

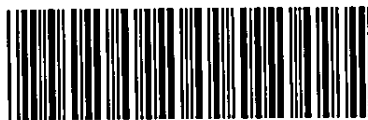
**Company Registration No. 1006420**

**Yamaha Motor (UK) Limited**

**Report and Financial Statements**

**9 months ended 31 December 2007**

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COMPANIES HOUSE

# **Yamaha Motor (UK) Limited**

## **Report and financial statements 2007**

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# **Yamaha Motor (UK) Limited**

## **Report and financial statements 2007**

### **Officers and professional advisers**

#### **Directors**

S Hayakawa  
S Hirasawa  
N Hayashi  
A R Smith  
T Fujimura

#### **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)  
Bank of Tokyo – Mitsubishi UFJ Ltd  
Deutsche Bank

#### **Auditors**

Deloitte & Touche LLP  
Chartered Accountants  
London

# **Yamaha Motor (UK) Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the 9 months ended 31 December 2007

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

Yamaha Motor (UK) Ltd is now 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 19 on page 26 for full details of related parties) The ownership change was implemented on the 12 December 2007 With regard to this change of ownership the company has changed its financial year end to 31 December As a consequence the financial year under review covers a period of 9 months, where the comparative figures are based on a 12 month 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

The results of the company for the year are set out on page 8 The company made a profit on ordinary activities before taxation for the year ended 31 December 2007 of £319,000 (year ended 31 March 2007 – loss of £1,167,000)

The balance sheet on page 10 of the financial statements shows that the company's debt position at the year end has improved as a result of moving to a European Central Inventory Management (ECIM) (lower stock) and the sale of the Yamaha Motor (UK) Ltd office building (lower tangible assets) The office building was sold as the need for warehousing reduced due to the move to ECIM The office part of the building is still being used under a leaseback arrangement However due to the reduction in the stockholding and the change in the timing of the year end (lower debtors) the net asset position of the company has declined

The shareholders decided to distribute a dividend (see below Dividend ) to a total amount of £6,903,000 which is reflected in the balance sheet as at 31 December 2007

The above facts and the different financial year-end resulted in net current assets that are slightly negative However the company has secured group financing if required for 2009 onwards

Details of amounts owed to group undertakings are shown in note 19 on page 26

The motorcycle division result, which had a major bearing on the company's overall result was impacted by continued severe market conditions, which in turn affected the company's performance against forecast

The company will continue to seek cost and efficiency savings which will not negatively affect unit sales or brand image in the future

### **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

### **Principal risks and uncertainties**

Competitive pressures in the UK in particularly the retail industry are a continuing risk to the company which could result in it losing sales to its key competitors The company manages this risk by providing added value services to its customers having fast response times not only in

# **Yamaha Motor (UK) Limited**

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

supplying products but in handling all customer queries and by maintaining strong relationships with dealers and Yamaha customers

The company purchases all of its non motorcycle units in Euros or USD and all spares in Euros 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 holding charges on property and the holding of registration documents

Group 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 4 to the financial statements on page 16

### **Dividends**

The shareholders approved a final dividend on the 21 November 2007 of 287.625p per share for the year ended 31 December 2007 (year ended 31 March 2007: £nil)

### **Charitable donations**

A charitable donation was made to BEN of £5.753 (year ended 31 March 2007 – £8,000)

### **Directors**

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

A Imura		Resigned 19/12/2007
H Cools	Appointed 19/12/2007	Resigned 31/01/2008
S Hirasawa	Appointed 01/02/2008	
I Kobayashi		Resigned 19/12/2007
N Hayashi	Appointed 19/12/2007	
T Fujimura	Appointed 19/12/2007	
S Hayakawa		
A R Smith		
M Yamanaka		Resigned 19/12/2007

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

# **Yamaha Motor (UK) Limited**

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

### **Information to auditors**

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

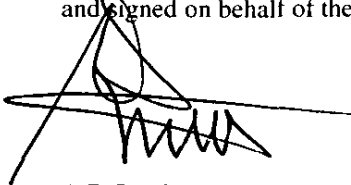
- so far as the director is aware there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that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

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

### **Auditors**

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

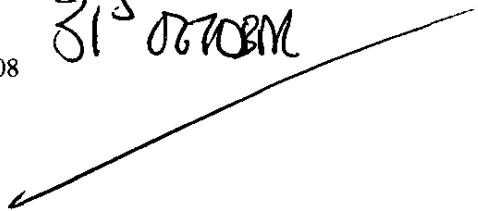
Approved by the Board of Directors  
and signed on behalf of the Board



A R Smith  
Director

2008

31<sup>st</sup> OCTOBER



## **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 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 these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- 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.

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

We have audited the financial statements of Yamaha Motor (UK) Limited for the 9 month period ended 31 December 2007 which comprise the profit and loss account the statement of total recognised gains and losses the balance sheet, the cash flow statement analysis and reconciliation of net debt and the related notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and 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 report to you, whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition also 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 for the above period 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.

## **Independent auditors' report to the members of Yamaha Motor (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 December 2007 and of its profit for the 9 month period 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

*Deloitte & Touche LLP*

**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

London United Kingdom

*31 October* 2008

## Yamaha Motor (UK) Limited

### Profit and loss account 9 months ended 31 December 2007

	Notes	9 months ended 31 December 2007 £'000	Year ended 31 March 2007 £'000
Turnover	2	64 882	77 285
Cost of sales		(59 898)	(69 766)
<b>Gross profit</b>		<b>4,984</b>	<b>7,519</b>
Administrative expenses		(5,646)	(7,548)
<b>Operating loss</b>		<b>(662)</b>	<b>(29)</b>
Profit/(loss) on sale of tangible fixed assets		1,156	(9)
Interest receivable and similar income	5	1,131	1 002
Interest payable and similar charges	6	(1,306)	(2,131)
<b>Profit/(loss) on ordinary activities before taxation</b>	2	<b>319</b>	<b>(1,167)</b>
Tax credit on profit/(loss) on ordinary activity	8	117	348
<b>Profit/(loss) on ordinary activities after taxation</b>	17	<b>436</b>	<b>(819)</b>

The results for the periods shown above are derived from continuing operations

The notes on pages 13 to 26 form part of these financial statements

## Yamaha Motor (UK) Limited

### Statement of total recognised gains and losses 9 months ended 31 December 2007

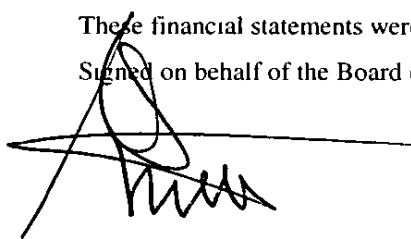
		9 months ended 31 December 2007 £'000	Year ended 31 March 2007 £'000
	Notes		
Net profit/(loss) for the year		436	(819)
Other recognised gains and losses			
Deferred tax on pension asset	13	130	(841)
Deferred tax on payment to pension fund			
- (Reversal) / origination of timing differences	8	(607)	1,646
- Reassessment of recoverable deferred tax asset	8	(1 038)	-
Current tax credit on pension paid	8	608	668
Pension actuarial valuation (loss)/gain	18	(685)	996
Total recognised (loss)/gain		<u>(1 156)</u>	<u>1 650</u>

# Yamaha Motor (UK) Limited

## Balance sheet 31 December 2007

	Notes	31 December 2007		31 March 2007	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	9		2 487		7 887
<b>Current assets</b>					
Stock	10	2 023		5,082	
Debtors					
- due within one year	11	23 608		31,294	
- due after one year	11	-		1,096	
Cash at bank and in hand		460		47	
		<u>26,091</u>		<u>37 519</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(27,568)</u>		<u>(36,640)</u>	
<b>Net current (liabilities)/ assets</b>			<u>(1 477)</u>		<u>879</u>
<b>Total assets less current liabilities</b>			<u>1,010</u>		<u>8,766</u>
Pension asset	13		<u>1 658</u>		<u>1 961</u>
<b>Net Assets including pension asset</b>			<u><u>2,668</u></u>		<u><u>10,727</u></u>
<b>Capital and reserves</b>					
Called up share capital	15		2,400		2,400
Profit and loss account	17		268		8,327
<b>Total shareholders' funds</b>			<u><u>2,668</u></u>		<u><u>10 727</u></u>

The financial statements were approved by the Board of Directors on 31<sup>st</sup> October 2008  
Signed on behalf of the Board of Directors



Director



## Yamaha Motor (UK) Limited

### Cash flow statement 9 months ended 31 December 2007

	9 months ended 31 December 2007 £'000	Year ended 31 March 2007 £'000
<b>Reconciliation of operating profit to net cash flow from operating activities</b>		
Operating loss	(662)	(29)
Depreciation charge	748	1 155
Decrease in stock	3 086	21 783
Decrease in debtors	7 861	3,121
Decrease in creditors	(3 242)	(20 568)
<b>Net cash inflow from operating activities</b>	<u>7,791</u>	<u>5 462</u>
<b>Cash outflow on investment and servicing of finance</b>		
Interest received	1 131	1 002
Interest paid	(1 290)	(2 194)
	<u>(159)</u>	<u>(1 192)</u>
<b>Capital Expenditure and financial investment</b>		
Purchase of tangible fixed assets	(853)	(817)
Sale of tangible fixed assets	6 634	153
	<u>5,781</u>	<u>(664)</u>
<b>Cash outflow from Financing</b>		
Decrease in debt	(13,000)	(4,520)
<b>Increase/(decrease) in cash and cash equivalents during the year</b>	<u>413</u>	<u>(914)</u>

## Yamaha Motor (UK) Limited

### Analysis and reconciliation of net debt 9 months ended 31 December 2007

	9 months ended 31 December 2007 £'000	Year ended 31 March 2007 £'000
Increase/(decrease) in cash during the year	413	(914)
Cash outflow from decrease in debt and lease financing	13,000	4,520
Movement in net debt in the year	13 413	3,606
Net debt at the start of the year	(21 858)	(25,464)
<b>Net debt at the end of the year</b>	<b>(8,445)</b>	<b>(21,858)</b>

#### Analysis of net debt

	At beginning of year £'000	Cash flow £'000	At end of year £'000
Cash in hand and at bank	47	413	460
Bank loans due within one year	(21 905)	13 000	(8 905)
<b>Net debt</b>	<b>(21,858)</b>	<b>13 413</b>	<b>(8,445)</b>

# Yamaha Motor (UK) Limited

## Notes to the accounts 9 months ended 31 December 2007

### 1. Accounting Policy

The principal accounting policies are summarised below. They have all been applied consistently throughout the 9 months period and the preceding year.

#### Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards. The financial statements are prepared under the historical cost convention.

#### Fixed assets and depreciation

Fixed assets 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 tangible fixed assets by equal instalments over their estimated useful lives as follows:

Buildings	–	2% per annum
Motor vehicles and plant and machinery	–	25% per annum
Office equipment	–	25% per annum
Leased assets	–	20% per annum

No depreciation is provided on freehold land.

#### 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 profit and loss account.

#### Leases

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.

#### Pensions

The company operates a pension scheme providing benefits on final pensionable pay (defined benefit scheme). A new scheme was introduced for new employees entering the company which is a defined contribution scheme.

The assets of the scheme are held separately from those of the company. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company.

Contributions to the defined contribution scheme are charged to the profit and loss account 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.

# **Yamaha Motor (UK) Limited**

## **Notes to the accounts**

### **9 months ended 31 December 2007**

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

##### **Stocks**

Stocks are 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.

##### **Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessment in periods different from those in which they are recognised in the financial statements.

##### **Turnover**

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

Included in turnover 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.

# Yamaha Motor (UK) Limited

## Notes to the accounts

### 9 months ended 31 December 2007

#### 2. Turnover and profit / (loss) on ordinary activities before taxation

##### (a) Turnover

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

##### (b) Profit/(loss) on ordinary activities before taxation

	9 months ended 31 December 2007 £'000	Year ended 31 March 2007 £'000
<b>Profit/(loss) on ordinary activities before taxation is stated:</b>		
<b>after charging:</b>		
Auditors' remuneration		
Audit	60	64
Other services – fees paid in respect of Sarbanes Oxley compliance work for group reporting	-	57
Depreciation and other amounts written off tangible fixed assets		
Owned	737	1,141
Leased	11	14
Rent Payable under operating leases	467	79
Loss on disposal of tangible fixed assets	-	9
<b>after crediting:</b>		
Other rentals receivable under operating leases	976	1,365
Profit on disposal of tangible fixed assets	1,156	-
Gain on account of fluctuation in foreign exchange	-	12
	<u>          </u>	<u>          </u>

#### 3. Remuneration of directors

	9 months ended 31 December 2007 £'000	Year ended 31 March 2007 £'000
<b>Directors' remuneration</b>		
Remuneration as executives	242	306
Company contributions to defined benefit pension schemes	15	18
	<u>      </u>	<u>      </u>
	257	324
	<u>      </u>	<u>      </u>

The emoluments of the highest paid director were £149,549 (year ended 31 March 2007 – £173,864) He is not a member of the defined benefit pension scheme

# Yamaha Motor (UK) Limited

## Notes to the accounts

### 9 months ended 31 December 2007

#### 3. Remuneration of directors (continued)

	9 months ended 31 December 2007 No.	Year ended 31 March 2007 No.
Retirement benefits are accruing to the following director under:		
Defined benefit schemes	1	1

#### 4. Staff numbers and costs

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

	9 months ended 31 December 2007 No.	Year ended 31 March 2007 No.
Sales and distribution	53	54
Administration	18	18
	71	72

The aggregate payroll costs of these persons were as follows

	9 months ended 31 December 2007 £'000	Year ended 31 March 2007 £'000
Wages and salaries	1,594	3,083
Social security costs	153	203
Pension costs – Defined Benefit	247	331
Pension costs – Defined Contribution	4	5
	1,998	3,622

#### 5. Interest receivable and similar income

	9 months ended 31 December 2007 £'000	Year ended 31 March 2007 £'000
Interest on pension assets	1,114	939
Bank interest receivable	17	63
	1,131	1,002

# Yamaha Motor (UK) Limited

## Notes to the accounts 9 months ended 31 December 2007

### 6. Interest payable and similar charges

	9 months ended 31 December 2007 £'000	Year ended 31 March 2007 £'000
On bank overdrafts wholly repayable within five years	472	1 099
Interest on pension liabilities	834	1 032
	<u>1 306</u>	<u>2 131</u>

### 7. Commitments

	31 December 2007 £'000	31 March 2007 £'000
Operating leases which expire		
Within one year	6	-
In the second to fifth years inclusive	517	104
	<u>523</u>	<u>104</u>

# Yamaha Motor (UK) Limited

## Notes to the accounts 9 months ended 31 December 2007

### 8. Taxation

Analysis of credit for the period	31 December 2007		31 March 2007	
	£'000	£'000	£'000	£'000
<b>Profit and Loss Account:</b>				
<b>Current tax</b>				
UK corporation tax	(165)		(287)	
Adjustment in respect of prior year – UK corporation tax	(104)		(1,541)	
Total current tax credit		(269)		(1 828)
<b>Deferred tax (note 14)</b>				
Current year	64		-	
Adjustments in respect of prior years	88		1 480	
		152		1 480
Tax credit on profit/(loss) on ordinary activities		(117)		(348)
<b>Statement of total recognised gains and losses:</b>				
<b>Current tax</b>				
UK corporation tax credit on pension allowable		(608)		(668)
<b>Deferred tax (note 14)</b>				
Reversal / (origination) of timing differences		607		(1 646)
Reassessment of recoverable deferred tax asset		1 038		-
		1,037		(2,314)
Total tax charge/(credit) for the period		920		(2,662)

## Yamaha Motor (UK) Limited

### Notes to the accounts

#### 9 months ended 31 December 2007

#### 8. Taxation (continued)

##### 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 30% (year ended 31 March 2007 – 30%) The reconciling differences are explained overleaf

	9 months ended 31 December 2007 £'000	Year ended 31 March 2007 £'000
<b>Current tax reconciliation</b>		
Profit/(loss) on ordinary activities before tax	319	(1 167)
Current tax charge/(credit) at 30% (2007– 30%)	95	(350)
<i>Effects of</i>		
FRS 17 Pension adjustment	(58)	-
Expenses not deductible for tax purposes	52	40
Profit on disposal of ineligible building asset	(272)	-
Capital allowances for period in excess of depreciation	(72)	23
Losses carried forward	90	-
Adjustment in respect of prior periods	(104)	(1,541)
Total current tax credit	(269)	(1 828)

# Yamaha Motor (UK) Limited

## Notes to the accounts 9 months ended 31 December 2007

### 9. Tangible fixed assets

	Leasehold Building £'000	Freehold land and buildings £'000	Motor vehicles, plant and machinery £'000	Office equipment and leased assets £'000	Total £'000
<b>Cost</b>					
At 31 March 2007	-	6 197	1 370	4 694	12,261
Transfer from stock	-	-	-	537	537
Additions	280	-	34	539	853
Transfers to stock	-	-	-	(783)	(783)
Disposals	-	(6,197)	(710)	(496)	(7 403)
At 31 December 2007	280	-	694	4,491	5 465
<b>Accumulated depreciation</b>					
At 31 March 2007	-	963	1 037	2 374	4 374
Transfer from stock	-	-	-	281	281
Charge for the period	11	10	124	603	748
Transfers to stock	-	-	-	(500)	(500)
Disposals	-	(973)	(611)	(341)	(1 925)
At 31 December 2007	11	-	550	2,417	2 978
<b>Net book value</b>					
At 31 December 2007	269	-	144	2 074	2,487
At 31 March 2007	-	5,234	333	2,320	7 887

The gross value of freehold land and buildings includes £nil (year ended 31 March 2007 – £3 197,000) of depreciable assets

Included in the total net book value of office equipment and leases assets is £28 000 (year ended 31 March 2007 – £39 000) in respect of assets held under finance leases. Depreciation charge for the year on these assets was £ 11,000 (year ended 31 March 2007 – £14,000)

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

	9 months ended 31 December 2007 £'000	Year ended 31 March 2007 £'000
Cost	4 065	4,221
Accumulated depreciation	(1,996)	(1,920)
	<u>2 069</u>	<u>2,301</u>

The aggregate rentals receivable during the period in respect of operating leases was £976 000 (year ended 31 March 2007 – £1 365,000)

# Yamaha Motor (UK) Limited

## Notes to the accounts 9 months ended 31 December 2007

### 10. Stock

	9 months ended 31 December 2007 £'000	Year ended 31 March 2007 £'000
Finished goods and goods for resale	1 668	4 579
Goods in transit	355	503
	<u>2 023</u>	<u>5 082</u>

### 11. Debtors

	9 months ended 31 December 2007 £'000	Year ended 31 March 2007 £'000
<b>Amount falling due within one year:</b>		
Trade debtors	20,380	26,231
Amounts owed by other group undertakings (note 19)	66	1 782
Net deferred tax asset (note 14)	18	719
Other debtors	2,396	2 380
Prepayments and accrued income	748	182
	<u>23 608</u>	<u>31 294</u>
<b>Amount falling due after one year:</b>		
Net deferred tax asset (note 14)	-	1,096
	<u>-</u>	<u>1 096</u>

### 12 Creditors' amounts falling due within one year

	9 months ended 31 December 2007 £'000	Year ended 31 March 2007 £'000
Bank loans and overdrafts	8 905	21 905
Trade creditors	619	387
Amounts owed to group undertakings (note 19)*	11 251	6 478
Amounts owed to fellow subsidiary (note 19)	-	10
Accruals and deferred income*	6 793	7 860
	<u>27 568</u>	<u>36 640</u>

\* The 31 March 2007 comparatives have been reclassified for consistency with the 31 December 2008 disclosures. This reclassification has no effect on the total creditors balance.

# Yamaha Motor (UK) Limited

## Notes to the accounts 9 months ended 31 December 2007

### 13. Pension asset

	9 months ended 31 December 2007 £'000	Year ended 31 March 2007 £'000
Opening balance	2 802	(5,918)
Current service cost	(247)	(322)
Employer contributions paid	219	8 139
Expected return on pension scheme assets	1 114	939
Interest on pension scheme liabilities	(834)	(1 032)
Actuarial valuation (loss)/gain	(685)	996
At end of year (note 18)	2,369	2 802
Deferred tax liability	(711)	(841)
Pension asset net	1,658	1 961

### 14. Deferred tax

The elements of deferred taxation are as follows

	9 months ended 31 December 2007 £'000	Year ended 31 March 2007 £'000
Opening Balance	1 815	1 649
Charged to the profit & loss account (Charged)/credited to the STRGL	(152) (1,645)	(1 480) 1 646
	18	1 815
<b>Deferred tax is provided as follows:</b>		
Differences between accumulated depreciation and amortisation and capital allowances	54	142
Other timing differences	(36)	27
Pension Contribution	-	1,646
Deferred tax asset (note 11)	18	1 815

# Yamaha Motor (UK) Limited

## Notes to the accounts 9 months ended 31 December 2007

### 14. Deferred tax (continued)

The company has not provided for a deferred tax asset of £1,026k on pension contributions for which a tax deduction is being spread. This asset will be recoverable in the future if suitable taxable profits arise against which it can be offset as it reverses.

### 15. Called up share capital

	31 December 2007 £'000	31 March 2007 £'000
<b>Authorised</b>		
5 000,000 ordinary shares of £1 each	5,000	5,000
<b>Allotted, called up and fully paid</b>		
2,400,000 ordinary shares of £1 each	2,400	2,400

### 16. Dividend on ordinary shares

	31 December 2007 £'000	31 March 2007 £'000
Amounts recognised as distributions to shareholders in the period		
Final dividend for the 9 month period ended 31 December 2007 of 287 625p (2007 £ nil) per ordinary share	6 903	-

The final dividend was approved by shareholders as on 21 November 2007

### 17. Reconciliation of movements in profit and loss account

	31 December 2007 £'000	31 March 2007 £'000
Opening balance	8 327	6,677
Net profit/(loss) for the period	436	(819)
Approved dividend	(6 903)	-
Other recognised (losses)/gains	(1,592)	2,469
Closing profit and loss account balance	268	8 327

# Yamaha Motor (UK) Limited

## Notes to the accounts

### 9 months ended 31 December 2007

#### 18. Pension schemes

Employees of the company are eligible for membership of the Mitsui UK Retirement Benefits Plan ( the Plan ) which consists of a defined benefit scheme and starting 27 May 2005 a defined contribution scheme for employees newly entering the company

The assets of the defined benefit Plan 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 30 September 2005

Calculations were carried out as at 31 December 2007 to determine the pension cost for accounting purposes The pension cost for the period charged to the profit and loss account was £247,000 (year ended 31 March 2007 – £322,000)

The most recent actuarial review at 31 December 2007 showed that the market value of the company's share of the Plan's assets was £24,152,000 (year ended 31 March 2007 – £23,406,000) and a present value of liabilities of £21,783,000 (year ended 31 March 2007 – £20,604,000) This means coverage of 111% (year ended 31 March 2007 – 114%)

The asset of £2,369,000 (year ended 31 March 2007 – £2,802,000) in the balance sheet represents the difference between the market value of the company's share of the Plan's assets and the present value of the Plan's liabilities The amount charged in the profit and loss account represents the current service cost and finance income and expenditure on the pension scheme assets and liabilities Actuarial gains and losses are included in the statement of total recognised gains and losses (STRGL)

The major assumptions used in the actuarial valuation were

	31 December 2007	31 March 2007	31 March 2006
Rate of increase in salaries	4.95%	4.60%	4.20%
Rate of increase in pensions in payment and deferred pensions	3.45%	3.10%	2.70%
Discount rate applied to scheme liabilities	5.50%	5.40%	5.00%
Inflation assumption	3.45%	3.10%	2.70%

#### Scheme assets

The fair value of the scheme's assets which are not intended to be realised in the short term and may be subject to significant change before they are realised and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were

	31 December 2007 £'000	31 March 2007 £'000	31 March 2006 £'000
Equities	11,929	13,412	10,477
Bonds	12,165	9,924	3,890
Other – property	58	70	254
Total market value of assets	24,152	23,406	14,621
Present value of scheme liabilities	(21,783)	(20,604)	(20,539)
Asset/(liabilities) in the scheme (note 13)	2,369	2,802	(5,918)

# Yamaha Motor (UK) Limited

## Notes to the accounts 9 months ended 31 December 2007

### 18. Pension schemes (continued)

#### Scheme assets (continued)

	Long-term rate of return		
	31 December 2007	31 March 2007	31 March 2006
Equities	7.55%	7.75%	7.30%
Bonds	4.70%	4.55%	4.15%
Other – property	5.25%	4.75%	4.00%

Analysis of amount recognised in statement of total recognised gains and losses

	31 December 2007 £'000	31 March 2007 £'000	31 March 2006 £'000
Difference between the expected and actual return on scheme assets			
Amount	80	267	1 833
Percentage of year end scheme assets	0.3%	1.1%	12.5%
Experience gains and losses on schemes liabilities			
Amount	(194)	(112)	1 210
Percentage of year end present value of scheme liabilities	(0.9%)	0.5%	6.1%
Changes in assumptions underlying the present value of scheme liabilities			
Amount	(571)	841	(924)
Percentage of year end present value of scheme liabilities	(2.6%)	4.8%	(4.5%)
Total amount recognised in statement of total recognised gains and losses			
Amount	(685)	996	2 119
Percentage of year end present value of scheme liabilities	(2.8%)	5.7%	10.3%

The company also operates a defined contribution scheme. The charge for the year (being the contributions made by the company) was £4 000 (2007 - £5 000). No amounts were accrued or prepaid as at 31 December 2007.

## Yamaha Motor (UK) Limited

### Notes to the accounts

#### 9 months ended 31 December 2007

#### 19. Transactions with related parties

The related parties with which the company undertook transactions during the period 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
Mitsui & Co UK plc	Previously fellow subsidiary
Mitsui Bussan Commodities Ltd	Previously fellow subsidiary
Mitsui & Co Energy Risk Management	Previously fellow subsidiary
Datatag ID Ltd	Previously subsidiary, disposed in 01/08/2007

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

	Group Relief		Purchase		Sales	
	31 December 2007 £'000	31 March 2007 £'000	31 December 2007 £'000	31 March 2007 £'000	31 December 2007 £'000	31 March 2007 £'000
Mitsui & Co UK plc	-	313	-	-	-	5
Mitsui & Co Energy Risk Management	900	-	-	-	-	-
Yamaha Motor Europe NV	-	-	48 841	35 608	364	680
Datatag ID Limited	-	-	65	216	-	100
Mitsui Bussan Commodities Ltd	-	256	-	-	-	-

For purchases made from Yamaha Motor Europe NV during the period, payments were made to Mitsui Automotive Europe amounting to £46,428 996 (year ended 31 March 2007 – £47,157,377)

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

	Creditors		Debtors	
	31 December 2007 £ 000	31 March 2007 £'000	31 December 2007 £'000	31 March 2007 £ 000
Mitsui & Co UK plc	-	-	-	313
Mitsui Automotive Europe BV	5 175	-	-	-
Yamaha Motor Company Ltd	1 035	-	-	-
Yamaha Motor Europe NV *	5 041	6 478	66	1 213
Datatag ID Limited	-	10	-	-
Mitsui Bussan Commodities Ltd	-	-	-	256

\* 31 March 2007 comparative restated (refer to note 12)

There were no amounts written off during the period in respect of debts to or from the related parties

#### 20. Ultimate parent company and controlling company and parent undertaking of larger group of which the company is a member

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

The smallest company in which the results of the Company are consolidated is Yamaha Motor Europe NV and the largest is Yamaha Motor Company Ltd. The consolidated accounts of Yamaha Motor Company Ltd are available from 2500 Shingai, Iwata-Shi, Shizuoka-Ken 438, Japan