Company Registration No. 02214224

Mitsubishi Corporation (UK) Plc

Report and Financial Statements

31 December 2003

Deloitte & Touche LLP
London

Mitsubishi Corporation (UK) Plc

Report and financial statements 2003

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Officers and professional advisers

Directors

H Nakahara
O Noma
T Imai

Secretary

T Kuniyoshi

Registered office

Mid City Place
71 High Holborn
London WC1V 6BA

Solicitors

Clifford Chance

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

Mitsubishi Corporation (UK) Plc

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

Principal activities

The company's principal activities are those of trading in a broad range of commodities, technologies, industrial and consumer products, and the provision of services, including financing.

Results and dividends

Profit for the year after taxation amounted to £1,160,000 (2002 – £1,357,000 loss).

The directors recommend that no dividend is paid this year (2002 – £nil).

Business development and future prospects

Despite the fact that we encountered problems with our Investments in Switzerland the company was able to post a profit for this year, compared to last year's loss.

We anticipate trading conditions to be tough in the forthcoming year and expect our profit levels to be in line with the current year.

Directors and their interests

The current directors are shown on page 1. The directors who served throughout the year and up to the date of this report (except as noted) were:

M Miyaji	(resigned 21 April 2004)
H Nakahara	(appointed 1 April 2003)
M Asaoka	(resigned 1 April 2003)
H Nomura	(resigned 31 March 2004)
S Suzuki	(resigned 20 January 2003)
O Noma	(appointed 11 May 2004)
T Imai	(appointed 11 May 2004)

During the year none of the directors had any beneficial interests, as defined by the Companies Act 1985, in the share capital of the company or any other group company incorporated in the United Kingdom, or the ultimate parent company.

Charitable contributions

Contributions made to charities during the year amounted to £62,770 (2002 – £61,088).

Creditors

The company aims to make payment under agreed terms. During the year average payment was made in approximately 30 days (2002 – approximately 30 days).

Mitsubishi Corporation (UK) Plc

Directors' report

Auditors

On 1 August 2003, Deloitte & Touche, the Company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed by order of the Board

H Nakahara

Managing Director

28TH MAY 2004

Mitsubishi Corporation (UK) Plc

Statement of directors' responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year 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 accounting standards have been followed; and
- prepare the financial statements on a 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 which 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 1985. They are also responsible for the system of internal control, 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 Mitsubishi Corporation (UK) Plc

We have audited the financial statements of Mitsubishi Corporation (UK) plc for the year ended 31 December 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 23. 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.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London

28 May 2004

Mitsubishi Corporation (UK) Plc

Profit and loss account
Year ended 31 December 2003

	Note	2003 £'000	2002 £'000
Turnover	2	1,584,255	1,715,656
Cost of sales		(1,565,819)	(1,695,465)
Gross profit		18,436	20,191
Administrative expenses		(18,717)	(18,614)
Other operating income and expenses	6	3,137	3,533
Operating profit	4	2,856	5,110
Income from shares in group undertakings		388	208
Amounts written off fixed asset investments		(2,181)	(3,625)
Interest receivable and similar income	7	9,473	8,280
Interest payable and similar charges	8	(8,582)	(10,251)
Profit/(Loss) on ordinary activities before taxation		1,954	(278)
Tax on profit/(loss) on ordinary activities	9	(794)	(1,079)
Profit/(Loss) on ordinary activities after taxation and retained profit/(loss) for the financial year	18	1,160	(1,357)
Retained profit brought forward		15,161	16,518
Retained profit carried forward		16,321	15,161

All of the company's operations for both the current and the preceding financial years fall into the category of "Continuing Operations" as defined in Financial Reporting Standard 3.

There were no recognised gains or losses attributable to shareholders for the current or the preceding financial years other than as shown above.

There is no material difference between the profit on ordinary activities before taxation and the profit for the current period stated above, and their historical cost equivalents.

Mitsubishi Corporation (UK) Plc

Balance sheet
As at 31 December 2003

	Note	2003 £'000	2002 £'000
Fixed assets			
Intangible assets	10	15	20
Tangible assets	11	1,710	1,714
Investments	12	21,508	23,958
		23,233	25,692
Current assets			
Stocks	13	92,460	140,085
Debtors			
Due within one year	14	493,191	534,759
Due after more than one year	14	8,492	21,873
Cash at bank and in hand		26,240	9,658
		620,383	706,375
Creditors: amounts falling due within one year	15	(590,800)	(680,854)
Net current assets		29,583	25,521
Total assets less current liabilities		52,816	51,213
Creditors: amounts falling due after more than one year	16	(2,845)	(2,402)
		49,971	48,811
Capital and reserves			
Called up share capital	17	33,650	33,650
Profit and loss account		16,321	15,161
Equity shareholders' funds	18	49,971	48,811

These financial statements were approved by the Board of Directors on 2004.

Signed on behalf of the Board of Directors

H Nakahara

Managing director

Notes to the accounts
Year ended 31 December 2003

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the valuation of liquid commodity contracts as discussed below.

Group accounts

The company has not prepared group accounts on the basis that subsidiary undertakings are immaterial.

Cash flow statement

The company has not prepared a cash flow statement following the revision of FRS1 on the basis that the ultimate parent company produces consolidated accounts, which include a cash flow statement, into which the company's accounts are fully consolidated.

Intangible fixed assets

Concessions, patents, licences, trademarks, and similar rights and assets are valued at cost on acquisition and are amortised in equal annual amounts over their useful economic lives (five years).

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided against cost in equal annual instalments over the estimated useful life of the asset. Office equipment has an estimated useful life of three or four years and other assets have an estimated useful life of four years.

Investments

Investments held as fixed assets are stated at cost less any provision required to reflect an impairment in value.

Derivative financial instruments

The company uses futures commodity contracts to hedge the price risk of certain commodities that it trades. Open positions on liquid commodities are valued at market value at the year-end.

Stocks

Stocks consist of goods for resale stated at the lower of cost and net realisable value. Cost includes all the expenditure incurred in bringing stocks to their present location and condition. Stocks of liquid traded commodities are valued at market value at the year-end.

Notes to the accounts
Year ended 31 December 2003

1. ACCOUNTING POLICIES (continued)

Turnover

The turnover recognised is that for which the company has entered into any transaction at its own risk as principal, or in the case of disclosed agency or brokerage transactions, the commission receivable.

Foreign exchange

Monetary assets and liabilities denominated in foreign currencies have been translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated at the rates prevailing on the dates of the transactions. Resulting differences on translation are charged or credited to the profit and loss account.

Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the leases. Further details are given in note 20 to the accounts. For operating leases where the company acts as lessor, the assets have been recorded as fixed assets and depreciated over their useful lives. Rental income is credited to the profit and loss account in equal instalments over the period of the lease.

Pension costs

The company operates both a defined benefit and a defined contribution pension scheme. For the defined benefit scheme the expected cost of providing pensions, as calculated periodically by a professionally-qualified actuary, is charged to the profit and loss account so as to spread the cost over the service lives of employees in the scheme in such a way that the pensions cost is a substantially-level percentage of current and expected future pensionable payroll. For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet. Further details of the schemes are given in note 21 to the accounts.

Deferred taxation

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 the 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.

Notes to the accounts
Year ended 31 December 2003

2. Turnover

Turnover represents:

- gross sales with respect to transactions in which the company is named as principal;
- commission receivable for transactions in which the company acts as a disclosed settlement agent; and
- brokerage commission receivable.

Turnover comprises:

	2003 £'000	2002 £'000
Principal	1,579,998	1,711,412
Agency	1,529	1,169
Brokerage	2,728	3,075
	1,584,255	1,715,656

In the opinion of the directors it is seriously prejudicial to the interests of the company and not meaningful to give an analysis of turnover, profit or net assets by geographical area. The directors are also of the opinion that the company's trading business constitutes one class of activity.

3. Information regarding directors and employees

	2003 £'000	2002 £'000
Directors' emoluments:		
Other emoluments	285	607
Remuneration of the highest paid director (excluding pension contributions)	128	239

No pension contributions were made in respect of directors.

	2003	2002
Average number of persons employed		
Trading and administration	144	152

	£'000	£'000
Employee costs (excluding directors' emoluments)		
Wages and salaries	4,914	4,870
Social security costs	461	406
Other pension costs	605	397
Cost in respect of parent company's employees	4,040	3,762
	10,020	9,435

Notes to the accounts
Year ended 31 December 2003

4. Operating profit

Operating profit is stated after charging the following amounts:

	2003 £'000	2002 £'000
Depreciation of tangible fixed assets – owned assets	690	549
Amortisation of intangible fixed assets	5	29
Rentals under operating leases -other operating leases	1,153	1,090
Auditors' remuneration:		
Audit	108	115
Other fees	317	97

5. Amounts written off fixed asset investments

An exceptional operating loss has arisen due to the write-off of a number of Fixed Asset Investments as a result of the global economic slowdown. This is detailed further in Note 11.

6. Other operating income and expenses

Other operating income and expenses includes management and IT recharges to various group companies for services provided and provision for doubtful receivables.

7. Interest receivable and similar income

	2003 £'000	2002 £'000
Amounts receivable from group undertakings	7,090	6,610
Other interest receivable and similar income	2,383	1,670
	9,473	8,280

8. Interest payable and similar charges

	2003 £'000	2002 £'000
Interest on bank loans and overdrafts repayable within five years	3,109	9,731
Interest payable to group undertakings	5,277	458
Other interest payable	196	62
	8,582	10,251

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Notes to the accounts
Year ended 31 December 2003

9. Tax on loss/profit on ordinary activities

i) Analysis of tax charge on ordinary activities

	2003 £'000	2002 £'000
United Kingdom corporation tax at 30% (2002 – 30%)	1,493	1,079
Adjustment in respect of prior years	(699)	-
Double taxation relief	(42)	(23)
	752	1,056
Foreign tax for current period	42	23
	794	1,079

ii) Factors affecting tax charge for the current year

The tax assessed for the year is higher than that resulting from applying the standard rate of corporation tax in the UK: 30% (2002: 30%). The differences are explained below:

	2003 £'000	2002 £'000
Profit/(loss) on ordinary activities before tax	1,954	(278)
Tax at 30% thereon:	(586)	83
Effects of:		
Expenses not deductible for tax purposes	(360)	(165)
Provision against fixed asset investments	(654)	(1,145)
Capital allowances in excess of depreciation	39	86
United Kingdom dividend income	69	62
Prior year adjustments	698	-
Current tax charge for the year	(794)	(1,079)

iii) Factors that may affect the future tax charge

A deferred tax asset has not been recognised in respect of timing differences relating to depreciation in excess of capital allowances (£217k) nor other short term timing differences (£45k) as there is insufficient evidence that the asset will be recoverable in the foreseeable future.

Notes to the accounts
Year ended 31 December 2003

10. Intangible assets

	Patents, licences and concessions £'000
Cost	
At 1 January 2003	24
At 31 December 2003	24
Accumulated amortisation	
At 1 January 2003	4
Charge for the year	5
At 31 December 2003	9
Net book value	
At 31 December 2003	15
At 31 December 2002	20

Intangible assets represent an assigned concession.

Notes to the accounts
Year ended 31 December 2003

11. Tangible fixed assets

	Plant and machinery £'000	Furniture, fixtures and fittings £'000	Office equipment £'000	Assets in the course of construction £'000	Total £'000
Cost					
At 1 January 2003	-	4,126	6,708	19	10,853
Additions	-	25	444	-	469
Transfers	243	-	19	(19)	243
Disposals	-	(2,297)	(2,587)	-	(4,884)
At 31 December 2003	243	1,854	4,584	-	6,681
Accumulated depreciation					
At 1 January 2003	-	2,759	6,380	-	9,139
Charge for the year	27	425	238	-	690
Disposals	-	(2,283)	(2,575)	-	(4,858)
At 31 December 2003	27	901	4,043	-	4,971
Net book value					
At 31 December 2003	216	953	541	-	1,710
At 31 December 2002	-	1,367	328	19	1,714

Notes to the accounts
Year ended 31 December 2003

12. Investments held as fixed assets

	Shares in subsidiary undertakings £'000	Shares in other group undertakings £'000	Shares in participating interests £'000	Other investments other than loans £'000	Total £'000
Cost					
At 1 January 2003	300	22,095	2,838	2,685	27,918
Additions	97	57	-	-	154
Foreign exchange	-	(28)	(2)	(12)	(30)
Disposals	-	(749)	-	-	(761)
At 31 December 2003	397	21,375	2,836	2,673	27,281
Provision					
At 1 January 2003	179	2,245	165	1,371	3,960
Charge for the year	(21)	421	1,714	67	2,181
Foreign exchange	-	(30)	-	-	(30)
Disposals	-	(338)	-	-	(338)
At 31 December 2003	158	2,298	1,879	1,438	5,773
Net book value					
At 31 December 2003	239	19,077	957	1,235	21,508
At 31 December 2002	121	19,850	2,673	1,314	23,958

Notes to the accounts
Year ended 31 December 2003

12. Investments held as fixed assets (continued)

Shares in subsidiary undertaking

£50,000 of the shares in subsidiary undertakings represent a 100% holding and equivalent voting rights in the share capital of MC (Operations) Limited, a company incorporated in Great Britain and registered in England and Wales. The company is involved in providing property management and related services.

£250,000 represents a 100% shareholding and equivalent voting rights in Buckingham Ventures Limited, a company incorporated in Great Britain. The company acts as a holding company for Celvibe Ltd. As at the year end there is a provision of £158,000 against Buckingham Ventures Limited.

£97,000 represents a 100% shareholding in Sazanka Limited, a company incorporated in Great Britain. The principal activity of the company is the trading of metal.

These subsidiary undertakings have not been consolidated as they are considered immaterial.

Shares in other group undertakings

Company Name	Country of incorporation	Shareholding %	Shareholding £	Principal business activity
Diamond Seafoods (UK) Limited	UK	20	200,000	Trading in seafood
Princes Limited	UK	10	700,000	Trading in canned Foodstuff
MCSi Limited	UK	20	1,490,000	Printing and Photography
Triland Metals Limited	UK	9.09	880,001	Metal brokerage
Ellenita Limited	UK	15	143,605	Shipping
Lunita Limited	UK	15	143,605	Shipping
ERB Autokredit AG	Switzerland	10	450,735	Motor vehicle finance
MLP UK Ltd	UK	1.3	70,000	Printing and lithographic distributor
Bow Bells House Investment	UK	30	9,913,500	Redevelopment of offices
Tredia Europe Limited	UK	20	120,000	Clothing importer
HFSA Investments BV	South Africa	10.8	7,263,150	Holding Company

Participating interests

Included within participating interests is a £165,000 investment representing a 33% holding in Polymers International (UK) Limited, a company incorporated in Great Britain and registered in England and Wales. The company was involved in importing and distribution. This investment is fully provided for.

Also included within shares in participating interests is a £2,610,360 investment representing a 8.33% holding in ERB Finanz-und Leasing AG another Swiss company that deals with leasing and financing of motor vehicles, this has been written down by £1,714,049.

The remainder of the balance of £62,500 represents an investment of a 25% holding in Mit-Sun International Trading Limited, a company incorporated in Jersey. The company's principal activity is trading in foodstuffs.

Notes to the accounts
Year ended 31 December 2003

Other investments other than loans

Included within other investments other than loans is a £620,789 investment representing a 0.82% holding in Kelkoo.Com, a company incorporated in France. The company's principal activity is as an online shopping search engine.

Results and net assets of associates

	Year ended	Total of share capital and reserves £'000	Profit/(loss) for the year £'000
Diamond Seafoods (UK) Limited	31 December 2002	3,370	300
Mit-Sun International	31 December 2002	1,468	411
Tredia Europe Limited	31 December 2002	668	68
Bow Bells House	31 December 2002	33,811	298
MCSi Limited	31 December 2002	(4,342)	(7,131)

MC Machinery Systems Limited and MC Portugal were both liquidated during the course of the year.

All the above investments are unlisted.

13. Stocks

	2003 £'000	2002 £'000
Finished goods and goods for resale	92,460	140,085

14. Debtors

	2003 £'000	2002 £'000
Amounts due within one year:		
Trade debtors	146,207	207,659
Amounts owed by parent company and fellow subsidiary undertakings	326,886	314,087
Loans to third parties	13,452	964
Prepayments and accrued income	6,646	12,049
	493,191	534,759
Amounts due after more than one year:		
Trade debtors	219	291
Amounts owed by parent company and fellow subsidiary undertakings	8,273	9,969
Loans to third parties	-	11,613
	8,492	21,873
Total debtors	501,204	556,632

Mitsubishi Corporation (UK) Plc

Notes to the accounts
Year ended 31 December 2003

15. Creditors: amounts falling due within one year

	2003 £'000	2002 £'000
Bank loans and overdrafts (unsecured)	78,090	398,322
Trade creditors	65,522	148,782
Amounts owed to parent company and fellow subsidiary undertakings	442,316	124,633
Corporation tax	1,034	445
Other taxation and social security	258	-
Accruals and deferred income	3,580	8,672
	590,800	680,854

16. Creditors: amounts falling due after more than one year

	2003 £'000	2002 £'000
Amounts owed to fellow subsidiary undertakings	2,845	2,402

17. Called up share capital

	2003 £'000	2002 £'000
Authorised:		
50,000,000 ordinary shares of £1 each	50,000	50,000
Allotted and fully paid:		
33,650,000 ordinary shares of £1 each	33,650	33,650

18. Reconciliation of movements in equity shareholders' funds

	2003 £'000	2002 £'000
Profit/(Loss) for the financial year	1,160	(1,357)
Opening equity shareholders' funds	48,811	50,168
Closing equity shareholders' funds	49,971	48,811

19. Contingent liabilities

Contingent liabilities at the year end incurred in the ordinary course of business are as follows:

	2003 £'000	2002 £'000
Commitments to honour the repayment of loan obligations	186	205

Under the normal course of business the company may arrange bank guarantees for suppliers.

Notes to the accounts
Year ended 31 December 2003

20. Operating lease commitments

At 31 December 2003, the company was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings £'000
Leases which expire:	
Within one year	1,208

21. Pension schemes

The Mitsubishi Corporation Retirement Benefits Scheme ("the defined benefit scheme") is a multi-employer, funded defined benefit pension scheme operated for the benefit of the employees of Mitsubishi Corporation (UK) PLC (the Principal Employer) and certain employees of associated companies. The employers, collectively, do not constitute a "group" for reporting purposes.

Pensions are based on members' basic salary and accrue at a rate of one sixtieth for each year of pensionable service. The defined benefit scheme was closed to new entrants with effect from 1 April 2002.

The defined benefit scheme is administered by Trustees who are appointed by the Principal Employer. They are advised by Mellon Human Resources and Investor Solutions Limited and an appointed actuary. The defined benefit scheme's assets are managed by Barclays Global Investors and Fidelity Pensions Management.

The company also operates a defined contribution scheme which began on 1 April 2002. The charge for the period (being the contributions made by the company) was £51,547 (2002 - £8,008). No amounts were accrued or prepaid as at 31 December 2003.

The pension costs quoted below relate only to the defined benefit scheme.

SSAP 24

The company currently accounts for pensions under SSAP 24. An actuarial valuation is performed every three years as required by SSAP 24, the latest as at 1 April 2001. The results of the 2001 valuation showed an MFR funding level of 126.8%. The on going valuation, which was performed using the Projected Unit Funding method, showed that the assets of the defined benefit scheme, on a market-value basis, amounted to £18,221,000 and were sufficient to secure 116.2% of the liabilities of the Scheme based on projected final salaries. The main assumptions used in the valuation were an investment return of 6.85% before retirement and 6.00% after retirement, salary increases of 3.90% per annum and increases in pensions in payment of 3.00% per annum for pre-April 1997 accruals and 3.250% per annum for post-April 1997 accruals.

The valuation does not take into account any impact of the fall in general stock market values since that date. Any such impact will be reflected in the SSAP 24 valuation dated 1 April 2003, the results of which had not been formalised at the reporting date. Pension costs in future years will be based upon the results of this valuation until the full adoption of FRS 17.

The charge for the year in the profit and loss account represents contributions made by the company in accordance with the advice of the actuary and the Schedule of Contributions. The surplus in the Scheme impacted the company through adjustments to the company's contributions to the Scheme, which were 12.00% of basic salaries to 31 March 2003 and 15% thereafter. The employers "Standard Contribution Rate" determined by the April 2001 valuation was 15.60% of basic salaries.

The pension charge for the year in respect of employees was £553,732 (2002 – £397,438).

No amounts were accrued or prepaid as at 31 December 2003 (2002 - £nil).

Notes to the accounts
Year ended 31 December 2003

FRS17

In November 2000 the Accounting Standards Board issued FRS17 “Retirement Benefits” replacing SSAP24 “Accounting for Pension Costs”. The full implementation of FRS17 has been deferred, although certain disclosures are required in the transition period for periods ending on or after 22 June 2001. These further disclosures are included below.

The company believes it is not possible to determine its share of the underlying assets and liabilities of the defined benefit scheme on a consistent and reliable basis. Under these circumstances FRS17 requires that the scheme should be accounted for as if it were a defined contribution scheme and the profit and loss charge set equal to the contributions due over the accounting period. This information, and information relating to the funding of the scheme is provided in the SSAP24 disclosures above.

22. Immediate and ultimate parent company

In the opinion of the directors, the company’s ultimate parent company and controlling entity is Mitsubishi Corporation, a company incorporated in Japan. This is the smallest and largest group in which the company is consolidated. The immediate parent company is Mitsubishi Corporation International NV.

Copies of the group financial statements of the ultimate parent company can be obtained from Mitsubishi Corporation, Department AA-F, 6-3 Marunouchi 2-Chome, Chiyoda-ku, Tokyo 100-86, Japan. The immediate parent company does not prepare group financial statements.

23. Related party transactions

The company has taken advantage of the exemption from related party disclosures available in Financial Reporting Standard No.8 - Related Party Disclosures, as the consolidated financial statements of the ultimate parent company are publicly available as noted above.