

**Company Registration No. 1006420**

**Yamaha Motor (UK) Limited**

**Report and Financial Statements**

**31 December 2009**

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# **Yamaha Motor (UK) Limited**

## **Report and financial statements 2009**

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# **Yamaha Motor (UK) Limited**

## **Directors' report (continued)**

The company's forecasts and detailed projections taking account all reasonable probable changes in trading performance, show that the company will be able to operate within the level of its current facility. The company has held a discussion with the group about its future borrowing needs and no matters have been drawn to its attention to suggest that renewal of the group facility may not be forthcoming on acceptable terms as all shareholders are committed to Yamaha's business.

### **Charitable donations**

A charitable donation was made of £10,668 (2008 – £9,496)

### **Directors**

The directors who held office during the year except as noted, were as follows

S Hirasawa  
K Masuda  
T Fujimura  
S Hayakawa  
A R Smith

None of the directors who held office at the beginning or end of the financial year had any disclosable interest in the shares of the company or any other group company.

According to the register of directors' interests, no rights to subscribe for shares in or debentures of the company or any other group company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

### **Information to auditors**

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

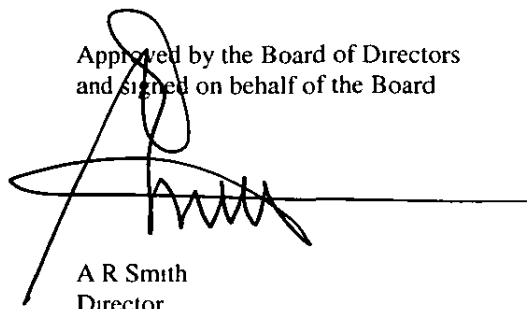
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that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

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

### **Auditors**

A resolution for the reappointment of Deloitte LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



A R Smith  
Director

# **Yamaha Motor (UK) Limited**

## **Directors' report (continued)**

### **Future prospects**

New product introductions within all areas of the business are important to the future success, and the company will be introducing several new models across all sales divisions for the coming season. The company sees this as having a positive impact on the gross profit in the short-term and, equally important, in building strong and sustainable dealer networks across each product.

YMUK also reorganised its Sales and Marketing operations during 2009 to be able to focus much more on both the dealer network and the end user. The results of these actions could already be positively seen towards the latter part of the year as the commercial terms and conditions were presented to its relevant dealer networks.

### **Principal risks and uncertainties**

Competitive pressures in the UK, in particularly the retail leisure industry, are a continuing risk to the company which may result in the overall markets reducing in size, as well as potentially losing sales to its key competitors due to aggressive activities. The company manages and minimises this risk by providing added value services to its customers, having fast response times not only in supplying products but in handling all customer queries, and by maintaining strong relationships with dealers and Yamaha customers.

All company purchases have been affected by the devaluation of Sterling against the Euro. To minimise this risk the company purchases forward exchange contracts.

Due to the nature of the company's business and the assets and liabilities contained within the Company's balance sheet, the major area of financial risk is within dealer credit. Credit risk is mitigated by taking out insurance policies against the Accounts Receivable balance and, in addition, holding charges on property with some key accounts and, where appropriate, holding the registration documents of applicable products, especially motorcycles.

Group (Yamaha Motor Co.) risks are discussed in the Group's Annual Report which does not form part of this Report.

### **Environment**

The company operates in accordance with group policies, which are described in the group's Annual Report which does not form part of this report.

### **Employees**

Details of the number of UK operational contracted employees and related costs can be found in note 7 to the financial statements on page 16.

### **Going concern**

As highlighted in the cash flow statement, the company continues to meet its day to day requirements both through group and external loan facilities. The directors have received a letter of support from Yamaha Motor Europe which confirms that full support will be provided with respect to the financing needs of Yamaha Motor UK for at least the period up until the end of 2011. The Directors of Yamaha Motor UK have assessed the ability of Yamaha Motor Europe to provide that support and are satisfied that they will be able to meet any financing needs. The current economic conditions create uncertainty, particularly over the volatile exchange rate between Sterling and the Euro, and thus the consequences for the company's cost of sales.

# **Yamaha Motor (UK) Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2009

### **Principal activities and business review**

Yamaha Motor (UK) Ltd is a 100% subsidiary of Yamaha Motor Middle Europe B V (a company established in the Netherlands) which in turn is owned by the Yamaha Motor Co group (60% ownership), and by the Mitsui & Co Ltd group (40% ownership) (see note 25 on page 35 for full details of related party transactions in the period)

The principal activities of the company are the marketing and distribution of Yamaha branded motorised products and related spare parts and accessories. There have not been any significant changes in the company's principal activities in the year.

### **International Financial Reporting Standards**

From the beginning of the financial year the company fully adopted International Financial Reporting Standards (IFRSs). Prior year comparatives have been restated and these are used as the basis for comparison throughout these financial statements.

### **Results and Business Review**

The results of the company for the year are set out on page 8. The company made a loss on ordinary activities before taxation for the year ended 31 December 2009 of £3,712,000 (2008 – profit of £84,000).

The balance sheet on page 10 of the financial statements shows the continuing volatility of the exchange rates which has negatively affected the purchasing price of the majority of products. Due to severe competition within each market sector, increasing retail prices has proved to be very difficult with consumer confidence towards leisure items remaining fragile throughout the year.

The above circumstances resulted in a net current liability position at the year end, however, the company has secured group financing in addition to its current local facilities for 2009 onwards. The directors have assessed that the company will be able to finance its working capital requirements with existing financing facilities from both its banks and secured group financing.

Details of amounts owed to group undertakings are shown in note 25 on page 35.

The motorcycle business remains the largest within the overall company and with new products being introduced during 2009, which in turn were supported by proactive marketing initiatives, Yamaha became the No 1 motorcycle manufacturer in the UK market for the first time in its history. This position has further motivated the dealer network and will certainly assist in our requirement to build a stronger network in the future.

All other products performed well in their respective markets throughout the year and, whilst competition remains severe, the Yamaha brand and quality appears to be holding up well against our competitors.

Due to the market leading position in both our motorcycle and marine businesses, this has in turn helped the growth in 2009 of our parts and accessories business which remains fundamental in the overall company's total performance.

The company will continue to seek cost and efficiency savings which will not negatively affect unit sales or brand image in the future in an effort to return to a positive trading position as soon as possible.

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# **Yamaha Motor (UK) Limited**

## **Report and financial statements 2009**

### **Officers and professional advisers**

#### **Directors**

S Hirasawa  
A R Smith  
S Hayakawa  
T Fujimura  
K Masuda

#### **Company Secretary**

T Fujimura

#### **Registered Office**

Sopwith Drive  
Brooklands Industrial Estate  
Weybridge  
Surrey KT13 0UZ

#### **Banks**

Sumitomo Mitsui Banking Corporation Europe Limited  
Hong Kong and Shanghai Bank (HSBC)  
Mizuho Bank

#### **Auditors**

Deloitte LLP  
Chartered Accountants  
London

## **Yamaha Motor (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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- make an assessment of the company's ability to continue as a going concern

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.

## **Independent auditors' report to the members of Yamaha Motor (UK) Limited**

We have audited the financial statements of Yamaha Motor (UK) Limited for the year ended 31 December 2009 which comprise the Statement of Comprehensive Income, Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 26. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 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 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 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 (APB'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.

### **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 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.



## **Independent auditors' report to the members of Yamaha Motor (UK) Limited (continued)**


### **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

  
Anthony J Morris (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
London, United Kingdom

*29th September 2010*

## Yamaha Motor (UK) Limited

### Statement of comprehensive income Year ended 31 December 2009

	Notes	2009 £'000	2008 Restated £'000
Revenue	3	106,548	94,637
Cost of sales		(99,559)	(87,659)
<b>Gross profit</b>		<u>6,989</u>	<u>6,978</u>
Administrative expenses	6	(10,422)	(6,182)
<b>Operating loss</b>		<u>(3,432)</u>	<u>790</u>
Interest receivable and similar income	9	1,416	1,426
Interest payable and similar charges	10	(1,696)	(2,137)
<b>(Loss)/profit on ordinary activities before taxation</b>	6	<u>(3,712)</u>	<u>85</u>
Tax (charge) on (loss)/profit on ordinary activity	12	-	(1)
<b>(Loss)/profit on ordinary activities after taxation</b>	22	<u><u>(3,712)</u></u>	<u><u>84</u></u>

The results for the periods shown above are derived from continuing operations. There are no other items of income and expense for the current and preceding financial year other than those as stated in the statement of comprehensive income.

The notes on pages 11 to 36 form part of these financial statements.

# Yamaha Motor (UK) Limited

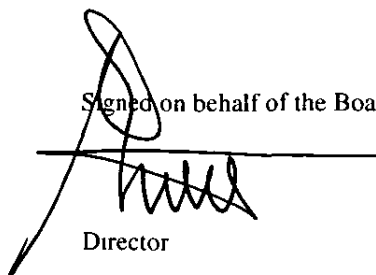
## Balance sheet Year ended 31 December 2009

	Notes	2009 £'000	2008 Restated £'000	2007 Restated £'000
<b>Non-current assets</b>				
Property, Plant and Equipment	13	1,802	1,999	2,487
Deferred Tax Asset	19	18	18	18
Employees retirement benefit	22	1,097	822	694
<b>Total non-current assets</b>		<u>2,917</u>	<u>2,839</u>	<u>3,199</u>
<b>Current assets</b>				
Inventory	14	3,554	1,961	2,023
Trade and other receivables	15	33,434	28,092	23,307
Cash and cash equivalents	20	2,175	496	460
<b>Total current assets</b>		<u>39,163</u>	<u>30,549</u>	<u>25,790</u>
<b>Total assets</b>		<u>42,080</u>	<u>33,388</u>	<u>28,989</u>
<b>Current liabilities</b>				
Trade and other payables	16	(18,051)	(12,182)	(18,327)
Borrowings	17	(25,900)	(19,365)	(8,905)
<b>Total current liabilities</b>		<u>(43,951)</u>	<u>(31,547)</u>	<u>(27,232)</u>
<b>Net (liabilities)/ assets</b>		<u>(1,871)</u>	<u>1,841</u>	<u>1,757</u>
<b>Capital and reserves</b>				
Called up share capital	21	2,400	2,400	2,400
Retained Earnings		(4,271)	(559)	(643)
<b>Shareholders' (deficit)/funds</b>		<u>(1,871)</u>	<u>1,841</u>	<u>1,757</u>

The financial statements of Yamaha Motor (UK) Limited, registered number 1006420 were approved by the Board of Directors and authorised for issued on 2010

*21st September*

Signed on behalf of the Board of Directors

  
Director

## Yamaha Motor (UK) Limited

### Statement of Changes in Equity Year ended 31 December 2009

	Share Capital	Retained Earnings	Total Equity
	£'000	£'000	£'000
<b>Balance at 1 January 2008</b>	2,400	268	1,757
- Unrecognised actuarial gain on defined benefit pension plan		(1,675)	
- Deferred tax on pension liability		711	
- Valuation of derivative contracts		53	
Profit for the period	-	84	84
<b>Balance at 1 January 2009</b>	2,400	(559)	1 841
Loss for the period	-	(3,712)	(3,712)
<b>Balance at 31 December 2009</b>	2,400	(4,271)	(1,871)

## Yamaha Motor (UK) Limited

### Cash flow statement Year ended 31 December 2009

		<b>2009</b> <b>£'000</b>	<b>2008</b> <b>£'000</b>
<b>Net cash outflow from operating activities</b>	20	(3,821)	(2,383)
<b>Investing activities</b>			
Purchase of tangible fixed assets		(757)	(718)
Sale of tangible fixed assets		111	198
Interest received		1,416	1,426
<b>Net cash received from investing activities</b>		<u>770</u>	<u>906</u>
<b>Financing activities</b>			
Dividend paid		-	(6,903)
Interest paid		(1,805)	(2,044)
Increase/(decrease) in debt		6,535	10,460
<b>Net cash from financing activities</b>		<u>4,730</u>	<u>1,513</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>1,679</u>	<u>36</u>
<b>Cash and cash equivalents at beginning of year</b>	20	<u>496</u>	<u>460</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>2,175</u></u>	<u><u>496</u></u>

# **Yamaha Motor (UK) Limited**

## **Notes to the accounts**

### **Year ended 31 December 2009**

#### **1. General information**

Yamaha Motor (UK) Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in Directors' report on pages 2 and 3.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the group operates.

#### **2. Adoption of new and revised standards.**

At the date of authorisation of these financial statements, the following Standards and Interpretations were in issue but not yet effective and have not been applied in these financial statements:

- Amendments to IAS 27 Consolidated and separate financial statements
- Amendments to IAS 39 Eligible hedged items
- Amendments for IFRIC 14 Prepayments of a minimum funding requirement
- IFRIC 18 Transfers of assets from customers
- IFRIC 17 Distributions of non-cash assets to owners
- IAS 24 Related party disclosures
- IFRS 3 revised (2008) Business combinations

The adoption of these Standards and Interpretations in future periods are not expected to have a material effect on the financial statements except for additional disclosures.

#### **3. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the 12 month period, the preceding year and the preceding period.

##### **Basis of accounting**

The financial statements have been prepared in accordance with International Financial Reporting Standards, which comprise standards and interpretations approved by the International Accounting Standards Board and adopted by the European Union and therefore the financial statements comply with Article 4 of the EU IAS Regulation. The disclosures required by IFRS 1 First-time Adoption of International Financial Reporting Standards concerning the transition from UKGAAP to IFRS are given in note 24.

# **Yamaha Motor (UK) Limited**

## **Notes to the accounts**

**Year ended 31 December 2009**

### **3. Accounting policies (continued)**

#### **Going concern basis**

The Directors' assessment of current economic conditions is that it has had a significant adverse impact on the performance of the company. The detail of the business performance has been noted in the Directors' report.

The company meets its day-to-day working capital requirements through a guaranteed group credit facility. The company has held a discussion with its parent company about its future borrowing needs. The parent company has confirmed that it will continue to provide sufficient credit facility for foreseeable future.

The Directors' assessment of going concern based on the company's forecasts and projections, taking account of reasonably possible changes in trading performance, is that the company will be able to manage its funds for working capital requirements for the foreseeable future with existing financing arrangements.

As a result, and 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 accounts.

#### **Property, plant and equipment**

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided to write-off the cost less estimated residual value of property, plant and equipment by equal instalments over their estimated useful lives as follows:

Motor vehicles and plant and machinery	–	25% per annum
Office equipment	–	25% per annum
Leased assets	–	20% per annum

#### **Foreign currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the income statement.

#### **Leases**

##### The company as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

##### The company as lessee

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the terms of the lease, whichever is shorter. Further instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight-line basis over the life of the lease.

# Yamaha Motor (UK) Limited

## Notes to the accounts

### Year ended 31 December 2009

#### 3. Accounting policies (continued)

##### Retirement benefit costs

Contributions to the defined contribution scheme are charged to the income statement in respect of pension costs and other post-retirement benefits are the contributions 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.

For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The Company has adopted the corridor approach for its defined benefit pension plan under IAS 19. The retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial losses (as per corridor approach) and past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

##### Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductions in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

##### Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.



# Yamaha Motor (UK) Limited

## Notes to the accounts

Year ended 31 December 2009

### 3. Accounting policies (continued)

#### Inventory

Inventory is stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price, less future costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

#### Revenue

Revenue represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the period after deduction of discount, and are recognised on delivery of goods to customers.

Included in revenue is the operating lease income from the lease golf car fleet. This is recognised evenly over the lease term with the costs reflected in the same way.

#### Cash

Cash, for the purpose of cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

### 4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Critical judgements in applying the company's accounting policies

The company provides for inventory in relation to the items considered by the management obsolete. The provisions are based upon management's best estimate of net realisable value. The provisions are reviewed by senior management following consultations with those in the business with expert knowledge.

### 5. Revenue

Revenue is attributable to the principal activity of the company (see Directors' Report) and has arisen wholly from sales to the UK market.

An analysis of the group's revenue is as follows:

	2009 £'000	2008 £'000
Sale of goods	105,310	93,352
Equipment leasing income	1,238	1,285
	<u>106,548</u>	<u>94,637</u>

# Yamaha Motor (UK) Limited

## Notes to the accounts

Year ended 31 December 2009

### 6. Loss on ordinary activities before taxation

	2009 £'000	2008 £'000
<b>Loss on ordinary activities before taxation is stated:</b>		
<b>after charging/(crediting):</b>		
Auditors' remuneration		
Audit of company's annual accounts	75	68
Depreciation of property, plant and equipment		
Owned	797	887
Leased	14	14
Write downs of inventories recognised as an expense	143	3
Staff Costs (see note 8)	3,129	3,119
Rent Payable under operating leases		
Buildings	264	264
Others	248	257
<b>after crediting:</b>		
Other rentals receivable under operating leases	1,238	1,285
Profit on disposal of tangible fixed assets	10	3

### 7. Remuneration of directors

	2009 £'000	2008 £'000
<b>Directors' remuneration</b>		
Remuneration as executives	408	413
Company contributions to defined benefit pension schemes	20	20
	<u>428</u>	<u>433</u>

The emoluments of the highest paid director were £269,263 (2008 £269,283) He is not a member of the defined benefit pension scheme

	2009 No.	2008 No.
<b>Retirement benefits are accruing to the following director under:</b>		
Defined benefit schemes	<u>1</u>	<u>1</u>

# Yamaha Motor (UK) Limited

## Notes to the accounts

### Year ended 31 December 2009

#### 8. Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	2009 No.	2008 No.
Administration	17	19
Sales and distribution	54	51
	<u>71</u>	<u>70</u>

The aggregate payroll costs of these persons were as follows

	2009 £'000	2008 £'000
Wages and salaries	2,654	2,579
Social security costs	210	198
Retirement benefit costs	265	342
	<u>3,129</u>	<u>3,119</u>

#### 9. Interest receivable and similar income

	2009 £'000	2008 £'000
Interest on pension assets	1,401	1,398
Bank interest receivable	15	28
	<u>1,416</u>	<u>1,426</u>

# Yamaha Motor (UK) Limited

## Notes to the accounts

Year ended 31 December 2009

### 10. Interest payable and similar charges

	2009 £'000	2008 £'000
Bank interest	309	939
Interest on pension liabilities	1,387	1,198
	<u>1,696</u>	<u>2,137</u>

### 11. Commitments

	2009 £'000	2008 Restated £'000
Minimum lease payments under operating leases recognised as an expense in the year		
Building	264	264
Other	248	257
	<u>264</u>	<u>257</u>

At the balance sheet date, the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows

Within one year	– Building	264	264
	-- Other	241	246
In the second to fifth years inclusive	– Building	330	594
	-- Other	330	406
After five years		-	-
		<u>1,165</u>	<u>1,510</u>

Operating lease payments represent rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of five years and rentals are fixed for an average of five years with an option to extend for a further two years at the then prevailing market rate.

# Yamaha Motor (UK) Limited

## Notes to the accounts

### Year ended 31 December 2009

#### 12. Taxation

##### Taxation

	2009 £'000	2008 £'000
<b>Recognised in the Income Statement:</b>		
Current tax	-	1
Deferred tax credit/charge	-	-
	<u>-</u>	<u>1</u>

##### Factors affecting the tax credit for the current period

The current tax credit for the period differs from the standard rate of corporation tax in the UK of 28% (year ended 31 December 2008 – 28.5%) The reconciling differences are explained below

	2009 £'000	2008 £'000 Restated
<b>Reconciliation of Effective Tax Rates</b>		
(Loss)/profit on ordinary activities before tax	(3,712)	137
Tax using domestic rates of corporation tax of 28%/28.5%	(1,039)	39
<i>Effects of</i>		
Expenses not deductible for tax purposes	9	67
Profit on disposal of ineligible building asset	-	(78)
Short lease premium deduction	(20)	(21)
Change in tax rate for deferred tax purposes	-	(10)
Unrecognised tax losses	907	800
Temporary differences not recognised in deferred tax	143	(797)
Adjustment in respect of prior periods	-	1
Total tax charge	<u>-</u>	<u>1</u>

# Yamaha Motor (UK) Limited

## Notes to the accounts Year ended 31 December 2009

### 13. Property, plant and equipment

	<b>Leasehold building £'000</b>	<b>Motor vehicles, plant and machinery £'000</b>	<b>Office equipment and leased assets £'0 00</b>	<b>Total £'000</b>
<b>Cost</b>				
At 1 January 2009	393	651	4,122	5,166
Transfer from stock	-	-	471	471
Additions	-	59	698	757
Transfers to stock	-	-	(776)	(776)
Disposals	-	(71)	(412)	(483)
At 31 December 2009	393	639	4,103	5,135
<b>Accumulated depreciation</b>				
At 1 January 2009	105	524	2,538	3,167
Transfer from stock	-	-	188	188
Charge for the year	98	69	644	811
Transfers to stock	-	-	(451)	(451)
Disposals	-	(71)	(311)	(382)
At 31 December 2009	203	522	2,608	3,333
<b>Cost</b>				
At 1 January 2008	280	694	4,491	5,466
Transfer from stock	-	-	332	332
Additions	113	76	529	718
Transfers to stock	-	-	(773)	(773)
Disposals	-	(119)	(457)	(576)
At 31 December 2008	393	651	4,122	5,166
<b>Accumulated depreciation</b>				
At 1 January 2008	11	550	2,417	2,978
Transfer from stock	-	-	168	168
Charge for the year	94	73	734	901
Transfers to stock	-	-	(499)	(498)
Disposals	-	(99)	(282)	(381)
At 31 December 2008	105	524	2,538	3,167
<b>Net book value</b>				
At 31 December 2009	190	117	1,495	1,802
At 31 December 2008	288	127	1,584	1,999
At 1 January 2008	269	144	2,074	2,487

Included in the total net book value of office equipment and leases assets is £nil (2008 £14,000, 2007 £28,000) in respect of assets held under finance leases. The depreciation charge for the year on these assets was £14,000 (2008 £14,000).

# Yamaha Motor (UK) Limited

## Notes to the accounts

Year ended 31 December 2009

### 13. Property, plant and equipment (continued)

The amount of assets held for use in operating leases to third parties is as follows

	2009 £'000	2008 £'000	2007 £'000
Cost	3,685	3,705	4,065
Accumulated depreciation	(2,193)	(2,126)	(1,996)
	<u>1,147</u>	<u>1,579</u>	<u>2,069</u>

The aggregate rentals receivable during the period in respect of operating leases was £1,238,000 (2008 £1,285,000)

### 14. Inventory

	2009 £'000	2008 £'000	2007 £'000
Finished goods and goods for resale	3,430	1,662	1,668
Goods in transit	124	299	355
	<u>3,554</u>	<u>1,961</u>	<u>2,023</u>

### 15. Trade and other receivables

	2009 £'000	2008 £'000 Restated	2007 £'000 Restated
<b>Current:</b>			
Trade receivables	31,401	22,093	20,380
Amounts owed by other group undertakings (note 26)	299	225	66
Derivative financial instruments	260	2,102	53
Other receivables	173	1,101	80
Corporation tax group relief receivable	41	1,769	1,980
Prepayments and accrued income	1,260	802	748
	<u>33,434</u>	<u>28,092</u>	<u>23,307</u>

# Yamaha Motor (UK) Limited

## Notes to the accounts

### Year ended 31 December 2009

#### 16. Trade and other payables

	2009 £'000	2008 £'000	2007 £'000
<b>Current</b>			
Trade payables	307	895	619
Amounts owed to group undertakings (note 26)	9,290	5,663	11,251
Amounts owed to fellow subsidiary (note 26)	14	1	-
Accruals and deferred income	8,440	5,623	6,457
	<u>18,051</u>	<u>12,182</u>	<u>18,327</u>

#### 17. Borrowings

	2009 £'000	2008 £'000	2007 £'000
<b>Current</b>			
<b>Unsecured borrowings at amortised cost</b>			
Loans from related parties	25,900	-	-
Bank loans	-	19,365	8,905
	<u>25,900</u>	<u>19,365</u>	<u>8,905</u>
<b>Total borrowings</b>			
Amount due for settlement within 12 months	<u>25,900</u>	<u>19,365</u>	<u>8,905</u>

The other principal features of the company's borrowings are as follows

All borrowings are in pounds sterling. Amounts repayable to related parties of the company carry interest of 1 10% per annum charged on the outstanding loan balances

The weighted average interest rates paid during the year were as follows

	2009 %	2008 %	2007 %
Loans from related parties	1 32	-	-
Bank loans	2 32	5 40	6 41



# Yamaha Motor (UK) Limited

## Notes to the accounts Year ended 31 December 2009

### 18. Retirement benefit

	2009 £'000	2008 £'000	2007 £'000 (9 months period)
		Restated	Restated
Opening balance	(1,742)	2,369	2,802
Current service cost	(246)	(339)	(247)
Employer contributions paid	528	269	219
Expected return on pension scheme assets	1,401	1,396	1,114
Interest on pension scheme liabilities	(1,387)	(1,198)	(834)
Actuarial valuation loss	(767)	(4,239)	(685)
Curtailment Gain	21	-	-
At end of year (note 23)	(2,192)	(1,742)	2,369
Unrecognised actuarial loss/(gain)	3,289	2 564	(1,675)
	<u>1,097</u>	<u>822</u>	<u>694</u>

### 19. Deferred tax

The following are the deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting periods

	Deferred tax liability on derivatives and pension temporary differences £	Deferred tax asset on recognised losses £	Total deferred tax asset/liability £
At 1 January 2008	224,100	(242,100)	(18,000)
Charge/(credit) to the income statement	594,620	(594,620)	-
At 31 December 2008	818,720	(836,720)	(18 000)
Charge/(credit) to the income statement	(438,760)	438,760	-
At 31 December 2009	<b>379,960</b>	<b>(397,960)</b>	<b>(18,000)</b>

Deferred tax assets in respect of deductible temporary differences have not been recognised. Potential deferred tax assets on fixed assets are £486,000 (2008 £235,000)

There are trading tax losses of £6,861 000 carried forward at 31 December 2009 (2008 £3,620,000) which are partially recognised to offset the deferred tax liability on derivatives and pension temporary differences. There are also unrecognised capital losses of £112,000 at 31 December 2009 (2008 £112,000)

# Yamaha Motor (UK) Limited

## Notes to the accounts

### Year ended 31 December 2009

#### 20. Notes to the cash flow statement

	2009 £'000	2008 £'000 Restated
(Loss)/profit for the year	(3,442)	790
<b>Adjustments for:</b>		
Depreciation charge on property, plant and equipment	811	904
Profit on disposal of property, plant and equipment	(10)	(3)
Employee retirement benefit (net movement)	(265)	(127)
	(2,906)	1,564
<b>Operating cash flows before movements in working capital</b>		
Increase/(decrease) in inventory	(1,551)	173
Increase in debtors	(5,342)	(4,785)
Increase in creditors	5,978	665
<b>Net cash outflow from operating activities</b>	<u>(3,821)</u>	<u>(2,383)</u>

#### Net debt reconciliation

	At beginning of year £'000	Cash flow £'000	At end of year £'000
Cash in hand and at bank	496	1,679	2,175
loans and bank overdrafts	(19,365)	(6,535)	(25,900)
<b>Net debt</b>	<u>(18,869)</u>	<u>(4,856)</u>	<u>(23,725)</u>

#### Net debt

	2009 £'000	2008 £'000	2007 £'000
Cash and bank balances	2,175	496	460
Borrowing			
- Bank overdraft	-	(19,365)	(8,905)
- Loan from related party	(25,900)	-	-
	<u>(23,725)</u>	<u>(18,869)</u>	<u>(8,445)</u>

# Yamaha Motor (UK) Limited

## Notes to the accounts

### Year ended 31 December 2009

#### 21. Called up share capital

	2009 £'000	2008 £'000	2007 £'000
<b>Authorised</b>			
5,000,000 ordinary shares of £1 each	5,000	5,000	5,000
<b>Allotted, called up and fully paid</b>			
2,400,000 ordinary shares of £1 each	2,400	2,400	2,400

#### 22. Retirement Benefit

##### Defined contribution scheme

The company operates a defined contribution scheme, which is open to all qualifying employees. The assets of the scheme are held separately from those of the group. The total pension cost charged for the year in these financial statements amounted to £253,000 (2008: £141,000). There were no outstanding or prepaid contributions at the year end.

##### Defined benefit scheme

The company also runs a defined benefit scheme that is no longer open to new employees. The assets of the defined benefit scheme are held in a separate trustee administered fund. The contributions are determined by an independent qualified actuary on the basis of triennial valuations using the projected unit method.

The most recent valuation was at 31 December 2009 by Mr Jack Shearing, Fellow of the Institute of Actuaries. The present value of the defined benefit obligation, the related current service cost and past service cost was measured using the actuarial cost method.

Key assumptions used:	2009	2008	2007
Rate of increase in salaries	5.00%	5.20%	4.95%
Rate of increase in pensions in payment and deferred pensions	3.50%	3.70%	3.45%
Discount rate applied to scheme liabilities	5.60%	6.10%	5.50%
Inflation assumption	3.50%	3.70%	3.45%
Return on assets	6.00%	6.68%	6.00%

Investigations have been carried out within the last three years into the mortality experience of the Company's defined benefit scheme. These investigations concluded that the current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	2009	2008	2007
Retiring today			
Males	87.0	87.0	85.3
Females	89.8	89.8	88.1
Retiring in 20 years			
Males	88.1	88.1	86.3
Females	90.9	90.9	89.0

# Yamaha Motor (UK) Limited

## Notes to the accounts

### Year ended 31 December 2009

#### 22. Retirement Benefit (continued)

Amounts recognised in income statement in respect of the defined benefit schemes are as follows

	2009 £'000	2008 £'000	2007 £'000
Current service cost	(246)	(339)	(329)
Interest cost	(1,387)	(1,198)	(1,112)
Expected return on assets	1,401	1,396	1,485
Amortisation of actuarial loss	(42)	-	-
Curtailment Gains	21	-	-
	<u>(253)</u>	<u>(141)</u>	<u>44</u>

Of the expense for the year, £253,000 (2008: £141,000) has been included in administrative expenses. The actual return of the scheme assets was £2,372,000 (2008: £2,896,000 loss). Amortisation of the actuarial losses is calculated in accordance with the Company's policy of spreading cumulative gains or losses in excess of 10% of the greater of the present value of the defined benefit obligation or the fair value of plan assets over the expected average remaining future service of the current active membership. The expected working lifetime is taken to be 7 years for the year ended 31 December 2009.

Movements in the present value of defined benefit obligations were as follows

	2009 £'000	2008 £'000	2007 £'000
<b>Defined benefit obligations</b>			
Balance at the beginning of the year	(22,694)	(21,783)	(20,604)
Current service cost	(246)	(339)	(247)
Interest cost	(1,387)	(1,198)	(834)
Curtailment Gains	21	-	-
Benefit paid	1,031	573	507
Actuarial (loss)/gain	<u>(1,738)</u>	<u>53</u>	<u>(605)</u>
	<u>(25,013)</u>	<u>(22,694)</u>	<u>(21,783)</u>
<b>Defined benefit assets</b>			
Balance at the beginning of the year	20,952	24,152	23,406
Return on pension asset	1,401	1,396	1,114
Actuarial gain/(loss)	971	(4,292)	(80)
Employer contribution	528	269	219
Benefit paid	<u>(1,031)</u>	<u>(573)</u>	<u>(507)</u>
	<u>22,821</u>	<u>20,952</u>	<u>24,152</u>
Net retirement benefit (obligation)/asset	(2,192)	(1,742)	2,369
Unrecognised actuarial loss/(gain)	<u>3,289</u>	<u>2,564</u>	<u>(1,675)</u>
Net retirement benefit asset (as per corridor approach)	<u>1,097</u>	<u>822</u>	<u>694</u>

# Yamaha Motor (UK) Limited

## Notes to the accounts

### Year ended 31 December 2009

#### 22. Retirement Benefit (continued)

Summary of unrecognised actuarial (loss)/gain

	2009 £'000	2008 £'000	2007 £'000
Balance at the beginning of the year	(2,564)	1,675	2,360
Actuarial valuation (loss)/gain	(767)	(4,239)	(685)
Amortization of actuarial loss	42	-	-
Accumulated unrecognised actuarial (loss)/gain	(3,289)	(2,564)	1,675

The five-year history of experience adjustments is as follows

	31 Dec 2009	31 Dec 2008	31 Mar 2007	31 Mar 2006	31 Mar 2005
Present value of defined benefit obligations	(25,013)	(22,694)	(21,783)	(20,604)	(20,559)
Fair value of scheme assets	22,821	20,952	24,152	23,406	14,261
(Deficit)/surplus in the scheme	(2,192)	(1,742)	2,369	2,802	6,298
Experience adjustments on scheme liabilities	0	912	(194)	(112)	1,210
Percentage of scheme liabilities %	0.0%	4.0%	(0.9%)	(0.5%)	6.1%
Experience adjustments on scheme assets	(971)	4,292	(80)	267	1,833
Percentage of scheme assets %	(4.3%)	20.4%	(0.3%)	1.1%	12.5%

The analysis of the scheme assets and the expected rate of return at the balance sheet date was as follows

	Expected return			Fair value of assets		
	2009 %	2008 %	2007 %	2009 £'000	2008 £'000	2007 £'000
Equity instruments	7.50	7.70	7.55	9,028	7,752	9,770
Debt instruments	4.80	5.50	4.70	13,752	13,200	14,382
Property	-	-	-	41	-	-
	6.00	6.68	6.00	22,821	20,952	24,152

# **Yamaha Motor (UK) Limited**

## **Notes to the accounts**

### **Year ended 31 December 2009**

#### **22. Retirement Benefit (continued)**

The expected amounts of contributions expected to be paid to the scheme during the current financial year is £624,000

The most recent triennial valuation of the Company's pension scheme for funding purposes was performed in 2008. Under the funding schedule agreed with the scheme trustees, the Company aims to eliminate the current deficit over the next fifteen years. The Company will monitor funding levels annually and the funding schedule will be reviewed between the Company and the trustees every three years, based on actuarial valuations. The next triennial valuation is due to be completed at 31<sup>st</sup> March 2011. The Company considers that the contribution rates agreed with the trustees are sufficient to eliminate the current deficit over the agreed period.

Calculations were carried out as at 31 December 2009 to determine the pension cost for accounting purposes in accordance with IAS19, using the corridor approach. The pension cost for the period charged to the income statement was £246,000 (2008 – £339,000). The company expects to contribute £210,000 to its pension plan in 2010. The company also proposes contributing an additional £414,000 every year for 10 years to the pension plans to clear the deficit in the scheme.

Based on the latest actuarial valuation, the Company and the trustees have agreed the following funding objectives:

- to set contributions such as to eliminate the IAS 19 deficit over a period of fifteen years,
- once the current deficit is eliminated to maintain funding at least at this level, and
- to meet the liabilities of the defined benefit scheme in the event that the plan is wound up

# Yamaha Motor (UK) Limited

## Notes to the accounts

### Year ended 31 December 2009

#### 23. Financial instruments

The Company's financial instruments comprise trade and other receivables, trade and other payables and cash and cash equivalents. The Company's financial assets and liabilities are summarised below.

##### Categories of financial instruments

	2009 £'000	2008 £'000	2007 £'000
<b>Current financial assets *</b>			
Trade receivables	31,401	22,093	20,380
Amounts owed to group undertakings	299	225	66
Amounts owed to group undertakings- corporation tax group relieved	41	1,769	1,980
Derivative financial instrument	260	2,102	53
Other receivables	173	1,101	80
Cash and cash equivalents	2,175	496	460
<b>Current assets not meeting the definition of a financial asset</b>			
Inventories	3,554	1,961	2,023
Prepayments	1,260	802	748
<b>Total current assets</b>	<b>39,163</b>	<b>30,549</b>	<b>25,790</b>
<b>Non-current assets not meeting the definition of a financial asset</b>			
Property, plant and equipment	1,802	1,999	2,487
Employees retirement benefit	1,097	822	694
Deferred tax asset	18	18	18
<b>Total non-current assets</b>	<b>2,917</b>	<b>2,839</b>	<b>3,199</b>
<b>Current financial liabilities *</b>			
Trade and other payables	18,051	12,182	18,327
Short term loans and overdraft	25,900	19,365	8,905
<b>Total current liabilities</b>	<b>43,951</b>	<b>31,547</b>	<b>27,232</b>

\* Financial assets and liabilities are stated at fair value

#### Credit Risk

Credit risk is the loss in the value of financial assets due to counterparties failing to meet all or part of their contractual obligations. The Company has adopted a policy of only dealing with creditworthy counterparties. The Company only transacts with entities that are rated to a reliable level. This rating information is supplied by an independent rating agency. Before accepting any new customer, the Company uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Of the trade receivables balance at the end of the year, £3,245,308 (2008: £2,565,247) is due from the Company's largest customer.

# Yamaha Motor (UK) Limited

## Notes to the accounts

Year ended 31 December 2009

### 23. Financial instruments (continued)

#### Credit Risk (continued)

##### Movement in the allowance for doubtful debts:

	2009 £'000	2008 £'000	2007 £'000
Balance at the beginning of the year	591	540	587
Impairment losses recognised	687	51	(47)
Balance at end of the year	1,278	591	540

In determining the allowance for doubtful debts the Company considers the customers inventory, of which the Company has retention of title until the inventory has been paid for

#### Liquidity

Liquidity risk is the risk that the company will not have available funds to meet its liabilities

The Company manages its liquidity risk by regularly monitoring its future cash flows and current cash position  
Funding is available from its parent company if required

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay

	Weighted average effective interest rate %	< 1 month £'000	1 – 3 months £'000	3 months – 1 year £'000	Total carrying value in the balance sheet £'000
<b>2009</b>					
Trade payables		307	-	-	307
Amounts owed to group undertakings		9,290	-	-	9,290
Amounts owed to fellow subsidiary		14	-	-	14
Accruals		8,440	-	-	8,440
Short term borrowing	1.1%	25,900	-	-	25,900
		43,951	-	-	43,951
<b>2008</b>					
Trade payables		895	-	-	895
Amounts owed to group undertakings		5,663	-	-	5,663
Amounts owed to fellow subsidiary		1	-	-	1
Accruals		5,623	-	-	5,623
Short term borrowing	4.5%	19,365	-	-	19,365
		31,547	-	-	31,547



# Yamaha Motor (UK) Limited

## Notes to the accounts

### Year ended 31 December 2009

#### 23. Financial instruments (continued)

##### Liquidity (continued)

The following table details the Company's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Less than 1 month £'000	1-3 months £'000	3-6 months £'000	6 months to 1 year £'000	Greater than 1 year £'000	Impaired £'000	Total carrying value in the balance sheet £'000
<b>2009</b>							
Trade receivables		4,277	26,311	2,091		(1,278)	31,401
Amounts owed to group undertakings	299						299
Amounts owed to group undertakings- corporation tax group relieved					41		41
Derivative financial instrument	(26)	115	171				260
Other receivables	73	100					173
	<u>346</u>	<u>4,492</u>	<u>28,573</u>	<u>2,091</u>	<u>41</u>	<u>(1,278)</u>	<u>32,174</u>
<b>2008</b>							
Trade receivables		3,157	18,149	1,378		(591)	22,093
Amounts owed to group undertakings	225						225
Amounts owed to group undertakings- corporation tax group relieved			1,728		41		1,769
Derivative financial instrument	393	466	1,243				2,102
Other receivables	84	1,017					1,101
	<u>702</u>	<u>4,640</u>	<u>22,498</u>	<u>1,378</u>	<u>41</u>	<u>(591)</u>	<u>27,290</u>

##### Currency risk

The Company undertakes certain transactions denominated in foreign currencies, hence exposure to exchange rate fluctuations. The company does not use currency derivatives to hedge future transactions and cash flows.

##### Forward Foreign Exchange Contracts

It is the policy of the Company to enter into forward exchange contracts to cover specific currency payments within 90% to 100% of the exposure generated.

##### Outstanding Contracts

	Average Exchange Rate		Foreign Currency		Notional Value		Fair Value	
	2009	2008	2009	2008	2009	2008	2009	2008
			€'000	€'000	£'000	£'000	£'000	£'000
Buy Euros								
Less than 3 months	0.888	0.799	4,500	6,750	3,908	5,391	3,997	6,448
3 to 6 months	0.888	0.798	4,500	6,750	3,825	5,390	3,998	6,435

# Yamaha Motor (UK) Limited

## Notes to the accounts

### Year ended 31 December 2009

#### 24. Reclassified income statement, balance sheet and cash flow statement for transition to IFRS

For guidance, the adoption of IFRS will cause the following changes to the Company's reported results for 2008

	UK GAAP 2008 £'000	2008 £'000	IFRS 2008 £'000
<b>Income statement</b>			
Revenue	94,637	-	94,637
Cost of sales	(87,659)	-	(87,659)
Gross profit	6,978	-	6,978
Administrative expenses	(8,217)	2,032	(6,185)
Operating loss	(1,239)	2,032	793
Profit on sale of property, plant and equipment	3	-	3
Interest receivable and similar income	1,426	-	1,426
Interest payable and similar charges	(2,137)	-	(2,137)
(Loss)/profit on ordinary activities before taxation	(1,947)	2,032	85
Tax charge/credit on (loss)/profit on ordinary activities	(1)	-	(1)
(Loss)/profit on ordinary activities after taxation	(1,948)	2,032	84
<b>Statement of comprehensive income</b>			
Net (loss)/profit for the year	(1,948)	2,032	84
Other recognised gains and losses			
Deferred tax – release of profit on pension asset	711	(711)	-
Pension actuarial valuation loss	(4,239)	4,239	-
Total recognised loss	(5,476)	5,560	84

# Yamaha Motor (UK) Limited

## Notes to the accounts

### Year ended 31 December 2009

#### 24. Reclassified income statement, balance sheet and cash flow statement for transition to IFRS (continued)

	UK GAAP £'000	£'000	IFRS £'000
<b>Balance sheet</b>			
Non-current assets	1,999	840	2,839
Current assets	28,465	2,084	30,549
Current liabilities	(31,530)	(17)	(31,547)
Net current liabilities	(1,066)	2,067	998
Pension liability/asset	(1,742)	1,742	-
Net assets	(2,808)	4,649	1,841
Capital and reserves			
Called-up share capital	2,400	-	2,400
Retained earnings	(5,208)	4,649	(559)
Total shareholders' funds	(2,808)	4,649	1,841
	UK GAAP £'000	£'000	IFRS £'000
<b>Cash flow statement</b>			
Net cash outflow from operating activities	(2,383)	-	(2,383)
<b>Investing activities</b>			
Purchase of tangible fixed assets	(718)	-	(718)
Sale of tangible fixed assets	198	-	198
Interest received	1,426	-	1,426
Net cash received from investing activities	906	-	906
<b>Financing activities</b>			
Dividend paid	(6,903)	-	(6,903)
Interest paid	(2,044)	-	(2,044)
Increase/(decrease) in debt	10,460	-	10,460
Net cash from financing activities	1,513	-	1,513
Net increase/(decrease) in cash and cash equivalents	36	-	36
Cash and cash equivalents at beginning of year	460	-	460

# Yamaha Motor (UK) Limited

## Notes to the accounts

### Year ended 31 December 2009

#### 24. Reclassified income statement, balance sheet and cash flow statement for transition to IFRS (continued)

##### Cash flow from operating activities

	UK GAAP £'000	£'000	IFRS £'000
Operating loss	(1,239)	2,032	793
Depreciation charge	901	-	901
Profit on disposal of fixed assets	(3)	-	(3)
Retirement benefit adjustment	(127)	-	(127)
Decrease in stocks	173	-	173
Increase in debtors	(2,400)	(2,385)	(4,785)
Increase in creditors	312	353	665
	<u>(2,383)</u>	<u>-</u>	<u>(2,383)</u>

#### Adjustments arising on adoption of IFRS

##### Compensated Absences

Under UKGAAP the company did not provide for compensated absences at the year end. Under IFRS the company has provided for absence not taken at the end of 2008. The effect of this is a cost of £17,000 as an administrative expense on the income statement. The balance of holiday pay accrual was classified under current liabilities in the Balance sheet.

##### Forward Contract Revaluation

Under UKGAAP the company did not revalue its forward foreign exchange contracts at the year end. Under IFRS the company has restated its forward contracts which have resulted in a credit of £2,049,000 to the administrative expenses within the Income statement (asset balance of 2008: £2,102,000, 2007: £53,000) to the income statement for 2008. The balance of derivative contract was classified under current assets within the Balance sheet.

##### Pension Asset/Liability – Corridor Approach

Using IFRS the company has adopted the corridor approach for the valuation of defined benefit pension scheme's asset/liability. Also, the company has decided to take exemption to adjust for unrecognised actuarial loss based on the carrying amount of defined benefit pension scheme included in consolidated financial statements of Yamaha Motor Europe NV under IFRS (IFRS 1 BC60). This has resulted in a movement of £1,675,000 to the opening reserve as of the date of transition to IFRS. Further, the company did not recognise actuarial losses from pension scheme £4,139,000 arising in the year 2008. Deferred tax liability on pension scheme reversed in the 2008 under UKGAAP amounting to £711,000 (within statement of recognised gains and losses) was adjusted to the opening reserve as of the date of transition.

The balance of net defined benefit pension asset under corridor approach was £822,000. This was classified under non-current assets in the Balance sheet.

##### Deferred tax Asset

Deferred tax asset balance of £18,000 was re-classified as non-current asset in the Balance sheet under IFRS.

## Yamaha Motor (UK) Limited

### Notes to the accounts

### Year ended 31 December 2009

#### 25. Related parties

The related parties with which the company undertook transactions during the year were as follows

Party	Relationship
Yamaha Motor Middle Europe BV, Holland	Immediate parent company (100% ownership)
Yamaha Motor Company Ltd, Japan	Ultimate parent company
Yamaha Motor Europe NV, Holland	Indirect parent company
Mitsui Automotive Europe BV, Holland	Indirect shareholder
Yamaha Motor Espana	Fellow Subsidiary
Yamaha Motor France	Fellow Subsidiary
Yamaha Motor Italia	Fellow Subsidiary
Yamaha Motor Portugal	Fellow Subsidiary
Yamaha Motor Deutschland	Fellow Subsidiary
Mitsui Bussan Commodities Ltd	Previously fellow subsidiary

The following material transactions took place during the period with the parties above

	Group relief		Purchase		Sales	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Yamaha Motor Espana	-	-	-	7	-	-
Yamaha Motor Scandinavia	-	-	11	-	-	-
Yamaha Motor France	-	-	-	16	-	-
Yamaha Motor Italia	-	-	306	3	-	-
Yamaha Motor Portugal	-	-	-	3	-	-
Yamaha Motor Deutschland	-	-	2	3	-	-
Mitsui & Co Energy Risk Management	754	-	-	-	-	-
Yamaha Motor Europe NV	-	-	93 314	85,922	428	2,865
Mitsui Bussan Commodities Ltd	792	119	-	-	-	-
Mitsui & Co Plc	180	-	-	-	-	-

For purchases made from Yamaha Motor Europe NV during the year, payments were made to Yamaha Motor Europe NV amounting to £88,529,933 (2008– £82,924,373)

Amounts due from/to the above parties at the period end were

	Creditors			Debtors		
	2009 £'000	2008 £'000	2007 £'000	2009 £'000	2008 £'000	2007 £'000
Mitsui & Co Plc	-	-	-	180	-	-
Yamaha Motor Company Ltd	-	-	1,035	-	-	-
Yamaha Motor Europe NV	9,290	5 663	5,041	119	225	66
Yamaha Motor Italia	14	-	-	-	-	-
Yamaha Motor Deutschland	-	1	-	-	-	-

There were no amounts written off during the period in respect of debts to or from the related parties. Also company has taken short term loan from related party Yamaha Motor Europe NV of £25,900,000 (2008 £nil)

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## **Yamaha Motor (UK) Limited**

### **Notes to the accounts**

#### **Year ended 31 December 2009**

**26. Ultimate parent company and controlling company**

The company's ultimate parent company and controlling party is Yamaha Motor Company Ltd, which is incorporated in Japan

The smallest group in which the results of the Company are consolidated is headed by Yamaha Motor Middle Europe BV, Holland and the largest group in which the results of the Company are consolidated is that headed by Yamaha Motor Company Ltd. The consolidated accounts of Yamaha Motor Company Ltd are available from 2500 Shingai, Iwata-Shi, Shizuoka-Ken 438, Japan