

TEKNEK (JAPAN) LIMITED
ABBREVIATED FINANCIAL STATEMENTS
31ST MAY, 2001

Registered number: 201456



MILNE, CRAIG & CORSON
CHARTERED ACCOUNTANTS
PAISLEY

TEKNEK (JAPAN) LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY, 2001

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TEKNEK (JAPAN) LIMITED

AUDITORS' REPORT TO THE DIRECTORS

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements set out on pages 2 to 4, together with the financial statements of the company for the year ended 31st May, 2001 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Emphasis of matter

The company made a loss for the year ended 31st May, 2001 amounting to £121,745 and at that date total liabilities exceeded total assets by £194,286. The company is a wholly owned subsidiary of Teknek Holdings Limited and that company has indicated its intention to continue to support the company during the next financial period. Consequently our opinion is not qualified in this respect.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 4 are properly prepared in accordance with those provisions.

Milne, Craig & Corson

Milne, Craig & Corson
REGISTERED AUDITORS

PAISLEY
15th August, 2001

Chartered Accountants

TEKNEK (JAPAN) LIMITED

ABBREVIATED BALANCE SHEET

AT 31ST MAY, 2001

	Note	2001 £	2000 £
Fixed assets			
Tangible assets	2	7,243	<u>7,956</u>
Current assets			
Stocks		159,343	52,589
Debtors		83,460	35,154
Cash at bank and in hand		25,218	1,316
		<u>268,021</u>	<u>89,059</u>
Creditors: amounts falling due within one year		(469,550)	(169,556)
Net current liabilities		<u>(201,529)</u>	<u>(80,497)</u>
Total assets less current liabilities		<u>(194,286)</u>	<u>(72,541)</u>
Capital and reserves			
Called up share capital	3	50,000	50,000
Profit and loss account		(244,286)	(122,541)
Total shareholders' funds		<u>(194,286)</u>	<u>(72,541)</u>

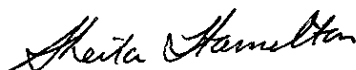
These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated financial statements on pages 2 to 4 were approved by the board of directors on 15th August, 2001 and signed on its behalf by:

C.J. Kennett
Director



S. Hamilton
Director



TEKNEK (JAPAN) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31ST MAY, 2001

1 Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	15% straight line
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Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis.

Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Going concern

The directors are of the opinion that the company is a going concern. The losses incurred to 31st May, 2001 represent costs incurred in setting up operations in Japan.

In addition financial support has been received from Teknek Holdings Limited, the holding company and this funding will remain in place for future accounting periods.

Foreign currencies

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

TEKNEK (JAPAN) LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31ST MAY, 2001

2 Fixed assets

	Tangible fixed assets £
Cost	
1st June, 2000	8,522
Additions	2,077
31st May, 2001	<u>10,599</u>
Depreciation	
1st June, 2000	566
Charge for the year	2,790
31st May, 2001	<u>3,356</u>
Net book amount	
31st May, 2001	<u><u>7,243</u></u>
1st June, 2000	<u><u>7,956</u></u>

3 Called up share capital

	2001		2000	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Allotted called up and fully paid				
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

4 Ultimate parent undertaking

The company's ultimate holding company is Teknek Holdings Limited, a company incorporated in Scotland.