

Meiji (UK) Limited

Directors' report and accounts

for the year ended 31 December 2004

Registered number 3498621



28

Meiji (UK) Limited

Directors' report and accounts for the year ended 31 December 2004

	Page
Directors' report for the year ended 31 December 2004	1
Independent auditors' report to the members of Meiji (UK) Limited	3
Profit and loss account for the year ended 31 December 2004	4
Balance sheet as at 31 December 2004	5
Notes to the financial statements for the year ended 31 December 2004	6

Meiji (UK) Limited

Directors' report for the year ended 31 December 2004

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2004.

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 will be stable in the forthcoming year.

Results and dividend

The Company made a profit after taxation for the period of £192,874 (2003: profit of £140,045). 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 2004 (2003: £nil).

Directors and Directors' interests

The Directors of the company during the year were:

Y Yasui
M Hayashi
T. Abe

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 2004 and that applicable accounting standards have been followed.

Meiji (UK) Limited

Directors' report for the year ended 31 December 2004 (continued)

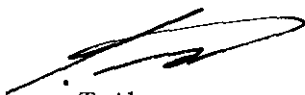
Statement of Directors' responsibilities (continued)

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
14 March 2005

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, 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 2004 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
14 March 2005

Meiji (UK) Limited

Profit and loss account for the year ended 31 December 2004

	Notes	2004 £	2003 £
Turnover	2	2,530,123	2,364,858
Cost of sales		(1,944,078)	(1,829,655)
Gross profit		586,045	535,203
Administrative expenses		(313,228)	(381,783)
Operating profit		272,817	153,420
Interest receivable and similar income	6	20,009	14,440
Profit on ordinary activities before taxation	3	292,826	167,860
Taxation on profit on ordinary activities	7	(99,952)	(27,815)
Retained profit for the financial year	13	192,874	140,045

The above results are derived wholly from continuing activities.

The company has no recognised gains and losses other than those including above, and therefore no separate statement of total recognised gains and losses has been presented.

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 6 to 13 form part of these accounts.

Meiji (UK) Limited

Balance sheet as at 31 December 2004

	Notes	2004 £	2003 £
Fixed assets			
Tangible assets	8	42,958	34,123
Current assets			
Stock	9	65,416	82,529
Debtors	10	339,494	334,093
Cash at bank and in hand		721,540	518,658
		1,126,450	935,280
Creditors (amounts due falling within one year)	11	(389,256)	(382,125)
Net current assets		737,194	553,155
Total assets less current liabilities		780,152	587,278
Capital and reserves			
Called up share capital	12	200,000	200,000
Profit and loss account	13	580,152	387,278
Equity shareholders' funds	14	780,152	587,278

Approved by the Board on 14 March 2005 and signed on their behalf by:



T. Abe
Director

Meiji (UK) Limited

Notes to the financial statements for the year ended 31 December 2004

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 2004 (continued)

2 Turnover

The analysis of turnover by geographical destination is as follows:

	2004	2003
	£	£
United Kingdom	1,648,599	1,803,965
Rest of Europe	861,914	537,572
Rest of World	19,610	23,321
	2,530,123	2,364,858

3 Profit on ordinary activities before taxation

	2004	2003
	£	£
Profit on ordinary activities before taxation is stated after charging the following amounts		
Auditors' remuneration:		
Audit services	11,400	9,500
Non audit services	6,376	12,580
Depreciation	15,237	13,350
Operating lease charges:		
Other	28,883	28,992

Meiji (UK) Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

4 Directors' emoluments

	2004	2003
	£	£
Aggregate emoluments	43,962	5,728

No pension scheme is available to the directors.

5 Staff numbers and costs

	2004	2003
Average number of persons employed	Number	Number
Administration	2	2
Sales	4	5
	6	7
Staff costs during the year (including directors)	£	£
Wages and salaries	198,639	227,806
Social security costs	7,512	7,668
	206,151	235,474

6 Interest receivable and similar income

	2004	2003
	£	£
Bank interest	20,009	14,440

Meiji (UK) Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

7 Taxation

(a) Tax on profit on ordinary activities

	2004	2003
	£	£
Current tax :		
Corporation tax at 30% (2003: 30%) in respect of current year	89,796	34,573
Prior year adjustment	11,389	(7,742)
Total current tax	101,185	26,831
Deferred tax :		
Origination and reversal of timing differences	(1,233)	984
Total deferred tax	(1,233)	984
Tax on profit on ordinary activities	99,952	27,815

(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:

	2004	2003
	£	£
Profit on ordinary activities before tax	292,826	167,860
Tax on profit on ordinary activities before tax at 30% (2003: 30%)	87,848	50,358
Effects of:		
Permanent differences	1,271	977
Movement on accelerated capital allowances	677	(984)
Tax at marginal rates	-	(15,778)
Adjustments to tax charge in respect of previous periods	11,389	(7,742)
Current tax charge for the period	101,185	26,831

Meiji (UK) Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

7 Taxation (continued)

(c) Deferred tax

Deferred tax assets relate to:

	2004	2003
	£	£
Accelerated capital allowances	2,391	1,158
Deferred tax asset	2,391	1,158

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

	£
Deferred tax asset at 1 January 2004	1,158
Deferred tax charge in profit and loss account for the year	1,233
Deferred tax asset at 31 December 2004	2,391

8 Tangible fixed assets

	Motor vehicles	Office equipment	Total
	£	£	£
Cost			
At 1 January 2004	58,750	7,053	65,803
Additions	29,174	-	29,174
Disposals	(27,250)	-	(27,250)
At 31 December 2004	60,674	7,053	67,727
Depreciation			
At 1 January 2004	28,061	3,619	31,680
Charge for year	14,184	1,053	15,237
Disposals	(22,148)	-	(22,148)
At 31 December 2004	20,097	4,672	24,769
Net book amount			
At 31 December 2004	40,577	2,381	42,958
At 31 December 2003	30,689	3,434	34,123

Meiji (UK) Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

9 Stock

	2004	2003
	£	£
Purchased goods and goods for sale	65,416	82,529

10 Debtors

	2004	2003
	£	£
Amounts falling due within one year		
Trade debtors	305,250	299,422
Amounts owed by ultimate parent company	4,746	3,767
Other debtors	26,462	13,564
Prepayments and accrued income	645	16,182
	337,103	332,935
Amounts falling due after more than one year		
Deferred taxation (note 7)	2,391	1,158
	339,494	334,093

11 Creditors (amounts falling due within one year)

	2004	2003
	£	£
Trade creditors	47,784	68,562
Amounts owed to ultimate parent company	225,860	248,424
Corporation tax	89,834	34,573
Other taxation and social security	-	14,000
Accruals and deferred income	25,778	16,566
	389,256	382,125

Meiji (UK) Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

12 Called up share capital

	2004	2003
	£	£
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 2004	387,278
Profit for the year	192,874
At 31 December 2004	580,152

14 Reconciliation of movements in equity shareholder's funds

	2004	2003
	£	£
Opening equity shareholders' funds	587,278	447,233
Profit for the financial year	192,874	140,045
Closing equity shareholders' funds	780,152	587,278

Meiji (UK) Limited

Notes to the financial statements for the year ended 31 December 2004 (continued)

15 Operating leases

At 31 December 2004 the company had annual commitments under non-cancellable operating leases expiring as follows:

	Plant and machinery		Land and buildings	
	2004	2003	2004	2003
	£	£	£	£
Within one year	-	-	6,540	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.