

MEIKO UK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012



MEIKO UK LIMITED

COMPANY INFORMATION

Directors	P G Barry W M Downie
Company secretary	J Sachs
Company number	02846559
Registered office	393 Edinburgh Avenue Slough SL1 4UF
Auditor	PKF (UK) LLP Pannell House Park Street Guildford Surrey GU1 4HN
Bankers	HSBC Bank plc 127 High Street Hounslow Middlesex TW3 0QP

MEIKO UK LIMITED

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MEIKO UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and the financial statements for the year ended 31 December 2012

Principal activities

The principal activity of the company in the year under review was to import, distribute, install and service commercial dish washing equipment

Business review

Development of the business

During the year under review, the company continued to develop its core activities. The company had a good year with turnover increasing from £14,727,806 to £16,318,793. While sterling remained weak against the Euro for most of the year, a partial recovery at the year end saw an improvement in the foreign exchange loss position. The increase in sales was in part attributable to a large contract with the company showing a profit for the year before taxation of £1,010,776 compared to a loss of £43,486 in 2011.

Principal risks and uncertainties

The Board and senior management have invested significant time and resources in identifying specific risks across the company and they continue to assess the significant ongoing and emerging risks facing the business which fall broadly into the following four categories: strategic/commercial, operational, systems and financial.

Some of the most significant strategic/commercial risks facing the company include the impact of competitor activity. The company addresses this risk through its associated manufacturing company which is focused on research and development and product innovation to ensure that customer requirements are being anticipated and met on a continuing basis. The release of the new range of MIQ machines continues to be a success with improved efficiencies and environmental benefits. The company also closely monitors emerging changes to regulations or legislation on an on going basis. The attainment of the highest level of product quality and customer service are also core to reducing the impact of these risks.

Operational risks facing the Group include issues associated with product endemic faults which are now at zero level. A further operational risk to the company, in common with most companies, is the risk of failure to address increasing compliance requirements particularly in the areas of health and safety, emissions and effluent control. These types of risks are mitigated through the establishment of thorough hygiene and health and safety systems, environmental/discharge controls and ensuring product traceability. In August 2011 the company gained ISO 14001 accreditation.

The company has a track record of attracting and retaining high quality staff, although the company always faces risks associated with the potential loss of key management personnel. The Board addresses these risks through incentive and retention initiatives in addition to succession planning.

Systems risk such as a significant IT system failure could adversely impact operations. As a result, IT disaster recovery plans and system backup processes are implemented.

Financial risk management is less of an issue with the company being a subsidiary of an 86 year old group of companies with a strong credit rating and no net borrowings.

As a part of a multinational Group with substantial operations and interests in and outside the Euro zone, the company is subject to the risk of adverse movements in the Euro currency exchange rate. Exposures are managed through timing of foreign currency purchases and, when appropriate, hedging with certain financial instruments through its bank.

MEIKO UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

Future developments

The company will continue to pursue new product releases and increase shareholder value through both organic growth and strategic partnerships. The new vacuum food waste systems are continuing to grow in sales. The directors expect turnover growth in 2013 (excluding the effect of the large contract in 2012).

Research and development

The company is part of a Group which, through its extensive laboratory and testing facilities, pursues ongoing research and development programmes directed towards the development of new value-added products.

Financial instruments

The company's policy is to finance working capital through retained earnings and through borrowings from group undertakings at fixed rates of interest. The company is exposed to the usual credit and cash flow risk associated with selling on credit and manages this through credit control procedures.

Loans from its parent undertaking are denominated in Euros and it is therefore exposed to an exchange rate risk in respect of these transactions. The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or profit.

Results

The profit for the year, after taxation, amounted to £751,826 (2011 - loss £48,927).

Directors

The directors who served during the year were

P G Barry
W M Downie

Political and charitable contributions

During the year the company made charitable donations amounting to £1,761 (2011 - £2,585).

Provision of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

This report was approved by the board on 6 March 2013 and signed on its behalf



P G Barry
Director

MEIKO UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

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 company and of the profit or loss of the company 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions, to disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

MEIKO UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEIKO UK LIMITED

We have audited the financial statements of Meiko UK Ltd for the year ended 31 December 2012 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. 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 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 auditor's 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 auditor

As explained more fully in the directors' responsibilities statement, 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 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its 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.

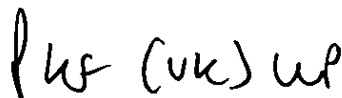
MEIKO UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MEIKO UK 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the 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



Jeff Jeffries (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor
Guildford, UK
06 March 2013

MEIKO UK LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £	2011 £
TURNOVER	1,2	16,318,793	14,727,806
Cost of sales		<u>(10,156,808)</u>	<u>(9,548,905)</u>
GROSS PROFIT		6,161,985	5,178,901
Distribution costs		<u>(199,700)</u>	<u>(188,633)</u>
Administrative expenses		<u>(4,931,617)</u>	<u>(5,014,277)</u>
OPERATING PROFIT/(LOSS)	3	1,030,668	(24,009)
Interest receivable and similar income	6	2,928	4,617
Interest payable and similar charges	7	<u>(22,820)</u>	<u>(24,094)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		1,010,776	(43,486)
Tax on profit/(loss) on ordinary activities	8	<u>(258,950)</u>	<u>(5,441)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	17	<u>751,826</u>	<u>(48,927)</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

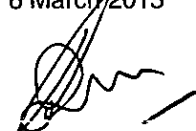
The notes on pages 9 to 17 form part of these financial statements

MEIKO UK LIMITED
REGISTERED NUMBER. 02846559

BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	9		833,938		617,185
CURRENT ASSETS					
Stocks	10	2,256,385		1,845,819	
Debtors	11	2,567,304		3,770,889	
Cash at bank and in hand		1,025,214		1,489,984	
		<u>5,848,903</u>		<u>7,106,692</u>	
CREDITORS amounts falling due within one year	12	(4,596,811)		(6,364,339)	
NET CURRENT ASSETS			<u>1,252,092</u>		<u>742,353</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,086,030</u>		<u>1,359,538</u>
CREDITORS: amounts falling due after more than one year	13		639,514		651,521
PROVISIONS FOR LIABILITIES					
Other provisions	15		165,165		178,492
CAPITAL AND RESERVES					
Called up share capital	16	1,500,000		1,500,000	
Profit and loss account	17	(218,649)		(970,475)	
	18		<u>1,281,351</u>		<u>529,525</u>
			<u>2,086,030</u>		<u>1,359,538</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 March 2013



P G Barry
Director

The notes on pages 9 to 17 form part of these financial statements

MEIKO UK LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £	2011 £
Net cash flow from operating activities	19	(17,422)	265,359
Returns on investments and servicing of finance	20	(21,166)	4,617
Taxation	20	16,620	(39,936)
Capital expenditure and financial investment	20	(442,802)	(360,548)
DECREASE IN CASH IN THE YEAR		(464,770)	(130,508)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 £	2011 £
Decrease in cash in the year	(464,770)	(130,508)
CHANGE IN NET FUNDS RESULTING FROM CASH FLOWS	(464,770)	(130,508)
Other non-cash changes	15,004	15,714
MOVEMENT IN NET FUNDS IN THE YEAR	(449,766)	(114,794)
Net funds at 1 January 2012	905,921	1,020,715
NET FUNDS AT 31 DECEMBER 2012	456,155	905,921

The notes on pages 9 to 17 form part of these financial statements

MEIKO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts, where the contractual right to such revenue has been satisfied. Amounts received in relation to warranties and pre planned maintenance contracts are released over the period to which the contract relates

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Plant & machinery	-	25% straight line
Motor vehicles	-	25% straight line
Fixtures & fittings	-	25% straight line

1.4 Leasing

Assets held for hire are written down over their expected useful lives in line with the accounting policy stated above. Income receivable under hire agreements is taken to revenue on a straight line basis over the hire term

1.5 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

MEIKO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES (continued)

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1.10 Warranty Provisions

A provision for warranties is recognised when the underlying products are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities

2. TURNOVER

The whole of the turnover is attributable to one class of business

A geographical analysis of turnover is as follows

	2012 £	2011 £
United Kingdom	16,235,092	14,583,425
Rest of European Union	83,701	97,392
Rest of World	-	46,989
	<u>16,318,793</u>	<u>14,727,806</u>

3. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging/(crediting)

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the company	305,868	230,982
Auditor's remuneration	19,275	18,750
Operating lease rentals		
- other operating leases	186,930	189,000
Difference on foreign exchange	(114,640)	(15,431)
Rentals receivable under operating leases	<u>106,942</u>	<u>94,271</u>

MEIKO UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	2,907,390	2,850,249
Social security costs	344,278	338,099
Other pension costs	154,285	156,582
	<u>3,405,953</u>	<u>3,344,930</u>

The average monthly number of employees, including the directors, during the year was as follows

	2012 No.	2011 No
Sales	19	19
Service	47	45
Administration	5	4
	<u>71</u>	<u>68</u>

5 DIRECTORS' REMUNERATION

	2012 £	2011 £
Emoluments	<u>241,017</u>	<u>241,746</u>
Company pension contributions to defined contribution pension schemes	<u>72,254</u>	<u>43,072</u>

During the year retirement benefits were accruing to 2 directors (2011 - 2) in respect of defined contribution pension schemes

The highest paid director received remuneration of £165,361 (2011 - £134,588)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,800 (2011 - £24,884)

6 INTEREST RECEIVABLE

	2012 £	2011 £
Other interest receivable	<u>2,928</u>	<u>4,617</u>

MEIKO UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

7 INTEREST PAYABLE

	2012 £	2011 £
On loans from group undertakings	<u>22,820</u>	<u>24,094</u>

8 TAXATION

	2012 £	2011 £
Analysis of tax charge/(credit) in the year		
Current tax (see note below)		
UK corporation tax charge/(credit) on profit/(loss) for the year	251,230	(16,620)
Adjustments in respect of prior periods	-	590
Total current tax	<u>251,230</u>	<u>(16,030)</u>
Deferred tax (see note 14)		
Origination and reversal of timing differences	<u>7,720</u>	<u>21,471</u>
Tax on profit/loss on ordinary activities	<u>258,950</u>	<u>5,441</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - lower than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%). The differences are explained below

	2012 £	2011 £
Profit/loss on ordinary activities before tax	<u>1,010,776</u>	<u>(43,486)</u>
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	247,610	(11,524)
Effects of		
Expenses not deductible for tax purposes	19,939	7,538
Capital allowances for year (greater than)/less than depreciation	(16,319)	(11,744)
Adjustments to tax charge in respect of prior periods	-	590
Other differences leading to an increase (decrease) in the tax charge	-	(890)
Current tax charge/(credit) for the year (see note above)	<u>251,230</u>	<u>(16,030)</u>

MEIKO UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

9 TANGIBLE FIXED ASSETS

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost				
At 1 January 2012	242,599	899,892	119,600	1,262,091
Additions	-	444,004	71,471	515,475
Disposals	-	(299,243)	-	(299,243)
At 31 December 2012	<u>242,599</u>	<u>1,044,653</u>	<u>191,071</u>	<u>1,478,323</u>
Depreciation				
At 1 January 2012	68,272	501,041	75,593	644,906
Charge for the year	46,362	206,068	24,300	276,730
On disposals	-	(277,251)	-	(277,251)
At 31 December 2012	<u>114,634</u>	<u>429,858</u>	<u>99,893</u>	<u>644,385</u>
Net book value				
At 31 December 2012	<u>127,965</u>	<u>614,795</u>	<u>91,178</u>	<u>833,938</u>
At 31 December 2011	<u>174,327</u>	<u>398,851</u>	<u>44,007</u>	<u>617,185</u>

Plant and Machinery includes assets held for use in hire contracts at a cost of £209,100 and a net book value of £127,861

10 STOCKS

	2012 £	2011 £
Finished goods and goods for resale	<u>2,256,385</u>	<u>1,845,819</u>

11 DEBTORS

	2012 £	2011 £
Trade debtors	2,208,228	3,460,803
Other debtors	142,964	92,760
Prepayments and accrued income	199,237	176,111
Tax recoverable	-	16,620
Deferred tax asset (see note 14)	16,875	24,595
	<u>2,567,304</u>	<u>3,770,889</u>

MEIKO UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

12. CREDITORS:

Amounts falling due within one year

	2012 £	2011 £
Trade creditors	198,688	309,862
Amounts owed to group undertakings	3,189,476	4,720,457
Corporation tax	251,230	-
Social security and other taxes	333,811	763,159
Other creditors	8,928	16,968
Accruals and deferred income	614,678	553,893
	<u>4,596,811</u>	<u>6,364,339</u>

13. CREDITORS:

Amounts falling due after more than one year

	2012 £	2011 £
Amounts owed to group undertakings	569,059	584,063
Accruals and deferred income	70,455	67,458
	<u>639,514</u>	<u>651,521</u>

14. DEFERRED TAX ASSET

	2012 £	2011 £
At beginning of year	24,595	46,066
Charged during year	(7,720)	(21,471)
	<u>16,875</u>	<u>24,595</u>

The deferred tax asset is made up as follows

	2012 £	2011 £
Decelerated capital allowances	10,385	24,595
Short term timing differences	6,490	-
	<u>16,875</u>	<u>24,595</u>

MEIKO UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

15 PROVISIONS

	Warranty Provision £
At 1 January 2012	178,492
Additions	201,607
Amounts used	(214,934)
At 31 December 2012	<u>165,165</u>

Warranty Provision

The warranty provision represents costs expected to be incurred by the company to fulfil its warranty obligations which are expected to be utilised within two years

16 SHARE CAPITAL

	2012 £	2011 £
Allotted, called up and fully paid		
1,500,000 Ordinary shares of £1 each	<u>1,500,000</u>	<u>1,500,000</u>

17 RESERVES

	Profit and loss account £
At 1 January 2012	(970,475)
Profit for the year	751,826
At 31 December 2012	<u>(218,649)</u>

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Opening shareholders' funds	529,525	578,452
Profit/(loss) for the year	<u>751,826</u>	<u>(48,927)</u>
Closing shareholders' funds	<u>1,281,351</u>	<u>529,525</u>

MEIKO UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

19 NET CASH FLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating profit/(loss)	1,030,668	(24,009)
Exchange differences on intercompany loan	(15,004)	(15,714)
Depreciation of tangible fixed assets	276,730	230,982
Loss/(profit) on disposal of tangible fixed assets	(50,681)	16,348
Increase in stocks	(410,566)	(444,907)
Decrease/(increase) in debtors	1,179,245	(967,451)
Increase/(decrease) in creditors and provisions	(2,027,814)	1,470,110
Net cash (outflow)/inflow from operating activities	(17,422)	265,359

20 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	2,928	4,617
Interest paid	(24,094)	-
Net cash (outflow)/inflow from returns on investments and servicing of finance	(21,166)	4,617
	2012 £	2011 £
Taxation		
Corporation tax received/(paid)	16,620	(39,936)
	2012 £	2011 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(515,475)	(421,198)
Sale of tangible fixed assets	72,673	60,650
Net cash outflow from capital expenditure	(442,802)	(360,548)

21. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2012 £	Cash flow £	Exchange movement £	31 December 2012 £
Cash at bank and in hand	1,489,984	(464,770)	-	1,025,214
Debts falling due after more than one year	(584,063)	-	15,004	(569,059)
Net funds	905,921	(464,770)	15,004	456,155

MEIKO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

22 PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £154,285 (2011 - £156,582). £28,217 (2011 - £nil) was outstanding at the year end.

23 OPERATING LEASE COMMITMENTS

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2012	2011
	£	£
Expiry date:		
Between 2 and 5 years	189,000	189,000

24 RELATED PARTY TRANSACTIONS

During the year the company made purchases of £7,698,787 (2011 - £7,188,824) and sales of £30,891 (2011 - £12,804) from/to Meiko Maschinenbau GmbH & Co. KG, an associated company.

At the year end, £3,161,117 (2011 - £4,720,457) was due to Meiko Maschinenbau GmbH & Co. KG.

During the year, the company made sales to Meiko (Asia) Techcentre Pvt Limited, an associated company, amounting to £7,230 (2011 - £nil) and £nil (2011 - £nil) of this balance was outstanding at the year end.

During the year, interest of £22,820 (2011 - £24,094) was charged by Meiko Maschinenbau GmbH & Co. KG on outstanding amounts due to it. At the year end the balance on the loan account was £569,059 (2011 - £584,063).

25 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking and controlling undertaking is Meiko AngloAmerican GmbH, a company incorporated in Germany. The ultimate parent entity is a German Foundation which is known as the Oskar und Rosel Meier-Stiftung Foundation.