

Technos International (Oxford) Limited
Financial statements
For the year ended 31 December 2003



Company No. 2431004

Company information

Company registration number	2431004
Registered office	Wolsey Hall 66 Banbury Road OXFORD OX2 6PR
Directors	Mr K Tanaka Dr G Simpson Mrs M Ueshima
Secretary	Dr G Simpson
Bankers	National Westminster Bank plc 1 Cornmarket Street OXFORD OX1 3EZ
Solicitors	Darbys 52 New Inn Hall Street OXFORD OX1 2QA
Auditors	Grant Thornton UK LLP Chartered Accountants Registered Auditors 1 Westminster Way OXFORD OX2 0PZ

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Report of the directors

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

Principal activities and business review

The company is principally engaged in the business of property management and international course development.

There was a profit for the year after taxation amounting to £14,485 (2002: £7,336 loss). The directors do not recommend payment of a dividend.

The directors and their interests in shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Shares of £1 each	
	At 31 December 2003	At 1 January 2003
Mr K Tanaka	1	1
Mr T Hashimoto	—	—
Dr G Simpson	—	—

Mrs M Ueshima was appointed as a director on 15 October 2004.

Mr T Hashimoto retired as a director on 1 April 2004.

Directors' responsibilities

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and 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 proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton UK LLP offer themselves for reappointment in accordance with section 385 of the Companies Act 1985. On 1 July 2004, the Grant Thornton partnership converted to a limited liability partnership called Grant Thornton UK LLP. Under section 26(5) of the Companies Act 1989, the directors consented to extend the audit appointment to Grant Thornton UK LLP from 1 July 2004.

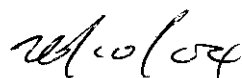
Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

ON BEHALF OF THE BOARD

Dr G Simpson
Director

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Report of the independent auditors to the members of Technos International (Oxford) Limited

We have audited the financial statements of Technos International (Oxford) Limited for the year ended 31 December 2003 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 18. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the report of the directors and the financial statements in accordance with 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.

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 with the company is not disclosed.

We read other information contained in the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 affairs of the company as 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.



GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
OXFORD

Date 28 October 2004

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

Turnover

Turnover is the total amount receivable by the company for rental income and service charges, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Property improvements	-	10%
Plant & Machinery	-	10%

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

International course development

International course development expenditure is charged to the Profit and Loss Account in the period in which it is incurred.

Profit and loss account

	Note	2003 £	2002 £
Turnover		173,005	214,525
Other operating charges	1	137,106	209,368
Operating profit	2	35,899	5,157
Interest receivable		522	—
Interest payable		—	(1,659)
Profit on ordinary activities before taxation		36,421	3,498
Tax on profit on ordinary activities	4	21,936	10,834
Retained profit/(loss) for the financial year		14,485	(7,336)

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	2003 £	2002 £
Fixed assets			
Tangible assets	5	<u>20,401</u>	<u>26,367</u>
Current assets			
Debtors	7	<u>95,462</u>	<u>140,774</u>
Cash at bank and in hand		<u>42,295</u>	<u>9,589</u>
		<u>137,757</u>	<u>150,363</u>
Creditors: amounts falling due within one year	8	<u>138,808</u>	<u>162,551</u>
Net current liabilities		<u>(1,051)</u>	<u>(12,188)</u>
Total assets less current liabilities		<u>19,350</u>	<u>14,179</u>
Creditors: amounts falling due after more than one year	9	<u>—</u>	<u>9,314</u>
		<u>19,350</u>	<u>4,865</u>
Provisions for liabilities and charges			
Deferred taxation	11	<u>600</u>	<u>600</u>
		<u>18,750</u>	<u>4,265</u>
Capital and reserves			
Called-up equity share capital	15	<u>63,247</u>	<u>63,247</u>
Profit and loss account	16	<u>(44,497)</u>	<u>(58,982)</u>
Shareholders' funds		<u>18,750</u>	<u>4,265</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

26/10/04

These financial statements were approved by the directors on and are signed on their behalf by:

Dr G Simpson
Director



Notes to the financial statements

1 Other operating income and charges

	2003	2002
	£	£
Administrative expenses	<u>137,106</u>	<u>209,368</u>

2 Operating profit

Operating profit is stated after charging:

	2003	2002
	£	£
Depreciation of owned fixed assets	5,966	6,011
Auditors' fees	<u>3,500</u>	<u>3,100</u>

3 Directors

Remuneration in respect of directors was as follows:

	2003	2002
	£	£
Emoluments	37,991	37,556
Value of company pension contributions to money purchase schemes	<u>1,200</u>	<u>1,200</u>
	<u>39,191</u>	<u>38,756</u>

The number of directors who are accruing benefits under company pension schemes was as follows:

	2003	2002
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

4 Taxation on ordinary activities

(a) Analysis of charge in the year

	2003	2002
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 30% (2002 - 19%)	21,936	9,000
Over/under provision in prior year	<u>-</u>	<u>1,834</u>
Total current tax	<u>21,936</u>	<u>10,834</u>

4 **Taxation on ordinary activities (continued)**

(b) **Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2002 - 19%).

	2003	2002
	£	£
Profit on ordinary activities before taxation	<u>36,421</u>	<u>3,498</u>
Profit/(loss) on ordinary activities by rate of tax	10,926	665
Expenses not deductible for tax purposes	10,784	9,467
Capital allowances for period in excess of depreciation	1,118	(957)
Tax chargeable at lower rates	(857)	(299)
Adjustments to tax charge in respect of previous periods	(35)	1,833
Rounding on tax charge	—	125
Total current tax (note 4(a))	<u>21,936</u>	<u>10,834</u>

5 **Tangible fixed assets**

	Land and buildings £	Other plant & machinery etc. £	Total £
Cost			
At 1 January 2003 and 31 December 2003	<u>44,271</u>	<u>24,236</u>	<u>68,507</u>
Depreciation			
At 1 January 2003	26,737	15,403	42,140
Charge for the year	4,427	1,539	5,966
At 31 December 2003	<u>31,164</u>	<u>16,942</u>	<u>48,106</u>
Net book value			
At 31 December 2003	<u>13,107</u>	<u>7,294</u>	<u>20,401</u>
At 31 December 2002	<u>17,534</u>	<u>8,833</u>	<u>26,367</u>

6 **Investment**

At 31 December 2003 Technos International (Oxford) Limited held 49% of the issued share capital in The Oxford Centre Limited, a company incorporated in England and principally engaged in the business of a school providing courses of English as a foreign language.

The shareholding in The Oxford Centre Limited was transferred at nil consideration to Technos International (Oxford) Limited on 28 October 2002 in order to simplify the group structure, the ultimate party of which is Tanaka Ikueikai Educational Trust.

7 Debtors

	2003	2002
	£	£
Trade debtors	58,250	92,438
Amounts owed by associates	11,596	24,244
Other debtors	—	3,954
Prepayments and accrued income	25,616	20,138
	<u>95,462</u>	<u>140,774</u>

8 Creditors: amounts falling due within one year

	2003	2002
	£	£
Trade creditors	11,238	20,772
Amounts owed to associates	10,000	50,000
Payments received on account	37,875	—
Corporation tax	15,910	9,000
PAYE and social security	1,747	1,366
VAT	4,621	8,384
Other creditors	2,500	—
Accruals and deferred income	54,917	73,029
	<u>138,808</u>	<u>162,551</u>

9 Creditors: amounts falling due after more than one year

	2003	2002
	£	£
Other creditors	<u>—</u>	<u>9,314</u>

10 Pensions

The company pays pension contribution to the benefit of the employees.

The pension cost for the year was £1,200 (2002: £1,200).

11 Deferred taxation

The balance of the deferred taxation provision throughout the year was £600.

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2003	2002
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>600</u>	<u>600</u>

12 Leasing commitments

At 31 December 2003 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2003 £	2002 £
Operating leases which expire: After more than 5 years	<u>12,000</u>	<u>12,000</u>

13 Contingent liabilities

There were no contingent liabilities at 31 December 2003 (2002: Nil).

14 Related party transactions

During the year, Technos International (Oxford) Limited made sales of £68,777 (2002: £52,353) to and purchases of £119,000 (2002: £72,800) from The Oxford Centre Limited, a company in which Technos International (Oxford) Limited has a participating interest. At 31 December 2003, The Oxford Centre Limited owed £13,073 (2002: £29,234) to Technos International (Oxford) Limited. This balance includes £10,000 (2002: £50,000) for a loan to Technos International (Oxford) Limited and some balances in trade debtors, accruals and prepayments.

During the year, Technos International (Oxford) Limited paid £12,000 for the rent of Wolsey Hall to, and received £166,598 from Tanaka Ikueikai Educational Trust. The latter amount represents repayments for disbursements made by Technos International (Oxford) Limited on the behalf of its parent undertaking in the United Kingdom. At 31 december 2003, the balance resulting from these transactions amounts to £13,787 (2002: £1,165), and is included in payments on account (2002: £23,010 net shown under amounts owed by group undertakings).

At 31 December 2003 Mr T Hashimoto, a director, owed £nil (2002: £9,394) to Technos International (Oxford) Limited.

At 31 December 2003, Dr G Simpson, a director, owed £1,400 (2002: £nil) to Technos International (Oxford) Limited for the rental of a property for a part of the year.

15 Share capital

Authorised share capital:

	2003 £	2002 £
100,000 shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
shares of £1 each	<u>63,247</u>	<u>63,247</u>	<u>63,247</u>	<u>63,247</u>

16 Profit and loss account

	2003	2002
	£	£
Balance brought forward	(58,982)	(51,646)
Retained profit/(accumulated loss) for the financial year	<u>14,485</u>	<u>(7,336)</u>
Balance carried forward	<u>(44,497)</u>	<u>(58,982)</u>

17 Capital commitments

The company had no capital commitments at 31 December 2003 or 31 December 2002.

18 Controlling related party

The directors consider the ultimate parent undertaking of Technos International (Oxford) Limited to be the Tanaka Ikueikai Educational Trust, which is incorporated in Japan, by virtue of its majority shareholding.