

Company Registration No. 6000696

Tokyo Chemical Industry UK Limited

Report and Financial Statements

31 December 2009

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Tokyo Chemical Industry UK Limited

Report and financial statements 2009

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Tokyo Chemical Industry UK Limited

Report and financial statements 2009

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

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 2009.

Principal activities and business review

The company started direct sales to the UK and Irish market from 1 January 2009. The main activities of the company are to promote sales in the UK and Irish market for organic laboratory chemicals for academic/industrial research and development activities. Furthermore, the company continues to investigate the UK and Irish market in order to increase sales. In the prior year, the company received service fees for the promotion of sales of its parent company in the UK and Irish market.

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 £244,842 (2008 loss of £103,859).

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 interests 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:

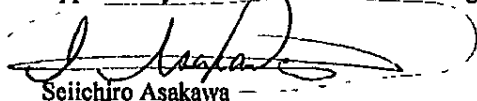
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditors

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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



Seiichiro Asakawa

Director

15 December 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). 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

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 2009 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes 1 to 18. 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 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 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

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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An auditor 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.

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 2009 and of the company's loss 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.

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

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 by the parent company, 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.

Kevin Thompson

Kevin Thompson (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

16 December 2010

Tokyo Chemical Industry UK Limited

Profit and loss account Year ended 31 December 2009

	Notes	2009 £	2008 £
Turnover	2	504,990	143,541
Cost of sales		(406,760)	-
Gross profit		98,230	143,541
Administrative expenses		(360,409)	(199,494)
Operating loss	3	(262,179)	(55,953)
Interest receivable and similar income	5	24,058	250
Interest payable and similar charges	6	(6,721)	(48,156)
Loss on ordinary activities before taxation		(244,842)	(103,859)
Tax charge on loss on ordinary activities	7	-	-
Loss for the year	13	(244,842)	(103,859)

All results relate to continuing operations.

There are no recognised gains or losses in either the current year or previous year other than the loss for the years ended 31 December 2009 and 31 December 2008 respectively, and therefore no statement of total recognised gains and losses is presented.

Tokyo Chemical Industry UK Limited

Balance sheet 31 December 2009

	Notes	2009 £	2008 £
Fixed assets			
Tangible assets	8	4,259	3,125
Current assets			
Debtors: amounts falling due within one year			
- due within one year	9	109,583	239,696
- due after one year	10	219,095	-
Cash at bank and in hand		11,686	23,057
		340,364	262,753
Creditors: amounts falling due within one year	11	(580,898)	(257,311)
Net current (liabilities)/ assets		(240,534)	5,442
Total (liabilities)/ assets less current liabilities		(236,275)	8,567
Capital and reserves			
Called up share capital	12	100	100
Share premium	13	149,900	149,900
Profit and loss account	14	(386,275)	(141,433)
Shareholders' (deficit)/ funds	15	(236,275)	8,567

These financial statements of Tokyo Chemical Industry UK Limited, Registration Number 6000696, were approved and authorised for issue by the Board of Directors on 15 December 2010.

Signed on behalf of the Board of Directors



Seiichiro Asakawa

Director

Tokyo Chemical Industry UK Limited

Cash flow statement

Year ended 31 December 2009

	Notes	2009 £	2008 £
Net cash outflow from operating activities	16	(8,689)	(55,867)
Returns on investments and servicing of finance	16	-	250
Capital expenditure	16	<u>(2,682)</u>	<u>(1,060)</u>
Decrease in cash		<u>(11,371)</u>	<u>(56,677)</u>

Tokyo Chemical Industry UK Limited

Notes to the accounts

Year ended 31 December 2009

1 Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

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
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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.

Turnover

Turnover is stated net of VAT and trade discounts. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due.

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.

Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

Tokyo Chemical Industry UK Limited

Notes to the accounts Year ended 31 December 2009

2 Turnover

	2009 £	2008 £
Sales of products	503,355	-
Other operating income	1,635	-
Service fees	-	143,541
	<u>504,990</u>	<u>143,541</u>

Tokyo Chemical Industry UK Limited

Notes to the accounts

Year ended 31 December 2009

3 Operating loss

	2009 £	2008 £
Operating loss is stated after charging:		
Depreciation - own assets	1,548	1,248
Other operating leases (buildings)	24,106	22,553
Auditors' remuneration - audit fees	24,000	14,000

4 Information regarding directors and employees

	2009 No.	2008 No.
Average number of persons employed		
Business development and technical staff	2	2
Administration	2	1
	<u>4</u>	<u>3</u>

	2009 £	2008 £
Staff costs during the year (including directors)		
Wages and salaries	88,945	86,438
Social security costs	8,899	9,068
	<u>97,844</u>	<u>95,506</u>

Directors' remuneration:

The directors did not receive any emoluments from the company during the year and were remunerated directly from the ultimate parent in Japan. The directors are also directors of Group companies and it is not possible to estimate the value of their services as directors of the company.

5 Interest receivable and similar income

	2009 £	2008 £
Bank interest	-	250
Foreign exchange gain	20,072	-
Intercompany interest	3,762	-
Other interest	224	-
	<u>24,058</u>	<u>250</u>

Tokyo Chemical Industry UK Limited

Notes to the accounts

Year ended 31 December 2009

6 Interest payable and similar charges

	2009 £	2008 £
Intercompany loans	6,721	4,310
Foreign exchange loss	-	43,846
	<u>6,721</u>	<u>48,156</u>

7 Taxation

	2009 £	2008 £
Analysis of tax charge in year		
Current tax		
UK corporation tax on profits for the year	-	-
Adjustments in respect of prior periods	-	-
	<u>-</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>
	2009 £	2008 £
Deferred tax		
Adjustment to the estimated recoverable amount of deferred tax assets arising in previous periods	-	-
	<u>-</u>	<u>-</u>
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	(244,842)	(103,859)
	<u>(244,842)</u>	<u>(103,859)</u>
Loss on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 28% (2008: 28.5%)	(68,556)	(29,600)
	<u>(68,556)</u>	<u>(29,600)</u>
Effects of:		
Expenses not deductible for corporation tax	1,907	-
Capital allowances in excess of depreciation	(423)	-
Tax losses not utilised	67,072	29,600
	<u>67,072</u>	<u>29,600</u>
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 £103,515 (31 December 2008 - £40,872).

Tokyo Chemical Industry UK Limited

Notes to the accounts

Year ended 31 December 2009

8 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2009	5,062
Additions	2,682
At 31 December 2009	7,744
Accumulated depreciation	
At 1 January 2009	1,937
Charge for the year	1,548
At 31 December 2009	3,485
Net book value	
At 31 December 2009	4,259
At 31 December 2008	3,125

9 Debtors: amounts falling due within one year

	2009 £	2008 £
Trade debtors	88,347	-
Amount owed by parent company	-	219,095
Prepayments and other debtors	21,236	20,601
	<u>109,583</u>	<u>239,696</u>

10 Debtors: amounts falling due after one year

	2009 £	2008 £
Amount owed by parent company	<u>219,095</u>	<u>-</u>

11 Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	53,271	16,108
Amounts owed to parent company	510,017	235,335
Other creditors and accruals	17,610	5,868
	<u>580,898</u>	<u>257,311</u>

Tokyo Chemical Industry UK Limited

Notes to the accounts Year ended 31 December 2009

12 Called up share capital

	2009 £	2008 £
Authorised:		
100 (2008: 100) ordinary shares of £1 each	<u>100</u>	<u>100</u>
Called up, allotted and fully paid		
100 (2008: 100) ordinary shares of £1 each	<u>100</u>	<u>100</u>

13 Share premium

	2009 £	2008 £
At 1 January 2009 and at 31 December 2009	<u>149,900</u>	<u>149,900</u>

14 Profit and loss account

	2009 £
Balance at 1 January 2009	(141,433)
Loss for the year	<u>(244,842)</u>
Balance at 31 December 2009	<u>(386,275)</u>

15 Reconciliation of movements in shareholders' (deficit)/ funds

	2009 £	2008 £
Loss for the year	<u>(244,842)</u>	<u>(103,859)</u>
Net increase in shareholders' deficit	<u>(244,842)</u>	<u>(103,859)</u>
Opening shareholders' funds	8,567	112,426
Closing shareholders' (deficit)/ funds	<u>(236,275)</u>	<u>8,567</u>

16 Operating lease commitments

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

	2009 £	2008 £
Buildings		
Leases which expire: after five years	<u>23,765</u>	<u>22,553</u>

Tokyo Chemical Industry UK Limited

Notes to the accounts

Year ended 31 December 2009

17 Notes to the cash flow statement

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

	2009 £	2008 £
Operating loss	(262,179)	(55,953)
Depreciation	1,548	1,248
Increase in debtors	(88,982)	(152,848)
Increase in creditors	340,924	151,686
Net cash outflow from operating activities	<u>(8,689)</u>	<u>(55,867)</u>

ii) Gross cash flows

	2009 £	2008 £
Returns on investments and servicing of finance		
Interest received on bank deposit	-	250
Capital expenditure		
Purchase of fixed assets	<u>(2,682)</u>	<u>(1,060)</u>

iii) Analysis of changes in net funds

	At 1 January 2009 £	Cash flow £	At 31 December 2009 £
Cash at bank and in hand	<u>23,057</u>	<u>(11,371)</u>	<u>11,686</u>

18 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.