

Technos International (Oxford) Limited

Financial statements

For the year ended 31 December 2002



Company No. 2431004

Company information

Company registration number	2431004
Registered office	Wolsey Hall 66 Banbury Road OXFORD OX2 6PR
Directors	Mr K Tanaka Mr T Hashimoto Dr G Simpson
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 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 2002.

Principal activities and business review

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

There was a loss for the year after taxation amounting to £7,336 (2001 £530 profit). 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:

	At 31 December 2002	Shares of £1 each At 1 January 2002
Mr K Tanaka	1	1
Mr T Hashimoto	—	—
Dr G Simpson	—	—
	<hr/>	<hr/>

Directors' responsibilities

Company law 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 offer themselves for reappointment in accordance with section 385 of the Companies Act 1985.

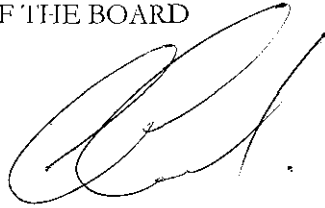
Small company provisions

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
28/01/04

A handwritten signature in black ink, appearing to be 'G. Simpson', written over a dotted line.

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 2002 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 12. 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 2002 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

OXFORD

28 January 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 goods supplied and services provided, excluding VAT and trade discounts.

Fixed assets

All fixed assets are initially recorded at cost.

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%

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	2002 £	2001 £
Turnover		214,525	176,955
Other operating charges	1	209,368	167,431
Operating profit	2	5,157	9,524
Interest receivable		—	2
Interest payable		(1,659)	(2,261)
Profit on ordinary activities before taxation		3,498	7,265
Tax on profit on ordinary activities		10,834	6,735
(Loss)/retained profit for the financial year		(7,336)	530

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

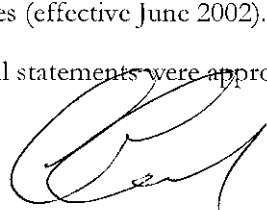
Balance sheet

	Note	2002 £	2001 £
Fixed assets			
Tangible assets	4	<u>26,367</u>	<u>28,402</u>
Current assets			
Debtors	6	140,774	109,424
Cash at bank and in hand		9,589	5,022
		<u>150,363</u>	<u>114,446</u>
Creditors: amounts falling due within one year	7	162,551	130,647
Net current liabilities		<u>(12,188)</u>	<u>(16,201)</u>
Total assets less current liabilities		14,179	12,201
Creditors: amounts falling due after more than one year	8	9,314	—
		<u>4,865</u>	<u>12,201</u>
Provisions for liabilities and charges			
Deferred taxation	9	600	600
		<u>4,265</u>	<u>11,601</u>
Capital and reserves			
Called-up equity share capital	11	63,247	63,247
Profit and loss account	12	(58,982)	(51,646)
Shareholders' funds		<u>4,265</u>	<u>11,601</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).

These financial statements were approved by the directors on 28/01/03 and are signed on their behalf by:

G Simpson
Director



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

Notes to the financial statements

1 Other operating income and charges

	2002	2001
	£	£
Administrative expenses	<u>209,368</u>	<u>167,431</u>

2 Operating profit

Operating profit is stated after charging:

	2002	2001
	£	£
Directors' emoluments	36,000	36,000
Directors' pension contributions	1,200	1,200
Depreciation of owned fixed assets	6,011	5,615
Auditors' fees	<u>3,100</u>	<u>1,200</u>

3 Directors

Remuneration in respect of directors was as follows:

	2002	2001
	£	£
Emoluments	36,000	36,000
Value of company pension contributions to money purchase schemes	1,200	1,200
	<u>37,200</u>	<u>37,200</u>

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

	2002	2001
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

4 Tangible fixed assets

	Land and buildings £	Other plant & machinery etc. £	Total £
Cost			
At 1 January 2002	44,271	20,260	64,531
Additions	—	3,976	3,976
At 31 December 2002	<u>44,271</u>	<u>24,236</u>	<u>68,507</u>
Depreciation			
At 1 January 2002	22,310	13,819	36,129
Charge for the year	4,427	1,584	6,011
At 31 December 2002	<u>26,737</u>	<u>15,403</u>	<u>42,140</u>
Net book value			
At 31 December 2002	<u>17,534</u>	<u>8,833</u>	<u>26,367</u>
At 31 December 2001	<u>21,961</u>	<u>6,441</u>	<u>28,402</u>

5 Investment

On 28 October 2002, Rathbone Trust Company Limited and Rathbone Nominees Limited transferred respectively 63,699 and 1 ordinary shares of the 130,000 ordinary shares in the Oxford Centre Limited to Technos International Limited at nil consideration.

The transfer occurred in order to simplify the group structure, the ultimate party of which is Tanaka Ikueikai Educational Trust.

Therefore as at 31 December 2002, Technos International (Oxford) Limited held 49% of the issued ordinary share capital in the Oxford Centre Limited, a company principally engaged in the business of a school of English as a foreign language.

6 Debtors

	2002 £	2001 £
Trade debtors	92,438	62,072
Amounts owed by group undertakings	24,244	16,818
Other debtors	3,954	30,534
Prepayments and accrued income	20,138	
	<u>140,774</u>	<u>109,424</u>

7 Creditors: amounts falling due within one year

	2002	2001
	£	£
Bank loans and overdrafts	—	46,579
Trade creditors	20,772	5,583
Amounts owed to group undertakings	50,000	—
Corporation tax	9,000	5,999
Other taxation and social security	9,750	8,486
Other creditors	73,029	64,000
	<u>162,551</u>	<u>130,647</u>

The bank loan is secured by means of a fixed and floating charge over the company's assets. The amount of the loan outstanding at 31 December 2002 was £— (2001 £45,904).

8 Creditors: amounts falling due after more than one year

	2002	2001
	£	£
Other creditors	<u>9,314</u>	<u>—</u>

9 Deferred taxation

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

	2002	2001
	£	£
Excess of taxation allowances over depreciation on fixed assets	600	2,600
Other timing differences	—	(2,000)
	<u>600</u>	<u>600</u>

10 Related party transactions

	Name	Relationship	Sales	Purchases	Net amount outstanding at 31.12.02
			£	£	£
	Tanaka Ikueikai Educational Trust	Ultimate controlling party	—	23,010	24,244
	The Oxford Centre Limited	Associate	52,353	72,800	(29,234)
	Mr Hashimoto	Director	—	—	(9,394)

During the year, Technos International (Oxford) Limited received £102,542 from Tanaka Ikueikai Educational Trust. This amount represents repayments for disbursements made by Technos International (Oxford) on the behalf of its parent undertaking in the United Kingdom. The balance resulting from these transactions amounts to £1,165, which is included in the above balance.

The amount outstanding at 31 December 2002 with The Oxford Centre Limited includes a loan from this company amounting to £50,000. The loan is repayable under one year.

11 Share capital

Authorised share capital:

	2002	2001
	£	£
100,000 shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2002		2001	
	No	£	No	£
shares of £1 each	<u>63,247</u>	<u>63,247</u>	<u>63,247</u>	<u>63,247</u>

12 Profit and loss account

	2002	2001
	£	£
Balance brought forward	(51,646)	(52,176)
(Accumulated loss)/retained profit for the financial year	<u>(7,336)</u>	<u>530</u>
Balance carried forward	<u>(58,982)</u>	<u>(51,646)</u>

13 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. The Tanaka Ikueikai Educational Trust hold 63,246 of the allotted share capital for Technos International (Oxford) Limited.