the year ended 31 December 2003 (continued)

7 Taxation (continued)

Deferred tax :

Origination and reversal of timing differences	984	(610)
Effect of increased tax rate of 30% (30% on opening asset)	-	(511)
Total deferred tax	984	(1,121)
Tax on profit on ordinary activities	27,815	82,099

(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:

	2003	2002
	£	£
Profit on ordinary activities before tax	167,860	270,322
Tax on profit on ordinary activities before tax at 30% (2002: 30%)	50,358	81,097
Effects of:		
Permanent differences	977	676
Movement on accelerated capital allowances	(984)	1,447
Tax at marginal rates	(15,778)	-
Adjustments to tax charge in respect of previous periods	(7,742)	-
Current tax charge for the period	26,831	83,220

Meiji (UK) Limited

Notes to the financial statements for the year ended 31 December 2003 (continued)

7 Taxation (continued)

(c) Deferred tax

Deferred tax assets relate to:

	2003	2002
	£	£
Accelerated capital allowances	1,158	2,142
Deferred tax asset	1,158	2,142

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

	£
Deferred tax asset at 1 January 2003	2,142
Deferred tax charge in profit and loss account for the year	(984)
Deferred tax asset at 31 December 2003	1,158

8 Tangible fixed assets

	Motor vehicles £	Office equipment £	Total £
Cost			
At 1 January 2003	56,950	7,053	64,003
Additions	13,500	-	13,500
Disposals	(11,700)	-	(11,700)
At 31 December 2003	58,750	7,053	65,803
Depreciation			
At 1 January 2003	27,589	2,441	30,030
Charge for year	12,172	1,178	13,350
Disposals	(11,700)	-	(11,700)
At 31 December 2003	28,061	3,619	31,680
Net book amount			
At 31 December 2003	30,689	3,434	34,123
At 31 December 2002	29,361	4,612	33,973

Meiji (UK) Limited

Notes to the financial statements for the year ended 31 December 2003 (continued)

9 Stock

	2003	2002
	£	£
Purchased goods and goods for sale	82,529	84,196

10 Debtors

	2003	2002
	£	£
Amounts falling due within one year		
Trade debtors	299,422	266,477
Amounts owed by ultimate parent company	3,767	-
Other debtors	13,564	20,314
Prepayments and accrued income	16,182	2,104
	332,935	288,895
Amounts falling due after more than one year		
Deferred taxation (note 7)	1,158	2,142
	334,093	291,037

11 Creditors (amounts falling due within one year)

	2003	2002
	£	£
Trade creditors	68,562	85,193
Amounts owed to ultimate parent company	248,424	364,140
Corporation tax	34,573	85,066
Other taxation and social security	14,000	17,650
Accruals and deferred income	16,566	8,728
	382,125	560,777

Meiji (UK) Limited

Notes to the financial statements for the year ended 31 December 2003 (continued)

12 Called up share capital

	2003	2002
	£	£
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

13 Reserves

	Profit and loss account
	£
At 1 January 2003	247,233
Profit for the year	140,045
At 31 December 2003	387,278

14 Reconciliation of movements in equity shareholder's funds

	2003	2002
	£	£
Profit for the financial year	140,045	188,223
Net addition to equity shareholders' funds	140,045	188,223
Opening equity shareholders' funds	447,233	259,010
Closing equity shareholders' funds	587,278	447,233

Meiji (UK) Limited

Notes to the financial statements for the year ended 31 December 2003 (continued)

15 Operating leases

At 31 December 2003 the company had annual commitments under non-cancellable operating leases expiring as follows:

	Plant and machinery		Land and buildings	
	2003	2002	2003	2002
	£	£	£	£
Within one year	-	-	6,540	-

16 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 within the Meiji Electrics Industries Co. Ltd group.

17 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 Co., 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.