SANYO Europe Ltd.

Directors' report and financial statements

Registered number 956870

31 March 2013

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COMPANIES HOUSE

Contents

Directors' report

The dırectors present theır report and the audıted financıal statements of the company for the year ended 31 March 2013

Principal activities

In recent years the Company has moved from an actıve tradıng company to a busıness provıdıng an admınıstratıve functıon to other SANYO companıes Servıces provıded ıncluded the provısıon of IT, HR, accountıng and payroll servıces

In the wake of Panasonıc's acquısıtıon of SANYO Electrıc Co , Ltd , the Company's ımmedıate parent, a revıew of SANYO's worldwıde operatıons was undertaken by top management ın Japan The revıew resulted ın the decısıon to close a number of busınesses, ıncludıng SANYO Sales & Marketıng Europe GmbH ("SSME"), a 100% subsıdıary of the Company Thıs wıll have a major ımpact sınce the UK and Ireland branches of SSME generated sıgnıficant ıncome for the Company and these branches ceased ongoıng tradıng actıvıtıes after March 2013

Busıness revıew

The Company's profit for the financıal year ıs £15 386m (2012 loss £2 704m)

The Company generated an exceptıonal gaın of £16m ın the year from the sale of ıts ınvestment ın SANYO E&E Europe BV to Panasonıc Europe Ltd for €20m (approx £16 7m)

The decısıon ın 2012 to cease the tradıng actıvıtıes of SANYO Sales & Marketıng Europe GmbH ("SSME"), a 100% subsıdıary of the Company, has had a major ımpact on the Company's abılıty to generate ıncome thıs year and net operatıng expenses were £23k The Company contınues to provıde support to both the UK and Ireland branches of SSME As at the year end the number of employees was five and thıs number reduced further to one from November 2013

The dırectors took the decısıon to sell the property known as SANYO House ın May 2013 They receıved firm ınterests from potentıal purchasers and Heads of Terms were agreed on 23 January 2014 The dırectors are confident of concludıng a sale before the end of March 2014 The property wıll be sold wıth vacant possessıon

The dırectors do not recommend the payment of a dıvıdend (2012 £nıl)

Going concern

The dırectors have consıdered the ımpact of the closure of SSME and they acknowledge that thıs has had a sıgnıficant effect on the servıces the Company has provıded durıng the year They belıeve, however, that ıt ıs stıll approprıate for the statutory accounts to be produced on a goıng concern basıs The Company has commıtments to the final salary pensıon scheme and has an ongoıng agreement wıth the trustees to extınguısh the scheme deficıt by 2020 There are no current plans to close the Company and any further curtaılment of actıvıtıes ıs expected to happen ın an orderly manner

Directors

The dırectors who held office durıng the year were as follows

T Hırao
Y Maeda (resıgned 11 Aprıl 2013)
H Mızutanı (appoınted 11 Aprıl 2013)
M Nakatanı (resıgned 11 Aprıl 2013)
A Sato
M Takıwakı (resıgned 11 Aprıl 2013)

Company Secretary

B Lakın

Employees

During the year a number of employees left the Company due to redundancy Formal consultation took place with all leavers and the Company followed best HR practice during all consultations and meetings

Following changes to SANYO's European business the decision was taken by the top management of the companies concerned to suspend the meeting of the SANYO European Works Council This matter will be reviewed in the future

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board

Mizutani

H. Mizutani
Director

21 January 2014

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law they have elected to prepare the financial statements in accordance with United Kingdom Standards and applicable law (United Kingdom Generally Accepted Accounting Practice) 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, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

KPMG

Independent auditor's report to the members of SANYO Europe Ltd..

We have audited the financial statements of SANYO Europe Ltd for the year ended 31 March 2013 set out on pages 7 to 22 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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 auditor's 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 auditor
As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www frc org uk/auditscopeukprivate

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

27 January 2014

ALEX SANDERSON

Alex Sanderson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
KPMG LLP
Chartered Accountants
15 Canada Square
London E14 5GL
United Kingdom

Profit and Loss Account

for the year ended 31 March 2013

	Note	2013 £000	2012 £000
Operating expenses	2	**(373)**	(1,572)
Other operating income	2	**350**	604
Fixed asset impairment		**-**	(2,420)
Operating loss		**(23)**	(3,388)
Other interest receivable and similar income	6	**137**	34
Interest payable and similar charges	7	**(788)**	(276)
Exceptional income	3	**16,060**	926
Profit/(Loss) on ordinary activities before taxation		**15,386**	(2,704)
Tax on profit/(loss) on ordinary activities	8	**-**	-
Profit/(Loss) for the financial year		**15,386**	(2,704)

The notes on page 10 to 22 form part of these accounts

Balance Sheet
as at 31 March 2013

	Note	2013 £000	£000	2012 £000	£000
Fixed assets					
Tangible assets	9		3,129		3,280
Investments	10		-		714
			3,129		3,994
Current assets					
Debtors	11	25,688		8,921	
Cash at bank and in hand		432		2,296	
		26,120		11,217	
Creditors: amounts falling due within one year	12	(1,355)		(1,867)	
Net current assets			24,765		9,350
Net assets excluding pension liabilities			27,894		13,344
Pension liabilities	16		(10,708)		(8,959)
Net assets including pension liabilities			17,186		4,385
Capital and reserves					
Called up share capital	13		173,021		173,021
Share premium account	14		3,000		3,000
Profit and loss account	14		(158,835)		(171,636)
Equity shareholders' funds			17,186		4,385

These financial statements were approved by the board of directors on 21 January 2014 and were signed on its behalf by

H. Mizutani
Director
Company registered number 956870

Statement of Total Recognised Gains and Losses
for the year ended 31 March 2013

	Note	**2013**	2012
		£000	£000
Profit/(Loss) for the financial year		**15,386**	(2,704)
Actuarial loss recognised in the pension scheme	*16*	**(2,585)**	(4,146)
Total recognised profit/(loss) relating to the financial year		**12,801**	(6,850)

Notes to the financial statements for the year ended 31 March 2013

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, and under the historical cost accounting rules

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements These financial statements present information about the Company as an individual undertaking and not about its group The parent company, SANYO Electric Co , Ltd, prepares consolidated financial statements under United States Generally Accepted Accounting Principles, which has been assessed as equivalent to the 7th Directive

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking, SANYO Electric Co , Ltd, includes the Company in its own published consolidated financial statements which are publicly available

As the Company is a wholly owned subsidiary of SANYO Electric Co , Ltd, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group (or investees of the group qualifying as related parties) The consolidated financial statements of SANYO Electric Co , Ltd, within which this Company is included, can be obtained from the address given in note 18

Going concern

For the financial year ended 31 March 2013, the Company made a profit of £15 4 million This was the result of an exceptional profit on the sale of the investment in SANYO E&E Europe BV to Panasonic Europe Ltd for €20mill (approx £16 7mill) The decision in 2012 to cease the trading activities of one of the Company's major subsidiaries, SANYO Sales & Marketing Europe GmbH has had a significant impact on the Company's ability to generate income in the current and future years from the provision of shared services

The Company had an excess of current assets over current liabilities of £24 8m as at 31 March 2013, primarily due to term deposits placed with group companies The Company had net assets of £17 2m at 31 March 2013 The directors have reviewed the recoverability of intercompany debtors, the Company's cash position and its ability to meet future commitments when they are due, and have concluded that the company will have adequate financial resources available to continue its activities and consequently the financial statements have been prepared on the going concern basis

Investments

Investments are stated at the lower of carrying amount or net realisable value Carrying amount is stated at cost less any impairment in value, and net realisable value takes account of any guarantees received in respect of such investments from the company's ultimate parent company

Tangible fixed assets and depreciation

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition Depreciation is charged on fixed assets at a rate designed to write off the costs by equal annual instalments over their estimated useful economic lives

All categories of assets except for computer software, air conditioning and solar panels (included within the machinery and equipment category) and freehold land and buildings are depreciated at a rate of 25% per annum

Computer software is written down to a nominal value in the year of purchase

Air conditioning and solar panels are depreciated at a rate of 10% per annum

1 Accounting policies *(continued)*

Freehold buildings are depreciated at a rate of 2% per annum Freehold land is not depreciated

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

Pension Costs

The Company's pension arrangements are explained in note 16 The costs of defined benefit schemes are charged to the profit and loss account over the period during which the company benefits from employees' services Surpluses or deficiencies are spread over the expected average remaining working lifetime of employees in proportion to their expected payroll costs

Taxation

The charge for taxation is based on the loss for the year and takes into account deferred taxation because of timing differences between the treatment of certain items for taxation and accounting purposes Deferred taxation is recognised, without discounting, in respect of all timing differences between the treatment of certain capital items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19

Notes *(continued)*

2 Notes to the profit and loss account

	2013 £000	2012 £000
Loss on ordinary activities before taxation is stated after charging.		
Depreciation and other amounts written off tangible fixed assets		
Owned	**151**	200
Hire of plant and machinery - operating leases	**11**	6
Other operating income	**360**	604

Other operating income includes rental income of £298k from other Group companies renting space in SANYO House (2012 £598k)

Auditor's remuneration

	2013	2012
Audit of these financial statements	**10**	13

3 Exceptional item – Disposal of investment

	2013 £000	2012 £000
Net Proceeds from disposal of SANYO E&E Europe BV	**16,720**	-
Disposal of SANYO E&E Europe BV – carrying value of investment (note 10)	**(713)**	-
Final net dividend from liquidation of SANYO Electric International Finance (UK) Plc	**53**	8,683
Disposal on liquidation of SANYO Electric International Finance (UK) Plc	**-**	(7,757)
Surplus arising on disposal of investment	**16,060**	926

4 Remuneration of directors

	2013 £000	2012 £000
Directors' emoluments (excluding pension contributions)	**232**	**216**

Retirement benefits are accruing to one (2012 one) director under a defined benefit scheme

Highest paid director

	2013 £000	2012 £000
Aggregate emoluments	**232**	216
Defined benefit pension scheme	**120**	134

Notes *(continued)*

5 Staff numbers and costs

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

	Number of employees	
	2013	2012
By activity		
Administration	8	10
	8	10

The aggregate payroll costs of these persons were as follows

	2013	2012
	£000	£000
Wages and salaries	**532**	732
Social security costs	**48**	54
Other pension costs (note 16)	**81**	169
	661	955

6 Other interest receivable and similar income

	2013	2012
	£000	£000
Bank interest receivable	**137**	34
	137	34

7 Interest payable and similar charges

	2013	2012
	£000	£000
Expected return on pension scheme assets	**(538)**	(1,027)
Interest on pension scheme liabilities	**1,326**	1,303
Net interest expense on FRS 17 Pension liability	**788**	276

Notes *(continued)*

8 Taxation

Analysis of charge in the year

	2013 £000	2012 £000
Total current tax	-	-
Total deferred tax	-	-
Tax on loss on ordinary activities	-	-

There is no corporation tax charge for the year (2012 £nil) due to available tax losses

The current tax charge for the year is lower *(2012 lower)* than the standard rate of corporation tax in the UK 24% (*2012 26 %*) The differences are explained below

	2013 £000	2012 £000
Current tax reconciliation		
Profit/(Loss) on ordinary activities before tax	**15,386**	(2,704)
Current tax at 24% *(2012 26 %)*	**3,693**	(703)
Effects of		
Expenses not deductible for tax purposes	**(3,817)**	441
Losses recognised in the period not recognised	**325**	1,340
Short term timing differences	**(201)**	(1,078)
Total current tax charge (see above)	-	-

There are no factors that will materially affect future tax charges The deferred tax asset has not been recognised in the accounts due to uncertainty over whether the company will generate sufficient future profits to utilise the asset A deferred tax asset is regarded as recoverable and, therefore, recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be reduced

A rate of 24% has been used within the deferred tax calculations within these financial statements A reduction in the rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) was substantively enacted in July 2013 Neither of these expected rate reductions had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

Notes *(continued)*

9 Tangible fixed assets

	Land and buildings £000	Motor Vehicles £000	Machinery and equipment £000	Furniture And Fittings £000	Total £000
Cost					
At 1 April 2012	6,038	19	2,673	1,084	9,814
At 31 March 2013	6,038	19	2,673	1,084	9,814
Depreciation					
At 1 April 2012	3,038	19	2,595	882	6,534
Charge for year	55	-	33	63	151
At 31 March 2013	3,093	19	2,628	945	6,685
Net book value					
At 31 March 2013	**2,945**	**-**	**45**	**139**	**3,129**
At 31 March 2012	3,000	-	78	202	3,280

Notes *(continued)*

10 Fixed asset investments

	Total £000
Carrying value	
As at 1 April 2012	714
Disposal on liquidation of SEEE BV (note 3)	(714)
As at 31 March 2013	-

The principal companies in which the Company's interest at the year end is more than 20% are as follows

	Proportion of ordinary share capital held by SANYO Europe Ltd at 31 March 2013 and 2012
Subsidiary companies held directly	
SANYO E&E Europe BV	0% (2012 100%)
SANYO Sales and Marketing (Europe) GmbH	100% (2012 100%)
SANYO Industries (UK) Ltd	100% (2012 100%)

The above subsidiaries have now all ceased trading but their principal activities previously were

SANYO Sales and Marketing (Europe) GmbH – distribution of consumer and commercial electronic products

SANYO Sales and Marketing (Europe) GmbH is incorporated in Germany

SANYO Industries (UK) Ltd – manufacture of colour televisions and monitors

SANYO Industries (UK) Ltd is incorporated in England & Wales

Notes *(continued)*

11 Debtors

	2013 £000	2012 £000
Amounts owed by group undertakings	**25,645**	8,864
Other debtors	**27**	4
Prepayments and accrued income	**16**	53
	25,688	8,921

12 Creditors: amounts falling due within one year

	2013 £000	2012 £000
Trade creditors	**85**	373
Amounts owed to group undertakings	**6**	112
Taxation and social security	**7**	11
Other creditors	**67**	150
Accruals and deferred income	**1,190**	1,221
	1,355	1,867

Notes *(continued)*

13 Called up share capital

	2013	2012
	£000	£000
Allotted and fully paid		
173,021,101 (2012 173,021,101) ordinary shares of £1 each	**173,021**	173,021

14 Share premium and reserves

	Share premium account £000	Profit and loss account £000
At 1 April 2012	3,000	(171,636)
Profit for the year	-	15,386
Actuarial loss on pension liability	-	(2,585)
At 31 March 2013	**3,000**	**(158,835)**

15 Commitments

At 31 March 2013, the Company had annual commitments under non-cancellable operating leases for assets other than land and buildings expiring as follows

	2013	2012
	£000	£000
Operating leases which expire		
Within one year	**2**	-
In the second to fifth years inclusive	**5**	11
	7	11

Notes *(continued)*

16 Pension scheme

Defined benefit scheme

The Company sponsors the SANYO Europe Limited – Stanplan F which is a defined benefit arrangement Valuation results were prepared by a qualified independent actuary as at 2 April 2013 and results based on the underlying membership data have been updated on an approximate basis to 31 March 2013

The information disclosed below is in respect of the whole of the plans for which the Company is either the sponsoring employer or has been allocated a share of cost under an agreed group policy throughout the years shown

	2013	2012
	£000	£000
Present value of funded defined benefit obligations	(33,009)	(28,540)
Fair value of plan assets	22,301	19,581
Net pension fund liability	(10,708)	(8,959)

Movements in present value of defined benefit obligation

	2013	2012
	£000	£000
At 1 April 2012	28,540	23,954
Current service cost	81	169
Gains on settlements or curtailments	(123)	-
Interest cost	1,326	1,303
Actuarial losses	3,939	3,824
Contributions by members	19	37
Benefits paid	(773)	(746)
At 31 March 2013	33,009	28,541

Notes *(continued)*

16 Pension schemes *(continued)*

Movements in fair value of plan assets

	2013	2012
	£000	£000
At 1 April 2012	**19,581**	18,987
Expected return on plan assets	**538**	1,027
Actuarial gains / (losses)	**1,354**	(322)
Contributions by employer	**1,583**	598
Contributions by members	**19**	37
Benefits paid	**(774)**	(746)
At 31 March 2013	**22,301**	19,581

Expense recognised in the profit and loss account

	2013	2012
	£000	£000
Current service cost	**81**	169
Interest on defined benefit pension plan obligation	**1,326**	1,303
Gains on settlements or curtailments	**(123)**	-
Expected return on defined benefit pension plan assets	**(538)**	(1,027)
Total	**746**	445

The total loss recognised in the statement of total recognised gains and losses in respect of actuarial gains and losses is £2,585,000 (2012 £4,146,000)

Cumulative actuarial losses reported in the statement of total recognised gains and losses for accounting periods ending on or after 22 June 2002 and subsequently included by prior year adjustment under paragraph 96 of FRS 17, are £6,819,000 loss (2012 £4,234,000 loss)

Notes *(continued)*

16 Pension schemes *(continued)*

The fair value of the plan assets and the return on those assets were as follows

	2013 Fair value £000	2012 Fair value £000
Equities	-	-
Government debt	**14,799**	13,317
Corporate bonds	**7,261**	6,247
Property	-	-
Other	**241**	17
	22,301	19,581
Actual return on plan assets	**1,892**	706

There are no financial instruments and property occupied, or other assets used, by the reporting entity that are included within fair value of plan assets

The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio

Further details of expected rate of return for each asset class are provided below

Asset Class	2013		2012	
	Proportion of total assets %	**Expected Return % pa**	Proportion of total assets %	Expected Return % pa
Equities	-	-	-	-
Bonds - UK FI Gilts	51 3	2 80	53 0	3 30
Bonds - UK IL Gilts	15 1	2 80	15 0	3 00
Bonds – other	32 5	4 10	31 9	4 90
Property	-	-	-	-
Cash	1 1	3 00	0 1	3 00
Total	**100.0**	**3.23**	**100.0**	**3.77**

Principal actuarial assumptions (expressed as weighted averages) at the year-end were as follows

	2013 %	*2012 %*
Discount rate	***4 1***	*4 7*
Expected rate of return on plan assets	***3.23***	*3 77*
Expected return on plan assets at beginning of the period	***3 77***	*6 52*
Future salary increases	***4 5***	*4 1*
Inflation	***3 5***	*3 1*
Rate of increase to pensions in payment accrued after 5 April 2003	***2 2***	*2 2*
Rate of increase of deferred pensions accrued after 5 April 2003	***2.2***	*2 2*

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows

- Current pensioner aged 65 22 7 years (male), 25 1 years (female)
- Future retiree upon reaching 65 24 6 years (male), 27 0 years (female)

Notes *(continued)*

17 Post Balance Sheet Events

In December 2013 the Directors accepted an offer of £3 37 million for the sale of the land and buildings known as SANYO House Heads of Terms have been agreed between SANYO and the purchaser and the sale is expected to be completed before the end of March 2014

18 Ultimate parent company and parent undertaking of larger group of which the company is a member

The immediate parent undertaking is SANYO Electric Co , Ltd Copies of the SANYO Electric Co , Ltd consolidated financial statements can be obtained from the Company Secretary at 5-5 Keihan-Hondori, 2-Chome Moriguchi-shi, Osaka 570, Japan

The ultimate parent undertaking is Panasonic Corporation, which is the parent undertaking of the smallest and largest group to consolidate these financial statements Copies of the Panasonic Corporation consolidated financial statements can be obtained from the Company Secretary at 1006, Oaza Kadoma, Kadoma- Shi, Osaka 571-8501, Japan