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Nitto Kohki Europe Co. Limited

Report and Financial Statements

31 December 2010

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COMPANIES HOUSE

Directors
M Ogue
H Ushigome
E Kaibuchi

Secretary
M Ogue

Auditors
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Directors' report

The directors present their report and financial statements for the year ended 31 December 2010

Results and dividends

The group profit for the year after taxation was £531,071 (2009 – loss of £129,903) The directors recommend a final dividend for the year of £200,000

Principal activities and review of the business

The company has 3 subsidiaries, Universal Drilling & Cutting Equipment Limited (UK), Nitto Kohki Deutschland GmbH (Germany) and UDCE France Sarl (France) Universal Drilling & Cutting Equipment Limited has branches in the US and Netherlands The company's and its subsidiaries' principal activity is the supply of pumps, tools and cuplas world-wide There have been no changes in the group's principal activities as a result of the economic slowdown worldwide in the year under review The directors are cautiously optimistic, at the date of this report, of recovery in the group's activities in the forthcoming year

As shown in the group's profit and loss account on page 7, the group's sales have increased by 16% from last year

The group's key measurement of effectiveness of its operations is calculating gross margin after direct costs The group achieved a gross margin after direct costs of 30%

The balance sheet on page 9 shows that the group's financial position at the year end has, in net assets, increased compared with the prior year

The group's cash levels have increased by £75,824, from £4,737,067 at the end of 2009 to £4,812,891 at the end of the current financial year

There have been no significant events since the balance sheet date, which require further disclosure

Principal risks and uncertainties

The principal risks and uncertainties facing the group are broadly grouped as – competitive and foreign exchange risk

Competitive risk

The main concern for the group is the slowdown of world economy and coping with it for the foreseeable future

The group operates in a highly competitive market which is a continuing risk to the group and could result in losing sales to its key competitors The group manages this risk by providing value added services to its customers, by having fast response times to customer queries and by maintaining strong relationships with its customers

Foreign exchange risk

Some of the group's sales are in Euros and US dollars which expose the group to currency movement and therefore the group is exposed to movement in the Euro and the US dollar to pound exchange rate

Directors' report

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out below

The group has considerable financial resources together with existing good relationship with number of customers and suppliers across different geographic areas and industries As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook

The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Directors

The directors who served the company during the year and appointed subsequently were as follows

M Ogue
H Ushigome
E Kaibuchi

Creditor payment policy and practice

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with

At 31 December 2010, the company had an average of 60 days purchases outstanding in trade creditors

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

By order of the Board

M Ogue

Secretary

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Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 group and the company and of the profit or loss of the group 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 estimates that are reasonable and prudent, 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 proper accounting records that are sufficient to show and explain the group's and the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

ERNST & YOUNG

Independent auditors' report

to the members of Nitto Kohki Europe Co. Limited

We have audited the financial statements of Nitto Kohki Europe Co Limited for the year ended 31 December 2010 which comprise the Group Profit and Loss Account, the Group and Parent Company Balance Sheets, the Group Statement of Total Recognised Gains and Losses 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 and group'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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 group's and the parent 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

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2010 and of the group's 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

ERNST & YOUNG

Independent auditors' report

to the members of Nitto Kohki Europe Co. Limited

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

Ernst & Young LLP

Mohan Pandian (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

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Group profit and loss account

for the year ended 31 December 2010

	Notes	2010 £	2009 £
Turnover	2	11,569,733	9,993,931
Cost of sales		(8,081,497)	(7,273,567)
Gross profit		3,488,236	2,720,364
Distribution costs		(579,718)	(610,095)
Administrative expenses		(2,250,130)	(2,224,356)
Other operating income/(expense)		11,096	(20,727)
Operating profit/(loss)	3	669,484	(134,814)
Interest receivable and similar income	6	50,076	41,823
Profit/(loss) on ordinary activities before taxation		719,560	(92,991)
Tax	7	(188,489)	(36,912)
Profit/(loss) for the financial year	17	531,071	(129,903)

Group statement of total recognised gains and losses

for the year ended 31 December 2010

		2010	*2009*
		£	*£*
Profit/(loss) for the financial year	17	531,071	(129,903)
Currency translation differences	17	(109,305)	(160,098)
Total recognised gains/(losses) related to the year		421,766	(290,001)
Prior year adjustment		–	(222,090)
Total recognised gains/(losses) since last annual report		421,766	(512,091)

Group balance sheet

at 31 December 2010

	Notes	2010 £	2009 £
Fixed assets			
Intangible assets	10	969,388	1,056,199
Tangible assets	11	1,061,245	1,158,696
		2,030,633	2,214,895
Current assets			
Stocks	13	3,559,075	3,426,354
Debtors	14	1,787,534	1,289,217
Cash at bank and in hand		4,812,891	4,737,067
		10,159,500	9,452,638
Creditors amounts falling due within one year	15	(2,042,198)	(1,741,364)
Net current assets		8,117,302	7,711,274
Total assets less current liabilities		10,147,935	9,926,169
Capital and reserves			
Called up share capital	16	4,730,000	4,730,000
Profit and loss account	17	5,417,935	5,196,169
Shareholders' funds	17	10,147,935	9,926,169

M Ogue

Director

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Balance sheet

at 31 December 2010

	Notes	2010 £	2009 £
Fixed assets			
Intangible assets	10	1	1
Tangible assets	11	63,331	65,847
Investments	12	5,045,735	5,045,735
		5,109,067	5,111,583
Current assets			
Stocks	13	565,939	470,959
Debtors	14	375,930	358,524
Cash at bank and in hand		2,265,175	2,290,349
		3,207,044	3,119,832
Creditors. amounts falling due within one year	15	(339,839)	(326,602)
Net current assets		2,867,205	2,793,230
Total assets less current liabilities		7,976,272	7,904,813
Capital and reserves			
Called up share capital	16	4,730,000	4,730,000
Profit and loss account	17	3,246,272	3,174,813
Shareholders' funds	17	7,976,272	7,904,813

M Ogue

M Ogue
Director

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Notes to the financial statements

at 31 December 2010

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards

Going concern

The group's business activities, together with the factors likely to affect its future development, performance and position are set out below

The group has considerable financial resources together with existing good relationship with number of customers and suppliers across different geographic areas and industries As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook

The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Basis of consolidation

The group financial statements consolidate the financial statements of Nitto Kohki Europe Co Limited and its subsidiary undertakings drawn up to 31 December each year No profit and loss account is presented for Nitto Kohki Europe Co Limited as permitted by section 408 of the Companies Act 2006

Statement of cash flows

The group has not prepared a statement of cash flows because it is taking advantage of the exemptions available under the revised FRS 1 Exemption is on the grounds that it is a wholly owned subsidiary undertaking and is included in the ultimate parent undertaking's financial statements which are available to the public

Intangible fixed assets

Goodwill arising on the acquisition of subsidiary undertakings represents any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life Provision is made for any impairment

The rate of amortisation is as follows

Goodwill	–	20 years

The carrying values of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Tangible fixed assets

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows

Freehold property	–	4% per annum
Freehold improvements, furniture, fixtures and fittings	–	20% per annum
Computer equipment – hardware and software	–	33% per annum
Plant and machinery	–	14 to 25% per annum

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Notes to the financial statements

at 31 December 2010

1. Accounting policies (continued)

Investments

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Stocks

Stocks are stated at the lower of cost and net realisable value, and consist of finished goods and include any import duties and freight inwards costs where applicable Provision is made for obsolescence

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exceptions

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable
- Deferred tax assets are recognised only to the extent that the directors consider that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Transactions of the group denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions Monetary assets and liabilities in currencies other than sterling are translated into sterling at the rates of exchange ruling at that date These translation differences are dealt with in the group profit and loss account

The results of overseas subsidiaries are translated at the closing rate of exchange during the year and their balance sheets at the rates ruling at the balance sheet date Exchange differences arising from the translation of the opening net investment in the subsidiaries and branch at the closing rate is reported in the group statement of total recognised gains and losses

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding

Rentals paid under operating leases are charged to income on a straight line basis over the lease term

Pensions

The group operates a defined contribution pension scheme Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

Revenue recognition

Revenue, which excludes value added tax, represents the invoiced value of goods and services supplied Revenue is recognised when substantially all of the risks and rewards of ownership of the goods have passed to the customer

Notes to the financial statements

at 31 December 2010

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties in respect of the group's continuing activity as stated in the directors' report

An analysis of turnover by geographical market is given below

	2010	*2009*
	£	£
United Kingdom	2,091,257	5,825,941
Other European countries	6,840,144	1,983,967
America	1,547,180	848,187
Other	1,091,152	1,335,836
	11,569,733	9,993,931

3. Operating profit/(loss)

This is stated after charging

	2010	*2009*
	£	£
Auditors' remuneration		
Fees payable to the company's auditor for the audit of the company's Financial statements	18,800	17,800
Fees payable to the company's auditor for other services		
The audit of the company's subsidiary pursuant to legislation	48,853	36,499
Auditors' remuneration – other service	7,000	10,000
Depreciation of owned fixed assets	204,460	282,183
Amortisation of intangible assets	86,811	86,811
Rentals under operating leases	17,454	18,831

4. Directors' remuneration

	2010	*2009*
	£	£
Directors' remuneration	80,000	79,000
Pension costs	5,320	3,160
	85,320	82,160

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2009 – 1)

Notes to the financial statements

at 31 December 2010

5. Staff costs

	2010 £	2009 £
Wages and salaries	2,070,537	2,159,414
Social security costs	181,366	213,387
Pension costs	27,611	28,044
	2,279,514	2,400,845

The average monthly number of employees during the year was made up as follows

	2010 No	2009 No
Administration	11	11
Manufacturing	18	18
Sales and distribution	25	25
	54	54

6. Interest receivable and similar income

	2010 £	2009 £
Bank interest receivable	38,756	40,268
Other	11,320	1,555
	50,076	41,823

7. Tax

(a) Tax on profit/(loss) on ordinary activities

The tax charge is made up as follows

	2010 £	2009 £
Current tax		
UK corporation tax on the profit/(loss) for the year	109,157	(31,167)
Adjustment in respect of prior years	(12,317)	7,291
Double taxation relief	–	(58,968)
Foreign taxation	125,020	122,825
Total current tax (note 7(b))	221,860	39,981
Deferred taxation		
Changes in tax rate and laws	–	(3,069)
Timing differences, origination and reversal	(33,371)	–
Adjustment in respect of prior years	–	–
Total deferred tax (note 7(c))	(33,371)	(3,069)
Tax on profit/(loss) on ordinary activities	188,489	36,912

Notes to the financial statements

at 31 December 2010

7. Tax (continued)

(b) Factors affecting current tax charge for the year

The tax assessed for the year is differs from the standard rate of corporation tax in the UK of 28% (2009 – 28%) The differences are explained below

	2010	*2009*
	£	*£*
Profit/(loss) on ordinary activities before tax	719,560	(92,991)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 – 28%)	201,477	(26,038)
Effects of		
Expenses not deductible for tax purposes	(15,358)	19,671
Capital allowances in excess of depreciation	7,765	21,902
Movements in short term timing differences	–	11,627
Overseas tax rates	14,282	–
Adjustments in respect of prior years	13,694	7,291
Difference in tax rates on losses carried back	–	5,528
Current tax for the year (note 7(a))	221,860	39,981

(c) Deferred tax

The deferred tax included in the balance sheet is as follows

		Group		*Company*
	2010	*2009*	*2010*	*2009*
	£	*£*	*£*	*£*
Included in debtors	40,799	7,428	1,174	1,306
At 1 January	7,428	4,357	1,306	8,561
Credit to the profit and loss account	5,888	14,307	(132)	(7,255)
Exchange adjustment	–	–	–	–
Adjustment in respect of prior year	27,483	(11,236)	–	–
At 31 December	40,799	7,428	1,174	1,306

Analysis of deferred tax balance

		Group		*Company*
	2010	*2009*	*2010*	*2009*
	£	*£*	*£*	*£*
Capital allowances in (arrears)/advance of Depreciation	40,799	7,428	1,174	1,063
Other timing differences	–	–	–	243
	40,799	7,428	1,174	1,306

Notes to the financial statements

at 31 December 2010

8. Dividends

	2010	2009
	£	£
Declared and paid during the year		
Final dividend paid	175,000	290,000
Proposed for approval by shareholders at the AGM		
Final dividend	200,000	175,000

In accordance with FRS 21, dividends proposed by the directors but not approved at the balance sheet date have not been recognised as a liability

9. Profit/(loss) after tax of parent company

As permitted by Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements The parent company's profit after taxation for the financial year ended 31 December 2010 amounted to £271,459 (2009 – loss of £258,414)

10. Intangible fixed assets

Group

	Trademark	Goodwill	Total
	£	£	£
Cost			
At 1 January 2010 and 31 December 2010	1	2,065,243	2,065,244
Amortisation			
At 1 January 2010	–	1,009,045	1,009,045
Charge for the year	–	86,811	86,811
At 31 December 2010	–	1,095,856	1,095,856
Net book value			
At 31 December 2010	1	969,387	969,388
At 1 January 2010	1	1,056,198	1,056,199

Company	Trademark
	£
Cost	
At 1 January 2010 and 31 December 2010	1

Notes to the financial statements

at 31 December 2010

11. Tangible fixed assets

Group

	Freehold property £	*Freehold improvements, furniture, fixtures and fittings* £	*Computer equipment* £	*Plant and machinary* £	*Total* £
Cost or valuation					
At 1 January 2010	762,036	84,645	64,627	1,486,542	2,397,850
Additions	–	10,948	7,204	100,337	118,489
Disposals	–	–	(2,256)	(258,570)	(260,826)
Exchange difference	–	(2,282)	(570)	(387)	(3,239)
At 31 December 2010	762,036	93,311	69,005	1,327,922	2,252,274
Depreciation					
At 1 January 2010	145,587	65,191	58,797	969,579	1,239,154
Charge for the year	15,240	4,802	2,871	181,547	204,460
Disposals	–	–	(2,255)	(248,346)	(250,601)
Exchange difference	–	(1,552)	(277)	(156)	(1,984)
At 31 December 2010	160,827	68,441	59,136	902,625	1,191,029
Net book value					
At 31 December 2010	601,209	24,870	9,869	425,297	1,061,245
At 1 January 2010	616,449	19,454	5,830	516,963	1,158,696

The group has not depreciated freehold land which is included at a cost of £381,018 (2009 – £381,018) in freehold land and buildings The group held no fixed assets under finance leases in the current or prior year

Notes to the financial statements

at 31 December 2010

11. Tangible fixed assets (continued)

Company

	Freehold land and Buildings £	*Freehold improvements, furniture, fixtures and fittings* £	*Computer equipment* £	*Total* £
Cost				
At 1 January 2010	112,036	31,257	51,181	194,474
Additions	–	–	500	500
At 31 December 2010	112,036	31,257	51,681	194,974
Accumulated depreciation				
At 1 January 2010	47,254	30,850	50,523	128,627
Charge for the year	2,240	203	573	3,016
At 31 December 2010	49,494	31,053	51,096	131,643
Net book value				
At 31 December 2010	62,542	204	585	63,331
At 1 January 2010	64,782	407	658	65,847

The company has not depreciated freehold land which is included at a cost of £56,018 (2009 – £56,018) in freehold land and buildings The company held no fixed assets under finance leases in the current year

Notes to the financial statements

at 31 December 2010

12. Investments

Company	*Investment in subsidiary undertakings* £
Cost	
At 1 January 2010 and 31 December 2010	6,094,577
Amounts provided	
At 1 January 2010 and 31 December 2010	1,048,842
Net book value	
At 1 January 2010 and 31 December 2010	5,045,735

	Country of incorporation	*Class of shares owned*	*Interest held*
Universal Drilling & Cutting Equipment Limited	UK	Ordinary	100%
Nitto Kohki Deutschland GmbH	Germany	Ordinary	100%
UDCE France Sarl	France	Ordinary	100%

The companies operate principally in their country of incorporation and carry on the business of the importation and sale of machine tools, couplings, air pumps and the manufacturing of machine tools and industrial cutters

These subsidiaries are included in the group financial statements

UDCE France Sarl is involved in the selling of products manufactured by its parent company, Universal Drilling & Cutting Equipment Limited

13. Stocks

	Group		*Company*	
	2010	*2009*	*2010*	*2009*
	£	£	£	£
Raw materials	651,897	628,503	–	–
Work in progress	83,273	101,822	–	–
Finished goods	2,823,905	2,696,029	565,939	470,959
	3,559,075	3,426,354	565,939	470,959

Notes to the financial statements

at 31 December 2010

14. Debtors

	Group		Company	
	2010	*2009*	*2010*	*2009*
	£	£	£	£
Trade debtors	1,266,838	991,206	197,874	180,199
Amounts owed by group undertakings	29,537	–	155,112	158,040
Other debtors	330,894	230,866	714	–
Deferred tax (see note 7)	40,799	7,428	1,174	1,306
Prepayments and accrued income	119,466	59,717	21,056	18,979
	1,787,534	1,289,217	375,930	358,524
Amounts owed by group undertakings				
Due within one year	29,537	–	155,112	143,040
Due after one year	–	–	–	15,000
	29,537	–	155,112	158,040

15. Creditors: amounts falling due within one year

	Group		Company	
	2010	*2009*	*2010*	*2009*
	£	£	£	£
Trade creditors	726,023	506,304	–	–
Amounts owed to group undertakings	691,132	904,280	68,659	68,805
Dividend payable	200,000	49,336	200,000	175,000
Corporation tax payable	24,674	60,448	14,284	14,891
Other creditors	46,319	22,831	12,790	12,117
Other taxes and Social Security	39,265	–	–	7,969
Accruals and deferred income	314,785	198,165	44,106	47,820
	2,042,198	1,741,364	339,839	326,602

16. Issued share capital

		2010		*2009*
Allotted called up and fully paid	*No*	£	*No*	£
Ordinary shares of £1 each	4,730,000	4,730,000	4,730,000	4,730,000

Notes to the financial statements

at 31 December 2010

17. Reconciliation of shareholders' funds and movements on reserves

Group

	Share capital £	*Profit and loss account* £	*Total shareholders' funds* £
At 1 January 2009	4,730,000	5,661,170	10,391,170
Loss for the financial year	–	(129,903)	(129,903)
Currency translation differences	–	(160,098)	(160,098)
Dividends	–	(175,000)	(175,000)
At 1 January 2010	4,730,000	5,196,169	9,926,169
Profit for the financial year	–	531,071	538,071
Currency translation differences	–	(109,305)	(109,305)
Dividends	–	(200,000)	(200,000)
At 31 December 2010	4,730,000	5,417,935	10,154,935

Company

	Share capital £	*Profit and loss account* £	*Total shareholders' funds* £
At 1 January 2009	4,730,000	3,608,227	8,338,227
Loss retained for the year	–	(258,414)	(258,414)
Dividends	–	(175,000)	(175,000)
At 1 January 2010	4,730,000	3,174,813	7,904,813
Profit retained for the year	–	271,459	271,459
Dividends	–	(200,000)	(200,000)
At 31 December 2010	4,730,000	3,246,272	7,976,272

18. Other financial commitments

At 31 December 2010 the group was committed to make the following payments during the next year in respect of non-cancellable operating leases

Group

	2010 £	*2009* £
Leases which expire:		
Within one year	–	15,980
Within two to five years	61,419	16,379
	61,419	32,359

Notes to the financial statements

at 31 December 2010

19. Related party transactions

The company has taken advantage of the exemption granted under section 3(c) of FRS 8 not to disclose transactions with other group companies There were no other transactions involving related parties

20. Ultimate parent undertaking and controlling party

In the opinion of the directors, the ultimate parent undertaking and controlling party is Nitto Kohki Co Limited, a company incorporated in Japan Copies of the group financial statements of Nitto Kohki Co Limited, being the largest and smallest group financial statements produced, are available from Nitto Kohki Co Limited, 9-4 Nakaikegami, 2 Chome, Ohta-ku, Tokyo, Japan