

Company Registration No. 6000696

Tokyo Chemical Industry UK Limited

Annual Report and Financial Statements

31 December 2013

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Tokyo Chemical Industry UK Limited

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Tokyo Chemical Industry UK Limited

Officers and professional advisers

Directors

Kohji Asakawa
Seiichiro Asakawa

Secretary

Takeshi Omori

Registered Office

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

Bankers

The Bank of Tokyo-Mitsubishi UFJ
Ropemaker Place, 25 Ropemaker Street
London
EC2Y 9AN

BNP Paribas Fortis
10 Harewood Avenue
London
NW2 6AA

Solicitor

Rochman Landau LLP
Accurist House, 44 Baker Street
London
W1U 7AL

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
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 auditor's report for the year ended 31 December 2013. This directors' report has been prepared in accordance with the special provisions relating to small companies.

Principal activities and business review

The company started direct sales to the UK and Irish markets 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 markets in order to increase sales.

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 £ 250,866 (2012: loss of £196,005).

On 27 June 2013, 101 ordinary shares of £1.00 each were transferred from TCI Europe N.V. to TCI Deutschland GmbH. As a result, the immediate parent company of TCI Europe Limited changed to TCI Deutschland GmbH. On 2013 July, the company allotted and issued 1,000 shares of £1 and at a premium of £1,499 per share to TCI Deutschland GmbH.

Prospects

The directors anticipate that they will further develop the business in the future. To be able to do so a recruitment of an extra sales person is planned in the year 2014.

Directors

The directors who served during the year are set out on page 1.

Going concern

The company meets its day-to-day working capital requirements through support offered by its parent company. The ultimate parent company, Tokyo Chemical Industry Co., Ltd, has provided a written commitment of financial support, which is legally binding for at least 12 months from the date of approval of these financial statements.

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.

Financial risk management objectives and policies

Foreign exchange risk represents a challenging issue for the company as most purchases are denominated in foreign currency and the company does not use derivatives to manage its financial risks. In order to mitigate the risk the company looks to settle the creditor position with its sole supplier, TCI Europe NV, as regularly as possible to reduce the exposure to currency fluctuations.

Because of the trading nature of the company, the directors consider credit risk to be relevant to the company. This risk is mitigated through credit control procedures and regular reviews of the trade debtors balance.

Liquidity risk is also relevant for the company as, being in its infancy, it is yet to become profitable. This risk is mitigated through support from its parent company.

Dividend

The directors do not propose the payment of a dividend in 2013 (2012: £nil).

Tokyo Chemical Industry UK Limited

Directors' report (continued)

Information to the auditor

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

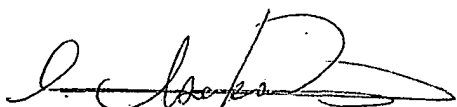
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that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

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

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditor 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

30/07/2014

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 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.

Independent auditor's 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 2013 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16. 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013 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.

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; or
- the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report or the Strategic Report.

Kevin Thompson

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

30 July 2014

Tokyo Chemical Industry UK Limited

Profit and loss account Year ended 31 December 2013

	Notes	2013 £	2012 £
Turnover	2	744,679	781,560
Cost of sales		(542,888)	(580,198)
Gross profit		201,791	201,362
Administrative expenses		(450,696)	(393,642)
Operating loss	3	(248,905)	(192,280)
Interest payable and similar charges	5	(1,961)	(3,725)
Loss on ordinary activities before taxation		(250,866)	(196,005)
Tax charge on loss on ordinary activities	6	-	-
Loss for the year	12	(250,866)	(196,005)

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 2013 and 31 December 2012 respectively, and therefore no statement of total recognised gains and losses is presented.

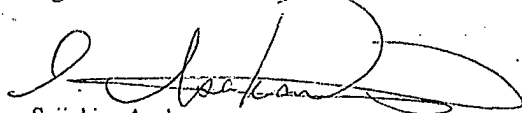
Tokyo Chemical Industry UK Limited

Balance sheet 31 December 2013

	Notes	2013 £	2012 £
Fixed assets			
Tangible assets	7	3,866	1,982
Current assets			
Debtors			
- due within one year	8	103,733	155,918
Cash at bank and in hand		763,445	94,585
Creditors: amounts falling due within one year	9	867,178 (540,466)	250,503 (1,171,042)
Net current assets/ (liabilities)		326,711	(920,539)
Net assets/ (liabilities)		330,577	(918,557)
Capital and reserves			
Called up share capital	10	1,100	100
Share premium	11	1,648,900	149,900
Profit and loss account	12	(1,319,423)	(1,068,557)
Shareholders' surplus/deficit	13	330,577	(918,557)

These financial statements of Tokyo Chemical Industry UK Limited, Registration Number 6000696, were approved and authorised for issue by the Board of Directors on 30/07/2014.

Signed on behalf of the Board of Directors


Seiichiro Asakawa
Director

Tokyo Chemical Industry UK Limited

Notes to the financial statements Year ended 31 December 2013

1. Accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The accounting policy has been applied consistently in the current and prior year.

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 support offered by its parent company. The ultimate parent company, Tokyo Chemical Industry Co., Ltd, has provided a written commitment of financial support, which is legally binding 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:

Office equipment	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.

Cash flow statement

The company has taken advantage of the exemption in FRS 1 from the requirement to produce a cash flow statement on the basis that it qualifies as a small company.

Tokyo Chemical Industry UK Limited

Notes to the financial statements Year ended 31 December 2013

2. Turnover

	2013 £	2012 £
Sales of products	722,470	764,736
Other operating income	22,209	16,824
	<u>744,679</u>	<u>781,560</u>

3. Operating loss

	2013 £	2012 £
Operating loss is stated after charging/(crediting):		
Depreciation - own assets	1,857	1,714
Other operating leases – other	18,300	18,000
FX (Gain)	(29,546)	(21,077)
Fees payable to the company's auditor for the audit of the company's annual accounts	18,562	17,250
Fees payable to the company's auditor for tax services	8,525	15,025
	<u>8,525</u>	<u>15,025</u>

4. Information regarding directors and employees

	2013 No.	2012 No.
Average number of persons employed		
Business development and technical staff	2	2
Administration	2	2
	<u>4</u>	<u>4</u>
	2013 £	2012 £
Staff costs during the year (including directors)		
Wages and salaries	154,783	144,017
Social security costs	17,539	15,027
	<u>172,322</u>	<u>159,044</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 other Group companies and it is not possible to estimate the value of their services as directors of the company.

Tokyo Chemical Industry UK Limited

Notes to the financial statements Year ended 31 December 2013

5. Interest payable and similar charges

	2013 £	2012 £
Bank Charges	1,961	1,975
Other loans	-	1,750
	<u>1,961</u>	<u>1,750</u>

6. Taxation

	2013 £	2012 £
Analysis of tax charge in year		
Current tax		
UK corporation tax on losses for the year	-	-
Total current tax	<u>-</u>	<u>-</u>
	2013 £	2012 £
Deferred tax		
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	(250,866)	(196,005)
Loss on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	(58,318)	(48,021)
Effects of:		
Expenses not deductible for corporation tax	36	-
Capital allowances less than (in excess of) depreciation	(632)	420
Tax losses not utilised	58,914	47,601
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 £ 275,279 (31 December 2012: £243,221).

Under UK GAAP, deferred tax is calculated at the tax rate that has been enacted or substantively enacted at the balance sheet date. Legislation was passed in July 2012 to reduce the main rate of UK corporation tax from 24% to 23% from 1 April 2013. Hence, the tax rate of 23% has been applied in the calculation of the unrecognised deferred tax asset disclosed above.

Further legislation was passed in July 2013 to further reduce UK corporation tax rate to 21% from 1 April 2014 and 20% from 1 April 2015. However, these further reductions to the tax rates have not been substantively enacted at the balance sheet date (31 December 2013) and are therefore not reflected in these financial statements.

Tokyo Chemical Industry UK Limited

Notes to the financial statements Year ended 31 December 2013

7. Tangible fixed assets

	Office equipment £
Cost	
At 1 January 2013	9,299
Acquisitions	3,741
At 31 December 2013	13,039
Accumulated depreciation	
At 1 January 2013	7,317
Charge for the year	1,857
Disposals	
At 31 December 2013	9,174
Net book value	
At 31 December 2013	3,866
At 31 December 2012	1,982

8. Debtors: amounts falling due within one year

	2013 £	2012 £
Trade debtors	92,890	99,643
Amount owed by parent company	8,112	29,950
Prepayments and other debtors	2,731	26,325
	<u>103,733</u>	<u>155,918</u>

9. Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	20,110	24,464
Amounts owed to parent company	454,600	1,068,112
Other creditors (including taxation and social security) and accruals	65,756	78,466
	<u>540,466</u>	<u>1,171,042</u>

Tokyo Chemical Industry UK Limited

Notes to the financial statements Year ended 31 December 2013

10. Called up share capital

	2013 £	2012 £
Authorised:		
1,100 ordinary shares of £1 each	1,100	100
Called up, allotted and fully paid		
1,100 ordinary shares of £1 each	1,100	100

11. Share premium

	2013 £	2012 £
At 1 January 2013 and at 31 December 2013	1,648,900	149,900

During the year the Company allotted 1,000 ordinary shares with a nominal value of £1 to TCI DEUTSCHLAND GmbH at a premium of £1,499.

12. Profit and loss account

	2013 £
Balance at 31 December 2012	(1,068,557)
Loss for the year	(250,866)
Balance at 31 December 2013	(1,319,423)

13. Reconciliation of movements in shareholders' Funds/(deficit)

	2013 £	2012 £
Loss for the year	(250,866)	(196,005)
New shares issued	1,500,000	-
Net decrease/ (increase) in shareholders' deficit	1,249,134	(196,005)
Opening shareholders' deficit	(918,557)	(722,552)
Closing shareholders' Funds / (deficit)	330,577	(918,557)

Tokyo Chemical Industry UK Limited

Notes to the financial statements Year ended 31 December 2013

14. Operating lease commitments

At 31 December 2013, the company had a monthly operating lease commitment of £1,500 (2012: £1,500) for the rental of Oxford office space (equivalent to £18,000 per annum 2012: £18,000 per annum). This is cancellable with one months notice.

15. Ultimate parent company and controlling entity

The immediate parent company is TCI Deutschland GmbH, Mergenthaler alle 79-81, 65760 Eschborn, Germany, a company registered in Germany, 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.

16. Related party transactions

All product purchases for the period were from TCI Europe NV and the total amount purchased totalled £542,888 (2012: £580,198). The company also pays a management charge to TCI Europe NV for Accounting, HR and Business Support and the cost for the period was £63,055 (2012: £60,987). The company also receives a sales commission for sales in Ireland £22,209 as well as a £23,622 commission fee for UK.

As at 31 December 2013 the company has a debtor balance of £8,112 and creditor balance of £407,685 with TCI Europe NV. (2012: debtor £29,950; creditor £1,011,726). There was also an amount payable to Tokyo Chemical Industry Co., Ltd., for SAP fees, of £40,498 (2012: £56,386).