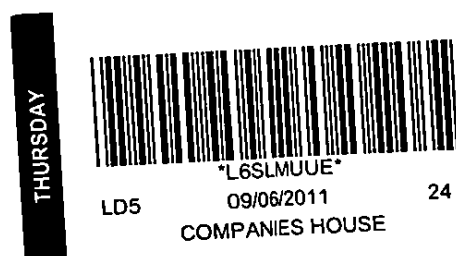


Stanley Electric (U.K.) Company Limited

Annual report for the year ended 31 March 2011

Registered number: 04071741



Stanley Electric (U.K.) Company Limited

Annual Report for the year ended 31 March 2011

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Stanley Electric (U.K.) Company Limited

Directors' report for the year ended 31 March 2011

The directors present their report and the audited financial statements of the company for the year ended 31 March 2011

Principal activities

The principal activity of the company is the purchase and sale of lighting products primarily automotive lighting, light emitting diodes, sub miniature lamps and flash lamps for mobile phone cameras.

Business review

This year, Stanley saw significant year on year sales growth in its Automotive Division stimulated by the steady and robust recovery of the European automotive sector. This sector is an important foundation of our business and creates a strong platform from which to maintain the growth strategies in our other fields of operation within our Electronics Division

Stanley's Electronic Division business saw a more varied impact to its sales due to the diversity of the customers, markets and applications. However, the latter part of last year saw an increase in business activity and new products with two key customers which will be a strong foundation for future growth

This past year's economic conditions were still significantly influenced by the affects of the global recession which we continued to address with prudent cost management

Despite the challenging economic conditions, we achieved profit comparable to previous year

Key Performance Indicators

Sales	£59.24 million. A 22.5% year on year increase
Gross Profit	£5.93 million A 15.8% year on year increase
Net Profit	£1.26 million A 5.0% year on year increase

Financial Risk Management

Financial risk management is conducted at the European group level. Details of financial risk management policies will be included in the accounts of the immediate parent company

Stanley Electric (U.K.) Company Limited

Directors' report for the year ended 31 March 2011 (continued)

Future Developments

The impact of the recent earthquake in Japan on 11th March is still developing for global industry as well as for our own business activities. It is expected that it will temporarily disturb the trend of growth during the new financial year due to short term reduction in demand from some key customers.

Results and dividends

The company's profit for the year ended 31 March 2011 amounted to € 1,256,615 (2010 profit of €1,196,395). The directors propose the payment of dividend in respect of the year ended 31 March 2011 amounting to € 632,000 (2010: €600,000) which is expected to be paid on 29 June 2011.

Research and development

The company is committed to a policy of research and development and its investment in such activities in order to maintain and promote its position for its products. The company outsources the activities to its parent company whilst taking the cost of them.

Directors

The directors of the company during the year and up to the date of signing the financial statements were:

Akihito Asanuma
Naomichi Saito
Makio Natsusaka
Masataka Kurihara
Iain Evans
Hidenari Yamazaki
Katsumi Kondo

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Directors' 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 prepared 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

Stanley Electric (U.K.) Company Limited

Directors' report

for the year ended 31 March 2011 (continued)

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 ,

Statement of directors' responsibilities in respect of the Annual Report and the financial statements (continued)

- 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

Statement as to disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved under section 418 the following applies

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

Independent auditors

A resolution to reappoint the auditors, PricewaterhouseCoopers LLP, will be proposed at the annual general meeting

On behalf of the board of directors

I Evans

Director

13th May 2011



Stanley Electric (U.K.) Company Limited

Independent auditors' report to the members of Stanley Electric (U.K.) Company Limited

We have audited the financial statements of Stanley Electric (U.K.) Company Limited for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 2 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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. 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 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

Stanley Electric (U.K.) Company Limited

Independent auditors' report to the members of Stanley Electric (U.K.) Company Limited (continued)

- have been prepared in accordance with the requirements of the Companies Act 2006

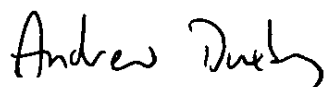
Opinion on other matter prescribed by the Companies Act 2006

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, 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



Andrew Duxbury (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge

13 May 2011

Stanley Electric (U.K.) Company Limited

Profit and loss account for the year ended 31 March 2011

		2011	2010
	Note	€	€
Turnover	2	59,237,963	48,347,667
Cost of sales		(53,311,857)	(43,224,559)
Gross profit		5,926,106	5,123,108
Administrative expenses		(4,241,827)	(3,427,005)
Operating profit	3	1,684,279	1,696,103
Interest receivable and similar income	6	21,891	16,652
Interest payable and similar charges			-
Profit on ordinary activities before taxation		1,706,170	1,712,755
Tax on profit on ordinary activities	7	(449,555)	(516,360)
Profit for the financial year	17	1,256,615	1,196,395

The results above relate to continuing activities.

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

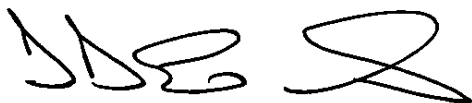
The notes on pages 8 to 20 form part of these financial statements.

Stanley Electric (U.K.) Company Limited

Balance sheet as at 31 March 2011

	Note	2011 €	2010 €
Fixed assets			
Intangible assets	9	544,791	745,977
Tangible assets	10	48,317	46,770
		<u>593,108</u>	<u>792,747</u>
Current assets			
Stocks	11	2,423,627	1,784,606
Debtors	12	13,583,368	8,774,801
Cash at bank and in hand		6,768,104	11,139,257
		<u>22,775,099</u>	<u>21,698,664</u>
Creditors: amounts falling due within one year	14	<u>(10,544,201)</u>	<u>(10,876,404)</u>
Net current assets		<u>12,230,898</u>	<u>10,822,260</u>
Total assets less current liabilities		12,824,006	11,615,007
Provisions for liabilities and charges	15	-	(41,616)
Creditors: amounts falling due after one year		<u>(594,000)</u>	
Net assets		<u>12,230,006</u>	<u>11,573,391</u>
Capital and reserves			
Called up share capital	16	1,229,067	1,229,067
Profit and loss account	17	11,000,939	10,344,324
Total shareholders' funds	18	<u>12,230,006</u>	<u>11,573,391</u>

The financial statements on pages 6 to 20 were approved by the board of directors on 13th May 2011 and were signed on its behalf by:



I Evans

Director

Stanley Electric (U K) Company Limited

Registered number: 04071741

Stanley Electric (U.K.) Company Limited

Notes to the financial statements for the year ended 31 March 2011

1 Accounting policies

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice (UK GAAP)) The principal accounting policies, which have been applied consistently other than as described, are set out below

Reporting currency

The financial statements have been prepared in euro ("€") The exchange rate at the balance sheet date was £1 = € 1.171 (2010: £1 = € 1.123)

Intangible assets – research and development

Research expenditure is written off as incurred Development expenditure is also written off except where the directors are satisfied as to the technical and financial viability of individual projects In such case, the identifiable expenditure is deferred and amortised over the period during which the company is expected to benefit This period is usually two years

Tangible fixed assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation The historic purchase cost is their purchase cost, together with any incidental costs of acquisition Depreciation is provided on a straight line basis so as to write off the cost of tangible fixed assets over their expected useful lives at the following annual rates

Computer equipment	33 1/3% - 50%
Motor vehicles	33 1/3%
Office equipment, furniture and fittings	33 1/3%

Stanley Electric (U.K.) Company Limited

Notes to the financial statements for the year ended 31 March 2011 (continued)

1 Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a moving average basis and includes transport and handling costs. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Debtors

Debtors are stated in the balance sheet at estimated net realisable value. Net realisable value is the invoiced amount less provisions for bad and doubtful debtors. Provisions are made specifically against debtors where there is evidence of an inability to pay.

Foreign currency transactions

Monetary assets and liabilities expressed in foreign currencies are translated into euros at the rate of exchange ruling at the 31 March 2011. Transactions in currencies other than euros are recorded at the rate ruling at the date of the transaction, with any gain or loss being charged to the profit and loss account.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Provisions

Provisions are made when a constructive obligation arises. The balance for provisions has been calculated as the expected future payments that may occur due to a claim for damages relating to the products sold. The balance provided is the maximum amount expected to be paid and has not been discounted to its present value.

Cash flow statement

The company is a wholly owned subsidiary of Stanley Electric Co., Ltd., a company incorporated in Japan. As the group financial statements of Stanley Electric Co., Limited are publicly available, the company has taken advantage of the exemption conferred by FRS1 (Revised 1996) from the inclusion of a cash flow statement.

Stanley Electric (U.K.) Company Limited

Notes to the financial statements for the year ended 31 March 2011 (continued)

1 Accounting policies (continued)

Related party disclosures

As the company is a wholly owned subsidiary of Stanley Electric Co , Limited, the company has taken advantage of the exemption conferred by FRS 8 and has not disclosed transactions or balances with entities that are a part of the group qualifying as related parties. Consolidated financial statements of Stanley Electric Co , Limited and Stanley Electric Holding Europe Co , Limited within which this company is included can be obtained from the address given in note 21.

Deferred taxation

Financial Reporting Standard 19, Deferred Tax has been adopted. The standard requires full provision to be made for deferred tax arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in tax computations, where future payment or receipt is more likely than not to occur.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods supplied and other product related revenue. Revenue is recognised at the point at which goods are dispatched.

2 Turnover

Turnover represents amounts receivable for goods sold during the year and is exclusive of VAT.

Turnover by destination of customers arose as follows

	2011	2010
	€	€
United Kingdom	43,451,293	25,001,502
Rest of Europe	9,473,112	6,814,580
China	5,890,524	16,504,730
Other area	423,034	26,855
	<u>59,237,963</u>	<u>48,347,667</u>

Stanley Electric (U.K.) Company Limited

Notes to the financial statements for the year ended 31 March 2011 (continued)

3 Operating profit

	2011 €	2010 €
Operating profit is stated after charging/(crediting):		
Depreciation on own tangible fixed assets	43,219	47,872
Property lease	195,165	223,223
Hire of other assets under operating leases	(146)	2,688
Exchange losses	193,847	96,920
Development costs amortisation	239,976	128,773
Research and development expenditure	74,268	75,765
Auditors' remuneration for audit services		
- for audit services	29,370	27,056
- for non-audit services - tax compliance services	15,750	16,262

4 Employee costs

	2011 €	2010 €
Staff costs during the year amounted to		
Wages and salaries	1,805,466	1,685,416
Social security costs	87,039	98,178
Other staff costs	206,380	141,975
	<u>2,098,885</u>	<u>1,925,569</u>

	2011 Number	2010 Number
The average monthly number of employees (including executive directors) during the year was		
Selling and distribution	15	14
Administration	8	8
	<u>23</u>	<u>22</u>

Stanley Electric (U.K.) Company Limited

Notes to the financial statements for the year ended 31 March 2011 (continued)

5 Directors' emoluments

	2011 €	2010 €
Aggregate emoluments (including benefits in kind)	<u>459,876</u>	<u>493,713</u>
Highest paid director		
	2011 €	2010 €
Aggregate emoluments	<u>308,230</u>	<u>207,548</u>

The emoluments of Messrs Saito, Natsusaka, Kurihara, Kondo and Yamazaki are paid by the parent company which makes no recharge to the company. It is not possible to make an accurate apportionment of their emoluments in respect of each company. Accordingly, the above details include no emoluments in respect of Messrs Saito, Natsusaka, Kurihara, Kondo and Yamazaki.

6 Interest receivable and similar income

	2011 €	2010 €
On cash balances held at bank	<u>21,891</u>	<u>16,652</u>
	<u>21,891</u>	<u>16,652</u>

Stanley Electric (U.K.) Company Limited

Notes to the financial statements for the year ended 31 March 2011 (continued)

7 Taxation

(a) Tax on profit on ordinary activities

The taxation charge comprises

	2011 €	2010 €
Current tax:		
UK corporation tax on profits for the year	462,105	474,357
Adjustments in respect of previous periods	(156,005)	38,007
Total current tax	306,100	512,364
Deferred tax:		
Origination and reversal of timing differences (note 13)	143,455	3,996
Tax on profit on ordinary activities	449,555	516,360

(b) Factors affecting tax charge

	2011 €	2010 €
Profit on ordinary activities before taxation	1,706,170	1,712,755
Profit on ordinary activities multiplied by standard UK corporation tax rate of 28% (2010 28%)	477,728	479,571
Effects of		
Expenses not deductible for tax purposes	34,587	40,794
Depreciation in excess of capital allowances	860	5,620
Group relief claimed	(51,070)	(51,628)
Adjustments in respect of previous years	(156,005)	38,007
Current tax charge	306,100	512,364

A number of changes to the UK Corporation tax system were announced in the March 2011 UK Budget Statement. Legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 is expected to be included in the Finance Act 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

Stanley Electric (U.K.) Company Limited

Notes to the financial statements for the year ended 31 March 2011 (continued)

7 Taxation (continued)

The proposed reductions of the main rate of corporation tax by 1% per year to 23% by 1 April 2014 are expected to be enacted separately each year. The overall effect of the further changes from 25% to 23%, if these applied to the deferred tax balance at the balance sheet date, would be to reduce the deferred tax liability.

8 Dividends

	2011	2010
	€	€
Equity – Ordinary		
Final dividend for the year of €0.75 per £1 share (2010: €2.43 per share)	<u>600,000</u>	<u>1,944,000</u>

The directors have proposed a final dividend for the year ended 31 March 2011 of €0.79 per share that is a total of €632,000. This dividend has not been accounted for within the current year financial statements as it has yet to be approved.

Stanley Electric (U.K.) Company Limited

Notes to the financial statements for the year ended 31 March 2011 (continued)

9 Intangible assets

	Development costs €
Cost	
At 1 April 2010	1,020,767
Additions	38,790
Disposals	-
At 31 March 2011	1,059,557
Accumulated amortisation	
At 1 April 2010	274,790
Charge for the year	239,976
Disposals	-
At 31 March 2011	514,766
Net book value	
At 31 March 2011	544,791
At 31 March 2010	745,977

Development costs relate to the costs of developing new lighting product designs. The costs are written off over the expected life which is usually two years. At the end of the period, intangible assets with zero net book value are deemed to be disposed.

Stanley Electric (U.K.) Company Limited

Notes to the financial statements for the year ended 31 March 2011 (continued)

10 Tangible assets

	Computer equipment €	Motor vehicles €	Office equipment, furniture and fittings €	Total €
Cost				
At 1 April 2010	138,888	139,455	135,204	413,547
Additions	12,828	30,111	1,826	44,765
Disposals	(7,617)	0	(62,117)	(69,734)
At 31 March 2011	144,099	169,566	74,913	388,577
Accumulated depreciation				
At 1 April 2010	133,917	107,545	125,314	366,776
Charge for the year	5,687	28,130	9,401	43,219
Disposals	(7,617)	0	(62,117)	(69,734)
At 31 March 2011	131,987	135,675	72,598	340,260
Net book value				
At 31 March 2011	12,112	33,891	2,315	48,317
At 31 March 2010	4,970	31,910	9,890	46,770

11 Stocks

	2011 €	2010 €
Goods held for resale	<u>2,423,627</u>	<u>1,784,606</u>

Stanley Electric (U.K.) Company Limited

Notes to the financial statements for the year ended 31 March 2011 (continued)

12 Debtors

	2011	2010
	€	€
Trade debtors falling due in more than one year	2,114,491	-
Trade debtors balance falling due within one year	9,799,405	8,183,631
Amounts owed by group undertakings	7,134	76,552
Amounts owed by ultimate parent company	1,131	5,059
Deferred tax (note 13)	-	28,277
Prepayments and accrued income	1,661,207	481,282
	<u>13,583,368</u>	<u>8,774,801</u>

Amounts owed by group undertakings and ultimate parent company are unsecured, interest free, and repayable on demand.

13 Deferred taxation

The deferred tax asset comprises

	2011	2010
	€	€
Depreciation in excess of capital allowances	<u>(115,178)</u>	<u>28,277</u>

	2011	2010
	€	€
At 1 April 2010	28,277	32,273
Amount (charged) to the profit and loss account	<u>(143,455)</u>	<u>(3,996)</u>
At 31 March 2011	<u>(115,178)</u>	<u>28,277</u>

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date.

Stanley Electric (U.K.) Company Limited

Notes to the financial statements for the year ended 31 March 2011 (continued)

14 Creditors - Amounts falling due within one year

	2011 €	2010 €
Trade creditors	216,518	463,003
Amounts owed to group undertakings	6,148,662	5,038,793
Amounts owed to ultimate parent company	3,016,551	4,139,227
Corporation tax	190,094	288,562
Taxation and social security	446,701	372,379
Deferred tax (Note 13)	115,178	-
Accruals and deferred income	410,497	574,440
	<u>10,544,201</u>	<u>10,876,404</u>

Amounts owed to group undertakings and ultimate parent company are unsecured, interest free, and repayable on demand.

15 Provisions for liabilities and charges

	€
At 1 April 2010	41,616
Utilised during the year	<u>(41,616)</u>
31 March 2011	<u>-</u>

The balance was provided for the payment in compensation for assembly equipment held by a supplier as the relating production was terminated

16 Called up share capital

	2011 €	2010 €
Allotted, issued and fully paid		
Ordinary shares of £ 1 each		
At 1 April -800,000	<u>1,229,067</u>	<u>1,229,067</u>
Allotted during the financial year	-	-
At 31 March – 800,000 shares	<u>1,229,067</u>	<u>1,229,067</u>

Stanley Electric (U.K.) Company Limited

Notes to the financial statements for the year ended 31 March 2011 (continued)

17 Profit and loss account

	€
At 1 April 2010	10,344,324
Dividends (Note 8)	(600,000)
Profit for the financial year	<u>1,256,615</u>
At 31 March 2011	<u>11,000,939</u>

18 Reconciliation of movements in shareholders' funds

	2011 €	2010 €
Opening shareholders' funds as restated	11,573,391	12,320,996
Dividends	(600,000)	(1,944,000)
Profit for the financial year	<u>1,256,615</u>	<u>1,196,395</u>
Closing shareholders' funds	<u>12,230,006</u>	<u>11,573,391</u>

19 Financial commitments

At 31 March 2011, the company had annual commitments under non-cancellable operating leases as follows.

	2011 Land and buildings €	2010 Land and buildings €
Expiring within one year	103,933	17,578
Expiring between two to five years	<u>-</u>	<u>-</u>
	<u>103,933</u>	<u>17,578</u>

Stanley Electric (U.K.) Company Limited

Notes to the financial statements for the year ended 31 March 2011 (continued)

20 Contingent liabilities

Guarantees have been given to the following

	2011	2010
H M Revenue and Customs	£600,000	£600,000

21 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Stanley Electric Holding Europe Co , Limited, a company incorporated in the United Kingdom. The ultimate parent undertaking and controlling party is Stanley Electric Co , Limited, a company incorporated in Japan

Stanley Electric Co , Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2011. The consolidated financial statements of Stanley Electric Co , Limited available from Stanley Electric Co , Ltd , 2-9-13 Nakameguro, Meguro-Ku, Tokyo, 153-8636, Japan

Stanley Electric Holding Europe Co., Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Stanley Electric Holding Europe Co , Limited can be obtained from Atrium Court, The Ring, Bracknell, Berkshire, RG12 1BW, United Kingdom.