

Company Registration No. 6000696

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Tokyo Chemical Industry UK Limited

Report and Financial Statements

31 December 2008

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Tokyo Chemical Industry UK Limited

Report and financial statements 2008

Contents	Page
Officers and professional advisers	1
Directors' report	2
Statement of director's responsibilities	3
Independent auditors' report	4
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the accounts	9

Tokyo Chemical Industry UK Limited

Report and financial statements 2008

Officers and professional advisers

Directors

Kohji Asakawa
Seiichiro Asakawa

Secretary

Atsuo Suga

Registered Office

Magdalen Centre
Robert Robinson Avenue
The Oxford Science Park
OX4 4GA
Oxford

Auditors

Deloitte LLP
Chartered Accountants
London, United Kingdom

Tokyo Chemical Industry UK Limited

Directors' report

The directors submit their annual report on the affairs of the Company together with the financial statements and auditors' report for the year ended 31 December 2008

The company was incorporated on 16 November 2006 but did not commence trading until 1 March 2007

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 246 (4) of the Companies Act 1985.

Principal activities and business review

The main activities of the company are to investigate the UK and Irish market for organic laboratory chemicals for academic/industrial research and development activities, to contribute and support to increase the sales in this market on behalf of its parent company, TCI Europe NV

The results for the year are given in the profit and loss account on page 6 of the financial statements. The Company incurred a loss after taxation of £103,859 (2007 a loss of £37,574)

Future prospects

The directors anticipate that they will further develop the business in the future

Directors and their interests

The directors who served during the year are set out on page 1. The directors have no interest in the share capital of the company or any other group company throughout the year

Going concern

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 1 of the financial statements

Information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

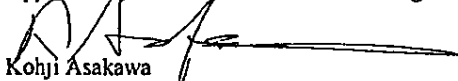
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Auditors

Deloitte LLP were appointed auditors in the year

Approved by the board of Directors and signed on behalf of the Board


Kohji Asakawa

Director

12 March 2010

Tokyo Chemical Industry UK Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 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,
- state whether applicable UK Accounting Standards have been followed, 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 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 1985. 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.

Independent auditors' report to the members of Tokyo Chemical Industry UK Limited

We have audited the financial statements of Tokyo Chemical Industry UK Limited for the year ended 31 December 2008 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 17. These financial statements have been prepared 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.

As the Company took advantage of the exemption from audit under section 249A of the Companies Act 1985 in the prior year we have not audited the corresponding amounts for that year.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

Independent auditors' report to the members of Tokyo Chemical Industry UK Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

12 March 2010

Tokyo Chemical Industry UK Limited

Profit and loss account Year ended 31 December 2008

		Year ended 31 December 2008 £	Period from 1 March 2007 to 31 December 2007 £
	Notes		
Turnover	2	143,541	75,553
Administrative expenses		(199,494)	(113,127)
Operating loss	3	(55,953)	(37,574)
Interest receivable	5	250	-
Interest payable and similar charges	6	(48,156)	-
Loss on ordinary activities before taxation		(103,859)	(37,574)
Tax charge on loss on ordinary activities	7	-	-
Loss for the year	13	(103,859)	(37,574)

All results relate to continuing operations

There are no recognised gains or losses in either the current year or previous year other than the profit for the years ended 31 December 2008 and 31 December 2007 respectively, and therefore no statement of total recognised gains and losses is presented


Tokyo Chemical Industry UK Limited

Balance sheet
31 December 2008

	Notes	2008 £	2007 £
Fixed assets			
Tangible assets	8	3,125	3,313
Current assets			
Debtors: amounts falling due within one year	9	239,696	86,849
Cash at bank and in hand		23,057	79,734
		262,753	166,583
Creditors: amounts falling due within one year	10	(257,311)	(57,470)
Net current assets		5,442	109,113
Total assets less current liabilities		8,567	112,426
Capital and reserves			
Called up share capital	11	100	100
Share premium	12	149,900	149,900
Profit and loss account	13	(141,433)	(37,574)
Shareholders' funds	14	8,567	112,426

These financial statements were approved by the Board of Directors on 12 March 2010

Signed on behalf of the Board of Directors



Kohji Asakawa
Director

Tokyo Chemical Industry UK Limited

Cash flow statement 31 December 2008

		Year ended 31 December 2008 £	Period from 1 March 2007 to 31 December 2007 £
	Notes		
Net cash outflow from operating activities	16	(55,867)	(66,264)
Returns on investments and servicing of finance	16	250	-
Capital expenditure	16	(1,060)	(4,002)
Financing	16	-	150,000
(Decrease)/increase in cash		<u>(56,677)</u>	<u>79,734</u>

Tokyo Chemical Industry UK Limited

Notes to the accounts

Year ended 31 December 2008

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below, and have been followed consistently in both the current and the prior year.

The comparatives for the year ended 31 December 2007 are unaudited as the company took advantage of the exemption from audit under section 249A of the Companies Act 1985.

Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance are set out in the Directors report on page 2. The company meets its day to day working capital requirements through the borrowing facility offered by its parent company. The parent company has confirmed in writing that it will continue to support the company for at least 12 months from the date of approval of these financial statements.

As a result, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the accounts.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery 25% on cost

Taxation

Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

Tokyo Chemical Industry UK Limited

Notes to the accounts Year ended 31 December 2008

2. Turnover

	Year ended 31 December 2008 £	Period from 1 March 2007 to 31 December 2007 £
Service fees	<u>143,541</u>	<u>75,553</u>

The company only operates within one principal class of business, which is to support the increase in sales within Europe on behalf of its parent company. Substantially all of the company's activity is undertaken within the UK and Ireland markets. The analysis of turnover by geographical market has not been given as the company has not, in the opinion of the directors, supplied markets that are substantially different from one another.

3. Operating loss

	Year ended 31 December 2008 £	Period from 1 March 2007 to 31 December 2007 £
Operating loss is stated after charging:		
Depreciation - own assets	1,248	689
Rentals under operating leases		
Other operating leases (buildings)	22,553	18,188
Auditors' remuneration - audit fees	<u>14,000</u>	<u>-</u>

Tokyo Chemical Industry UK Limited

Notes to the accounts

Year ended 31 December 2008

4. Information regarding directors and employees

	Year ended 31 December 2008 No	Period from 1 March 2007 to 31 December 2007 No
Average number of persons employed		
Business development and technical staff	2	1
Administration	1	1
	<u>3</u>	<u>2</u>
	Year ended 31 December 2008 £	Period from 1 March 2007 to 31 December 2007 £
Staff costs during the year (including directors)		
Wages and salaries	86,438	52,369
Social security costs	9,068	4,634
Pension costs	-	-
	<u>95,506</u>	<u>57,003</u>
Directors' remuneration		
Emoluments	-	-
Remuneration of the highest paid director	-	-
	<u>-</u>	<u>-</u>

5. Interest receivable

	Year ended 31 December 2008 £	Period from 1 March 2007 to 31 December 2007 £
Bank interest	250	-
	<u>250</u>	<u>-</u>

Tokyo Chemical Industry UK Limited

Notes to the accounts

Year ended 31 December 2008

6. Interest payable and similar charges

	Year ended 31 December 2008 £	Period from 1 March 2007 to 31 December 2007 £
Intercompany loans	4,310	-
Foreign exchange loss	43,846	-
	<u>48,156</u>	<u>-</u>

7. Taxation

	Year ended 31 December 2008 £	Period from 1 March 2007 to 31 December 2007 £
Analysis of tax charge in year		
Current tax		
UK corporation tax on profits for the year	-	-
Adjustments in respect of prior periods	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Adjustment to the estimated recoverable amount of deferred tax assets arising in previous periods	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Tax charge on loss on ordinary activities	<u>-</u>	<u>-</u>
Factors affecting tax charge for year		
Loss on ordinary activities before tax	(103,859)	(37,574)
Loss on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 28.5% (2007: 30%)	29,600	11,272
Effects of		
Tax losses not utilised	(29,600)	(11,272)
Current tax charge for year	<u>-</u>	<u>-</u>

A deferred tax asset has not been recognised in respect of timing differences relating to unutilised trading losses as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £40,872 (31 December 2007: £11,272).

Tokyo Chemical Industry UK Limited

Notes to the accounts

Year ended 31 December 2008

8. Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2008	4,002
Additions	1,060
	<hr/>
At 31 December 2008	5,062
	<hr/>
Accumulated depreciation	
At 1 January 2008	689
Charge for the year	1,248
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At 31 December 2008	1,937
	<hr/>
Net book value	
At 31 December 2008	3,125
	<hr/>
At 31 December 2007	3,313
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9. Debtors: amounts falling due within one year

	2008 £	2007 £
Amount owed by parent company	219,095	75,553
Prepayments and other debtors	20,601	11,296
	<hr/>	<hr/>
	239,696	86,849
	<hr/>	<hr/>

10. Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	16,108	3,919
Amounts owed to parent company	235,335	44,513
Other creditors and accruals	5,868	9,038
	<hr/>	<hr/>
	257,311	57,470
	<hr/>	<hr/>

Tokyo Chemical Industry UK Limited

Notes to the accounts

Year ended 31 December 2008

11. Called up share capital

	2008 £	2007 £
Authorised:		
100 (2007 100) ordinary shares of £1 each	100	100
Called up, allotted and fully paid		
100 (2007 100) ordinary shares of £1 each	100	100

12. Share premium

	2008 £	2007 £
At 1 January 2008 and at 31 December 2008	149,900	149,900

13. Profit and loss account

	2008 £
Balance at 1 January 2008	(37,574)
Loss for the year	(103,859)
Balance at 31 December 2008	(141,433)

14. Reconciliation of movements in shareholders' funds

	Year ended 31 December 2008 £	Period from 1 March 2007 to 31 December 2007 £
Loss for the year	(103,859)	(37,574)
Proceeds from issue of shares	-	150,000
Net (reduction)/increase in shareholders' funds	(103,859)	112,426
Opening shareholders' funds	112,426	-
Closing shareholders' funds	8,567	112,426

15. Operating lease commitments

At 31 December 2008 the company had the following annual commitments under non-cancellable operating leases

	2008 £	2007 £
Buildings		
Leases which expire after five years	22,553	22,553

Tokyo Chemical Industry UK Limited

Notes to the accounts

Year ended 31 December 2008

16. Notes to the cash flow statement

i) Reconciliation of operating loss to net cash outflow from operating activities

	Year ended 31 December 2008 £	Period from 1 March 2007 to 31 December 2007 £
Operating loss	(55,953)	(37,574)
Depreciation	1,248	689
Increase in debtors	(152,848)	(86,849)
Increase in creditors	151,686	57,470
Net cash outflow from operating activities	(55,867)	(66,264)

ii) Gross cash flows

	Year ended 31 December 2008 £	Period from 1 March 2007 to 31 December 2007 £
Returns on investments and servicing of finance		
Interest received on bank deposit	250	-
Capital expenditure		
Purchase of fixed assets	(1,060)	(4,002)
Financing		
Issue of ordinary share capital	-	150,000

iii) Analysis of changes in net funds

	At 1 January 2008 £	Cash flow £	At 31 December 2008 £
Cash at bank and in hand	79,734	(56,677)	23,057

17. Ultimate parent company and controlling entity

The immediate parent company is TCI Europe NV, Boerenveldseweg 6 - Haven 1063, 2070 Zwijndrecht, a company registered in Belgium, and the ultimate parent company is Tokyo Chemical Industry Co., Ltd, 4-10-2 Nihonbashi-honcho, Chuo-ku Tokyo 103-0023, a company registered in Japan