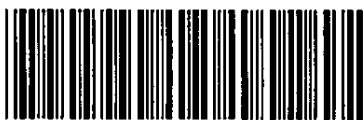


Company Registration No. 3477626 (England and Wales)

WATABE UK LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

TUESDAY



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COMPANIES HOUSE

WATABE UK LIMITED

COMPANY INFORMATION

Directors	M Fukui	
	A Nakao	(Appointed 29 May 2008)
	T Naito	
	F Tachida	(Appointed 29 May 2008)
	T Obata	(Appointed 29 May 2008)
Secretary	T Obata	
Company number	3477626	
Registered office	One Dovedale Studios 465 Battersea Park Road London SW11 4LR	
Auditors	Greenback Alan LLP 11 Raven Wharf Lafone Street London SE1 2LR	
Bankers	The Bank of Tokyo-Mitsubishi UFJ, Ltd 12-15 Finsbury Circus London EC2M 7BT	
	Barclays Bank Plc Belgravia and Knightsbridge 30 Sloane Square London SW3 2AB	
Solicitors	Lester Dominic Solicitors	

WATABE UK LIMITED

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WATABE UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2008

The directors present their report and financial statements for the year ended 31 March 2008.

Principal activities

The company operates by providing wedding facilities and other arrangements primarily for Japanese tourists, in the United Kingdom. The future of the company is presently under review.

Directors

The following directors have held office since 1 April 2007:

H Watabe	(Resigned 29 May 2008)
M Fukui	
A Nakao	(Appointed 29 May 2008)
K Masutani	(Resigned 29 May 2008)
T Naito	
F Tachida	(Appointed 29 May 2008)
T Obata	(Appointed 29 May 2008)

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Greenback Alan LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

WATABE UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2008

Directors' responsibilities

The directors are responsible for preparing 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;
- 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



T Obata

Director

19 January 2009

WATABE UK LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF WATABE UK LIMITED

We have audited the financial statements of WATABE UK LIMITED for the year ended 31 March 2008 set out on pages 5 to 12. 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 the 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 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.

WATABE UK LIMITED

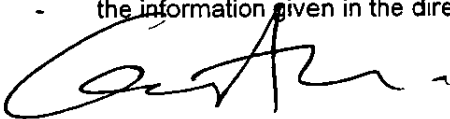
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF WATABE UK LIMITED

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 March 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.



Greenback Alan LLP

19 January 2009

Chartered Accountants
Registered Auditor

11 Raven Wharf
Lafone Street
London
SE1 2LR

WATABE UK LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2008

	Notes	2008 £	2007 £
Turnover		143,449	181,791
Cost of sales		(72,482)	(93,890)
Gross profit		70,967	87,901
Administrative expenses		(110,841)	(117,657)
Operating loss	2	(39,874)	(29,756)
Other interest receivable and similar income	3	577	467
Interest payable and similar charges	4	(25,875)	(21,596)
Loss on ordinary activities before taxation		(65,172)	(50,885)
Tax on loss on ordinary activities	5	-	(89)
Loss for the year	10	(65,172)	(50,974)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

WATABE UK LIMITED


BALANCE SHEET

AS AT 31 MARCH 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	6		4,771		2,648
Current assets					
Debtors	7	24,404		32,646	
Cash at bank and in hand		25,180		61,281	
		<u>49,584</u>		<u>93,927</u>	
Creditors: amounts falling due within one year	8	<u>(519,763)</u>		<u>(496,811)</u>	
Net current liabilities			<u>(470,179)</u>		<u>(402,884)</u>
Total assets less current liabilities			<u>(465,408)</u>		<u>(400,236)</u>
Capital and reserves					
Called up share capital	9		100,000		100,000
Profit and loss account	10		<u>(565,408)</u>		<u>(500,236)</u>
Shareholders' funds	11		<u>(465,408)</u>		<u>(400,236)</u>

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

Approved by the Board and authorised for issue on 19 January 2009



T Obata
Director

WATABE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Turnover is recognised at the date of the provision of wedding services or at the date of the hire of related garments and accessories.

1.4 Tangible fixed assets and depreciation

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:

Wedding accessories	33 1/3% per annum
Fixtures, fittings & equipment	20% per annum

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

2 Operating loss

	2008 £	2007 £
Operating loss is stated after charging:		
Depreciation of tangible assets	2,021	2,662
Operating lease rentals	19,450	18,950
Auditors' remuneration	4,400	4,600
	<u>25,871</u>	<u>26,212</u>

WATABE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2008

3	Investment income	2008	2007
		£	£
	Bank interest	577	467
		<u>577</u>	<u>467</u>
		<u><u>577</u></u>	<u><u>467</u></u>
4	Interest payable	2008	2007
		£	£
	Included in interest payable is the following amount:		
	On amounts payable to group companies	25,875	21,596
		<u>25,875</u>	<u>21,596</u>

WATABE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2008

5	Taxation	2008 £	2007 £
	Domestic current year tax		
	U.K. corporation tax	-	89
	Current tax charge	-	89
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(65,172)	(50,885)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2007 - 19.00%)	(13,034)	(9,668)
	Effects of:		
	Non deductible expenses	214	146
	Depreciation add back	606	506
	Tax losses utilised	-	(2,998)
	Other tax adjustments	12,214	12,103
		13,034	9,757
	Current tax charge	-	89

The company has estimated losses of £ 450,707 (2007 - £ 413,567) available for carry forward against future trading profits.

There is no deferred taxation provided in the financial statements at 31 March 2008 (2007: £nil).

A deferred tax asset has not been recognised in respect of timing differences relating to capital allowances in excess of the depreciation and losses carried forward as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £154,961 (2007: £145,823).

WATABE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

6 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 April 2007	88,011
Additions	4,144
	<hr/>
At 31 March 2008	92,155
	<hr/>
Depreciation	
At 1 April 2007	85,363
Charge for the year	2,021
	<hr/>
At 31 March 2008	87,384
	<hr/>
Net book value	
At 31 March 2008	4,771
	<hr/>
At 31 March 2007	2,648
	<hr/>

7 Debtors

	2008	2007
	£	£
Trade debtors	15,551	12,202
Other debtors	8,853	20,444
	<hr/>	<hr/>
	24,404	32,646
	<hr/>	<hr/>

WATABE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2008

8	Creditors: amounts falling due within one year	2008 £	2007 £
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	487,711	461,836
	Taxation and social security	2,512	3,179
	Payments received on account	10,494	8,030
	Other creditors	19,046	23,766
		<u>519,763</u>	<u>496,811</u>

The company's parent company has confirmed its intention to continue its financial support of the company to ensure that it is able to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements.

9	Share capital	2008 £	2007 £
	Authorised		
	500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
	Allotted, called up and fully paid		
	100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

10	Statement of movements on profit and loss account	Profit and loss account £
	Balance at 1 April 2007	(500,236)
	Loss for the year	<u>(65,172)</u>
	Balance at 31 March 2008	<u>(565,408)</u>

11	Reconciliation of movements in shareholders' funds	2008 £	2007 £
	Loss for the financial year	(65,172)	(50,974)
	Opening shareholders' funds	<u>(400,236)</u>	<u>(349,262)</u>
	Closing shareholders' funds	<u>(465,408)</u>	<u>(400,236)</u>

WATABE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2008

12 Financial commitments

At 31 March 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2009:

	Land and buildings	
	2008	2007
	£	£
Operating leases which expire:		
Between two and five years	19,450	19,450

13 Control

The company's ultimate parent company, immediate parent and controlling party is Watabe Wedding Corporation, a company incorporated in Japan.

The parent company of the largest and smallest groups which prepare consolidated financial statements incorporating the results of Watabe UK Limited is Watabe Wedding Corporation.

Group financial statements for Watabe Wedding Corporation are available from 361 Sakura Tsura En Machi, Idemizuagaru, Karasuma-Douri, Kamigyo-ku, Kyoto City, Kyoto Japan.

14 Related party transactions

The company has taken advantage of the exemption granted, under Financial Reporting Standard 8 "Related Party Disclosures", not to disclose transactions with entities that are part of Watabe Wedding Corporation as the consolidated financial statements, in which the company is included, are publicly available.