

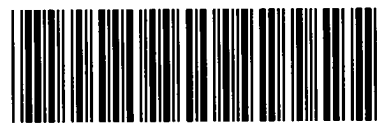
Registered number: 02846559

## MEIKO UK LIMITED

### DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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## **MEIKO UK LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	P G Barry W M Downie S Scheringer (appointed 1 October 2014)
<b>Company secretary</b>	J Hund
<b>Registered number</b>	02846559
<b>Registered office</b>	393 Edinburgh Avenue Slough SL1 4UF
<b>Independent auditor</b>	BDO LLP Pannell House Park Street Guildford Surrey GU1 4HN
<b>Bankers</b>	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 2014**

The directors present their report and the financial statements for the year ended 31 December 2014.

#### **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 reasonable year given the economic climate with turnover increasing from £13,692,785 to £15,611,794. Sterling remained relatively stable against the Euro for most of the year but a late Euro weakness in December resulted in a foreign exchange gain position. The increase in sales was in part attributable to a growth in small machine sales resulting in the company showing a profit for the year before taxation of £517,624 compared to a loss of £275,492 in 2013.

##### **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 on going and emerging risks facing the business which fall broadly into the following four categories: strategic/commercial, operational, systems and financial. See the strategic report below.

##### **Future developments**

The company will continue to pursue new product releases and increase shareholder value through both organic growth and strategic partnerships. The new pumped food waste systems are continuing to grow in sales. The directors expect turnover growth in 2015.

##### **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.

Other business reporting is detailed in the strategic report, as required by the Companies Act 2006 S414C(11).

**MEIKO UK LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

The profit for the year, after taxation, amounted to £395,211 (2013 - loss £221,314).

**Directors**

The directors who served during the year were:

P G Barry  
W M Downie  
S Scheringer (appointed 1 October 2014)

**Political and charitable contributions**

During the year the company made charitable donations amounting to £5,008 (2013 - £8,114).

**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 4 March 2015 and signed on its behalf.



**P G Barry**  
Director

## **MEIKO UK LIMITED**

### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the directors' report, strategic 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 judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 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

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

#### Principal risks and uncertainties

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 88 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.


#### Financial key performance indicators

One indicator is the Stg/Euro exchange rate which impacts on margins. In common with other businesses the turnover is crucial but also the mix of business contained in the turnover. Sale of machines, sale of spares and service work are all separate contributors to the overall result. The directors monitor each of these business segments to ensure that timely action is taken if variances to budget start to emerge.

#### Performance

The stronger pound impacted on the margins on sale of machines as any movement cannot be reflected in the selling price which is set at the beginning of the year. The directors attempt to minimise any adverse effect by the timing of payments using judgement when the rates are most favourable.

This report was approved by the board on 4 March 2015 and signed on its behalf.



P G Barry  
Director

## **MEIKO UK LIMITED**

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

We have audited the financial statements of Meiko UK Limited for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet, the cash flow statement, the 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 auditors**

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **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 2014 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 matters prescribed by the Companies Act 2006**

In our opinion the information given in the strategic report and 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.

*bdo up*

**Jeff Jeffries** (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Guildford  
United Kingdom

Date: 04 March 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**MEIKO UK LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
<b>TURNOVER</b>	1,2	<b>15,611,794</b>	13,692,785
Cost of sales		<u>(9,359,542)</u>	<u>(8,414,406)</u>
<b>GROSS PROFIT</b>		<b>6,252,252</b>	5,278,379
Distribution costs		<u>(238,518)</u>	<u>(198,928)</u>
Administrative expenses		<u>(5,482,983)</u>	<u>(5,338,988)</u>
<b>OPERATING PROFIT/(LOSS)</b>	3	<b>530,751</b>	(259,537)
Interest receivable and similar income	6	<b>3,684</b>	7,215
Interest payable and similar charges	7	<u>(16,811)</u>	<u>(23,170)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>517,624</b>	(275,492)
Tax on profit/(loss) on ordinary activities	8	<u>(122,413)</u>	<u>54,178</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	17	<u><b>395,211</b></u>	<u><b>(221,314)</b></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

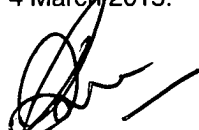
The notes on pages 10 to 19 form part of these financial statements.

**MEIKO UK LIMITED**  
**REGISTERED NUMBER: 02846559**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	9		792,792		729,035
<b>CURRENT ASSETS</b>					
Stocks	10	1,688,881		1,450,443	
Debtors	11	3,093,671		3,481,579	
Cash at bank and in hand		1,603,743		1,973,664	
		<u>6,386,295</u>		<u>6,905,686</u>	
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(5,262,365)</u>		<u>(5,708,054)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,123,930</u>		<u>1,197,632</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,916,722</u>		<u>1,926,667</u>
<b>CREDITORS: amounts falling due after more than one year</b>	13		278,059		736,074
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	14	8,657		-	
Other provisions	15	<u>174,758</u>		<u>130,556</u>	
			<u>183,415</u>		<u>130,556</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16	1,500,000		1,500,000	
Profit and loss account	17	<u>(44,752)</u>		<u>(439,963)</u>	
	18		<u>1,455,248</u>		<u>1,060,037</u>
			<u>1,916,722</u>		<u>1,926,667</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 March 2015.



**P G Barry**  
Director

The notes on pages 10 to 19 form part of these financial statements.

**MEIKO UK LIMITED**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	19	(49,035)	1,409,903
Returns on investments and servicing of finance	20	(13,127)	(15,955)
Taxation	20	62,584	(251,230)
Capital expenditure and financial investment	20	(370,343)	(194,268)
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR</b>		<b>(369,921)</b>	<b>948,450</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014 £	2013 £
(Decrease)/Increase in cash in the year	(369,921)	948,450
<b>CHANGE IN NET FUNDS RESULTING FROM CASH FLOWS</b>	<b>(369,921)</b>	<b>948,450</b>
Other non-cash changes	37,688	(12,530)
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>(332,233)</b>	<b>935,920</b>
Net funds at 1 January 2014	1,392,075	456,155
<b>NET FUNDS AT 31 DECEMBER 2014</b>	<b>1,059,842</b>	<b>1,392,075</b>

The notes on pages 10 to 19 form part of these financial statements.

## MEIKO UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

#### 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 2014

### 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:

	2014 £	2013 £
United Kingdom	15,468,136	13,629,344
Rest of European Union	143,658	63,441
	<u>15,611,794</u>	<u>13,692,785</u>

### 3. OPERATING PROFIT/(LOSS)

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

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	345,604	318,693
Auditor's remuneration	20,000	19,275
Operating lease rentals:		
- other operating leases	192,675	190,765
Difference on foreign exchange	(252,733)	(9,383)
Rentals receivable under operating leases	(53,901)	51,221
	<u></u>	<u></u>

**MEIKO UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**4. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows:

	2014 £	2013 £
Wages and salaries	3,416,720	3,102,716
Social security costs	381,360	382,738
Other pension costs	208,459	203,685
	<u>4,006,539</u>	<u>3,689,139</u>

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

	2014 No.	2013 No.
Sales	19	19
Service	57	55
Administration	5	5
	<u>81</u>	<u>79</u>

**5. DIRECTORS' REMUNERATION**

	2014 £	2013 £
Remuneration	<u>226,833</u>	<u>178,943</u>
Company pension contributions to defined contribution pension schemes	<u>65,607</u>	<u>88,557</u>

During the year retirement benefits were accruing to 2 directors (2013 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £153,576 (2013 - £129,774).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,422 (2013 - £10,114).

**6. INTEREST RECEIVABLE**

	2014 £	2013 £
Other interest receivable	<u>3,684</u>	<u>7,215</u>

**MEIKO UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**7. INTEREST PAYABLE**

	2014 £	2013 £
On other loans	-	5,618
On loans from group undertakings	16,811	17,552
	<u>16,811</u>	<u>23,170</u>

**8. TAXATION**

	2014 £	2013 £
<b>Analysis of tax charge/(credit) in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit/loss for the year	105,287	-
Adjustments in respect of prior periods	-	(62,584)
<b>Total current tax</b>	<u>105,287</u>	<u>(62,584)</u>
<b>Deferred tax</b> (see note 14)		
Origination and reversal of timing differences	17,126	8,406
<b>Tax on profit/loss on ordinary activities</b>	<u>122,413</u>	<u>(54,178)</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Profit/loss on ordinary activities before tax	<u>517,624</u>	<u>(275,492)</u>
Profit/loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%)	111,254	(64,052)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	12,000	9,225
Capital allowances for year (greater than)/less than depreciation	(18,278)	(654)
Adjustments to tax charge in respect of prior periods	-	(3,188)
Short term timing difference leading to an increase (decrease) in taxation	311	-
Changes in provisions leading to an increase (decrease) in the tax charge	-	(3,915)
<b>Current tax charge/(credit) for the year</b> (see note above)	<u>105,287</u>	<u>(62,584)</u>



MEIKO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014

9. TANGIBLE FIXED ASSETS

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
<b>Cost</b>				
At 1 January 2014	254,401	1,127,144	201,879	1,583,424
Additions	25,533	394,809	32,901	453,243
Disposals	(32,989)	(345,324)	-	(378,313)
At 31 December 2014	246,945	1,176,629	234,780	1,658,354
<b>Depreciation</b>				
At 1 January 2014	153,942	568,773	131,674	854,389
Charge for the year	45,094	266,717	33,793	345,604
On disposals	(31,110)	(303,321)	-	(334,431)
At 31 December 2014	167,926	532,169	165,467	865,562
<b>Net book value</b>				
At 31 December 2014	79,019	644,460	69,313	792,792
At 31 December 2013	100,459	558,371	70,205	729,035

10. STOCKS

	2014 £	2013 £
Finished goods and goods for resale	1,688,881	1,450,443

11. DEBTORS

	2014 £	2013 £
Trade debtors	2,772,701	2,967,486
Other debtors	216,202	341,769
Prepayments and accrued income	104,768	163,855
Deferred tax asset (see note 14)	-	8,469
	3,093,671	3,481,579

**MEIKO UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**12. CREDITORS:**

**Amounts falling due within one year**

	2014 £	2013 £
Trade creditors	162,108	254,333
Amounts owed to group undertakings	3,429,512	4,104,603
Corporation tax	105,287	-
Other taxation and social security	562,234	539,593
Other creditors	147,066	113,460
Accruals and deferred income	856,158	696,065
	<u>5,262,365</u>	<u>5,708,054</u>

**13. CREDITORS:**

**Amounts falling due after more than one year**

	2014 £	2013 £
Amounts owed to group undertakings	-	581,589
Accruals and deferred income	278,059	154,485
	<u>278,059</u>	<u>736,074</u>

**14. DEFERRED TAXATION**

	2014 £	2013 £
At beginning of year	8,469	8,469
Charged during year	(17,126)	-
	<u>(8,657)</u>	<u>8,469</u>

The deferred taxation balance is made up as follows:

	2014 £	2013 £
(Accelerated)/decelerated capital allowances	(11,222)	6,079
Short term timing differences	2,565	2,390
	<u>(8,657)</u>	<u>8,469</u>

**MEIKO UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**15. PROVISIONS**

	<b>Warranty Provision £</b>
At 1 January 2014	130,556
Additions	44,202
At 31 December 2014	<u>174,758</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**

	<b>2014 £</b>	<b>2013 £</b>
<b>Allotted, called up and fully paid</b>		
1,500,000 Ordinary shares of £1 each	<u>1,500,000</u>	<u>1,500,000</u>

**17. RESERVES**

	<b>Profit and loss account £</b>
At 1 January 2014	(439,963)
Profit for the financial year	395,211
At 31 December 2014	<u>(44,752)</u>

**18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<b>2014 £</b>	<b>2013 £</b>
Opening shareholders' funds	1,060,037	1,281,351
Profit/(loss) for the financial year	395,211	(221,314)
Closing shareholders' funds	<u>1,455,248</u>	<u>1,060,037</u>

**MEIKO UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**19. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Operating profit/(loss)	534,426	(259,537)
Depreciation of tangible fixed assets	345,604	318,672
Loss/(profit) on disposal of tangible fixed assets	(39,018)	(19,501)
(Increase)/decrease in stocks	(238,438)	805,942
Decrease/(increase) in debtors	313,180	(860,097)
Increase in creditors	210,001	531,377
(Decrease)/increase in amounts owed to group undertakings	(1,218,992)	927,656
Increase/(decrease) in provisions	44,202	(34,609)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(49,035)</b>	<b>1,409,903</b>

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

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	3,684	7,215
Interest paid	(16,811)	(23,170)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(13,127)</b>	<b>(15,955)</b>
	2014 £	2013 £
<b>Taxation</b>		
Corporation tax received/(paid)	62,584	(251,230)
	2014 £	2013 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(453,243)	(219,438)
Sale of tangible fixed assets	82,900	25,170
<b>Net cash outflow from capital expenditure</b>	<b>(370,343)</b>	<b>(194,268)</b>

**MEIKO UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2014**

**21. ANALYSIS OF CHANGES IN NET FUNDS**

	1 January 2014 £	Cash flow £	Other non-cash changes £	31 December 2014 £
Cash at bank and in hand	1,973,664	(369,921)	-	1,603,743
<b>Debt:</b>				
Debts due within one year	-	-	(543,901)	(543,901)
Debts falling due after more than one year	(581,589)	-	581,589	-
<b>Net funds</b>	<u>1,392,075</u>	<u>(369,921)</u>	<u>37,688</u>	<u>1,059,842</u>

**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 £208,459 (2013 - £203,685). £12,827 (2013 - £11,380) was outstanding at the year end.

**23. OPERATING LEASE COMMITMENTS**

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2014 £	2013 £
<b>Expiry date:</b>		
Between 2 and 5 years	<u>189,000</u>	<u>189,000</u>

## **MEIKO UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

#### **24. RELATED PARTY TRANSACTIONS**

During the year the company made purchases of £7,465,644 (2013 - £5,497,483) and sales of £453 (2013 - £30,891) from/to Meiko Maschinenbau GmbH & Co. KG, an associated company.

At the year end, £2,855,611 (2013 - £3,996,982) was due to Meiko Maschinenbau GmbH & Co. KG; and £Nil (2013: £509) was due from that company.

During the year, interest of £16,811 (2013 - £20,356) 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 £543,901 (2013 - £581,589) which is within creditors falling due within one year.

During the year, the company made purchases of £762 (2013 - £108,429) and sales of £11,596 from/to Meiko Australia Pacific Pty. Limited, an associated company, of which £Nil (2013 - £107,621) was outstanding/due at the year end.

During the year, the company made purchases of £Nil (2013 - £48,082) from Meiko Italia s.r.l., an associated company, of which £Nil (2013 - £nil) was outstanding at the year end.

During the year, the company made purchases of £Nil (2013 - £4,110) from Meiko Suisse AG, an associated company, of which £Nil (2013 - £nil) was outstanding at the year end.

During the year, the company made purchases of £Nil (2013 - £2,638) from Meiko Nederland B.V., an associated company, of which £Nil (2013 - £nil) was outstanding at the year end.

#### **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.