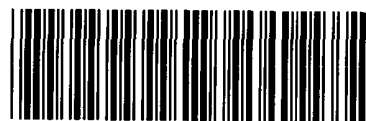


REGISTERED NUMBER: 02739808 (England and Wales)

**Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 31 December 2021
for
WISMETTAC HARRO FOODS LIMITED**

THURSDAY



ABBLMS60

A16

01/09/2022

#127

COMPANIES HOUSE

WISMETTAC HARRO FOODS LIMITED

Contents of the Financial Statements for the Year Ended 31 December 2021

	Page
Company Information	1
Strategic Report	2
Report of the Directors	5
Statement of Directors' Responsibilities	6
Report of the Independent Auditors	7
Income Statement	11
Other Comprehensive Income	12
Balance Sheet	13
Statement of Changes in Equity	14
Notes to the Financial Statements	15

WISMETTAC HARRO FOODS LIMITED

**Company Information
for the Year Ended 31 December 2021**

DIRECTORS:

I D Hetherington
B L D Pandit
Y Sasa
H Tsujikawa
K Hayashi

SECRETARY:

M P Rogers

REGISTERED OFFICE:

Oak Point
Oakcroft Road
Chessington
Surrey
KT9 1RH

REGISTERED NUMBER:

02739808 (England and Wales)

AUDITORS:

P and Co (Partners) LLP
18 Ensign Street
London
E1 8PA

SOLICITORS:

3CS Corporate Solicitors
New Broad Street House
35 New Broad Street
London EC2M 1NH

WISMETTAC HARRO FOODS LIMITED

Strategic Report for the Year Ended 31 December 2021

The directors present their strategic report for the year ended 31 December 2021.

ACTIVITIES

The company's business is the wholesale of foodstuffs.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The results for the year ended 31 December 2021 are set out in the Income Statement. During the year the company made a profit after taxation of £2,870,846 (2020: loss of £528,288).

Annual sales have increased by 53.7% compared to the year ended 31 December 2020. There has been an increase in gross profit margin (2021: 25.6%; 2020: 22.6%). Distribution expenses, which the directors regard as a key KPI, decreased from 11.8% of sales in 2020 to 8.3% in 2021. These positive factors contributed to an operating profit of £3,646,867 in 2021 from operating loss of £473,336 in 2020.

At 31 December 2021, the company's net assets are £7,215,628 (2020: £4,334,782).

The market sector that the company is principally concerned with is the supply of goods to restaurants and takeaways. Trading conditions have improved compared to 2020 pandemic conditions. The National lockdowns have not had an impact on sales and customers have continued to trade throughout the 2nd-4th quarters of 2021. The Directors are satisfied with trading and the resilience of the business in growing sales under difficult pandemic conditions.

In the first quarter of 2021, the company acquired Interlock Investments Limited as a 100% subsidiary. The business operates as an independent entity. The acquisition strengthens the group and provides both companies new sales avenues and product.

The company invests in ensuring that it is aware of and complies with the rapidly changing regulations concerning food hygiene and safety and has BRC accreditation for its foods safety management system.

The competitive strength of the company is increased by utilizing our group purchasing facility, which enables the company to find the most competitive products for supplying to its customers. The company will continue to use all its competitive strength to enable it to increase the level of business and profitability in the future.

WISMETTAC HARRO FOODS LIMITED

Strategic Report for the Year Ended 31 December 2021

PRINCIPAL RISKS AND UNCERTAINTIES

The company's activities expose it to a number of financial risks including price risk, credit risk, cash flow risk, liquidity risk and risk to pandemic. The use of financial derivatives is governed by the company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The company does not use derivative financial instruments for speculative purposes.

Cash flow risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The company uses foreign exchange forward contracts arranged through high credit-rated banking grounds to hedge exposure.

Credit risk

The company's principal financial assets are bank balances and trade receivables.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identifiable loss event which based on previous experience, is evidence of a reduction in recoverability of the cash flow.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit –ratings assigned by international credit-rating agencies.

The company has contracted with an insurance company, with high credit-ratings assigned by international credit rating agencies, to mitigate the credit risk of conducting business with its customers. The Directors consider that the company has successfully reduced its credit risk as much as economically viable, and it continues to monitor its credit position limits very closely.

Pandemic risk

The subsequent lockdowns did not impact the business in 2021 as heavily as it did in 2020. The UK Government's vaccine program has allowed consumers to remain confident and although not able to spend money abroad due to some travel restrictions the home market has remained buoyant. As we see further restrictions reduce confidence returns to the sector.

Brexit considerations

On 31 December 2020 the UK and the European Union agreed to 100% tariff liberalisation. This means there are no tariffs or quotas on the movement of goods. The agreement ensures continued market access rights for the UK and EU road haulage operators, with no permit requirements. Brexit will require importers to provide a simplified declaration procedure, requiring WHF to have EORI number and for food goods may require import license/certificate. These will add some additional costs and complexity to the process that were not there before Brexit.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operation and future developments the company issues a mixture of long-term and short-term debt finance. The company's position as part of the Nishimoto Wismettac Group means that it has access to finance facilities both internal and external to the Group.

Price risk

The company is exposed to commodity price risk, due to both market conditions and foreign rate variation. The company does not manage its exposure to commodity price risk due to cost benefit considerations.

WISMETTAC HARRO FOODS LIMITED

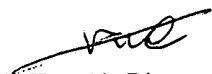
Strategic Report for the Year Ended 31 December 2021

GOING CONCERN

The company prepares forecast and cash flow projections to identify the level of financial resources required for its future operations. The results are shared with the parent company, which has confirmed its continued support for the company's cash flow requirements via a signed letter of support. The company continues to have access to a combined £15m loan and overdraft facility, the security of the loan is guaranteed by the parent company.

The directors therefore have a reasonable expectation that the company will have access to adequate resources to continue in operational existence for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements.

APPROVED AND SIGNED ON BEHALF OF THE BOARD:



K Hayashi - Director

11 July 2022

WISMETTAC HARRO FOODS LIMITED

Report of the Directors for the Year Ended 31 December 2021

The directors present their report with the financial statements of the Company for the year ended 31 December 2021.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2021.

FUTURE DEVELOPMENTS

Information regarding future developments of the Company is included in the Strategic Report.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

I D Hetherington
B L D Pandit
Y Sasa
H Tsujikawa
K Hayashi

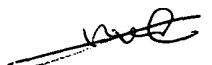
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

The auditors, P and Co (Partners) LLP, have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

APPROVED AND SIGNED ON BEHALF OF THE BOARD:


K Hayashi - Director

11 July 2022

WISMETTAC HARRO FOODS LIMITED

Statement of Directors' Responsibilities for the Year Ended 31 December 2021

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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). 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping 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 Wismettac Harro Foods Limited**Opinion**

We have audited the financial statements of Wismettac Harro Foods Limited (the "company") for the year ended 31 December 2021 which comprise the Income Statement, the Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and the Notes to the Financial Statements including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



Independent Auditors' Report to the Members of Wismettac Harro Foods Limited (continued)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Report of the Directors. We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report to the Members of Wismettac Harro Foods Limited (continued)**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our understanding of the company and the industry in which it operates.

The principal risks of non-compliance with laws and regulations related to failure to comply with UK tax regulations and employment laws in the relevant jurisdictions, health and safety legislation, anti-bribery legislation, general data protection regulation (GDPR), and relevant legislation such as the Criminal Finance Act 2017 and we considered the extent to which non-compliance might have a material effect on amounts or disclosures in the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements including the financial reporting legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting for estimates including estimates relating to investment impairment, stock provision, and provision for bad and doubtful debts.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations identified in the paragraphs above. Audit procedures performed included, but were not limited to:

- discussing with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reading minutes of meetings of those charged with governance;
- inspecting the company's regulatory and legal correspondence;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- identifying and testing journal entries, in particular journal entries posted with unusual account combinations;
- testing of assumptions and judgements made by management in making significant accounting estimates; and
- reviewing the financial statement disclosures and agreeing to underlying supporting documentation.

Independent Auditors' Report to the Members of Wismettac Harro Foods Limited (continued)**Auditors' responsibilities for the audit of the financial statements (continued)**

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

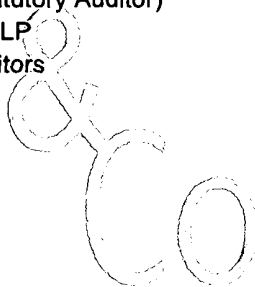
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of our report

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.



Sangyai Jonathan Pitayanukul (Senior Statutory Auditor)
for and on behalf of P and Co (Partners) LLP
Chartered Accountants and Statutory Auditors
18 Ensign Street
London
E1 8PA
Date: 12 July 2022



WISMETTAC HARRO FOODS LIMITED

**Income Statement
for the Year Ended 31 December 2021**

	Notes	2021 £	2020 £
REVENUE	4	43,751,844	28,467,629
Cost of sales		(32,543,275)	(22,036,361)
GROSS PROFIT		11,208,569	6,431,268
Distribution costs		(3,643,146)	(3,370,502)
Administrative expenses		(4,096,832)	(3,654,594)
		3,468,591	(593,828)
Other operating income	5	178,276	120,492
OPERATING PROFIT/(LOSS)		3,646,867	(473,336)
Interest payable and similar expenses	7	(73,351)	(147,465)
PROFIT/(LOSS) BEFORE TAXATION	8	3,573,516	(620,801)
Tax on profit/(loss)	10	(702,670)	92,513
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>2,870,846</u>	<u>(528,288)</u>

The notes form part of these financial statements

WISMETTAC HARRO FOODS LIMITED

**Other Comprehensive Income
for the Year Ended 31 December 2021**


	Notes	2021 £	2020 £
PROFIT/(LOSS) FOR THE YEAR		2,870,846	(528,288)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,870,846</u>	<u>(528,288)</u>

The notes form part of these financial statements

WISMETTAC HARRO FOODS LIMITED (Registered number: 02739808)**Balance Sheet
31 December 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Owned			
Property, plant and equipment	11	5,623,597	5,837,565
Right-of-use			
Property, plant and equipment	11, 18	678,752	785,995
Investments	12	8,402,312	-
		<u>14,704,661</u>	<u>6,623,560</u>
CURRENT ASSETS			
Inventories	13	9,550,597	5,437,462
Debtors	14	3,651,501	2,514,008
Cash at bank and in hand		1,626,141	2,258,643
		<u>14,828,239</u>	<u>10,210,113</u>
CREDITORS			
Amounts falling due within one year	15	(13,429,094)	(11,852,292)
NET CURRENT ASSETS/(LIABILITIES)		<u>1,399,145</u>	<u>(1,642,179)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		16,103,806	4,981,381
CREDITORS			
Amounts falling due after more than one year	16	(8,814,726)	(562,720)
PROVISIONS FOR LIABILITIES	19	(73,452)	(73,879)
NET ASSETS		<u>7,215,628</u>	<u>4,344,782</u>
CAPITAL AND RESERVES			
Called up share capital	20	600,000	600,000
Retained earnings	21	6,615,628	3,744,782
SHAREHOLDERS' FUNDS		<u>7,215,628</u>	<u>4,344,782</u>

The financial statements were approved by the Board of Directors and authorised for issue on 11 July 2022 and were signed on its behalf by:


K Hayashi - Director

The notes form part of these financial statements

WISMETTAC HARRO FOODS LIMITED**Statement of Changes in Equity
for the Year Ended 31 December 2021**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	600,000	4,273,070	4,873,070
Changes in equity			
Total comprehensive income	-	(528,288)	(528,288)
Balance at 31 December 2020	600,000	3,744,782	4,344,782
Changes in equity			
Total comprehensive income	-	2,870,846	2,870,846
Balance at 31 December 2021	600,000	6,615,628	7,215,628

The notes form part of these financial statements

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2021

1. STATUTORY INFORMATION

WISMETTAC HARRO FOODS LIMITED (the "Company") is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

Consolidation

The Company is a wholly owned subsidiary of NTC WISMETTAC EUROPE B.V., a company incorporated in the Netherlands and of its ultimate parent, Nishimoto Co., Ltd., a company incorporated in Japan. It is included in the consolidated financial statements of Nishimoto Co., Ltd., which are publicly available. Therefore, the Company is exempt, by virtue of section 401 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The address of the ultimate parent's registered office is 15th Floor, Nihonbashi Muromachi Mitsui Tower, 3-2-1, Nihonbashi Muromachi, Chuo-ku, Tokyo 103-0022 Japan.

These financial statements are separate financial statements.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report.

The directors have reviewed forecasts and are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due at least 12 months from the date of approval of the financial statements through support and funding from its intermediate parent company and existing banking arrangements. The Covid-19 pandemic risks to the business have been reduced due to the effective vaccine program put in place by the UK Government. Further lifting of restrictions is expected to return to pre-pandemic trading conditions.

A signed letter of support from the Company's parent company, Nishimoto Co., Ltd., has been obtained indicating the parent's intention to continue supporting the cashflow requirements of the Company and guaranteeing its external borrowing for a period extending 12 months from the date of signing the financial statements.

The directors, having assessed the responses of the directors of the parent company to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Nishimoto Wismettac group to continue as a going concern or its ability to continue with the current banking arrangements. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraph 52 the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1; and
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied in the normal course of business, net of discounts, VAT and other sales-related taxes. The Company recognises revenue when performance obligations have been satisfied and for the Company. This is when the goods have transferred to the customer and the customer has control of these. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

<u>Class of assets</u>	<u>Depreciation method</u>	<u>Annual rate</u>
Buildings	Straight-line	3%
Fixtures and equipment	Straight-line	5% - 33%
Motor vehicles	Straight-line	14% - 20%

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at their historical cost amounts, being the original purchase cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation on buildings is charged to the income statement. Freehold land is not depreciated. On the subsequent sale or scrapping of a property, the attributable surplus or loss is recognised in the income statement.

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Investments

Investments in subsidiaries are held at cost less accumulated impairment losses.

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Financial assets

Financial assets are classified as measure at: amortised cost, fair value through profit or loss and fair value through other comprehensive income, as appropriate.

The Company classifies its financial assets at amortised costs.

The classification depends on the purpose for which the financial assets were acquired i.e. the entity's business model for managing the financial assets and/or the contractual cash flow characteristics of the financial asset.

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent to initial recognition these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the income statement together with foreign exchange gains and losses.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debtors, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors and contract assets.

To measure the expected credit losses, trade debtors and contract assets are grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade debtors for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade debtors are a reasonable approximation of the loss rates for the contract assets.

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete, defective and slow moving items.

Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in-first-out method. Net realisable value represents the estimated selling price less all costs to be incurred in marketing, selling and distribution.

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

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 period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible 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 for all taxable temporary differences and deferred tax assets are 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.

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 based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Foreign currencies

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the income statement in the period in which they arise.

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Leases - as a lessee

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

At the lease commencement date, the Company recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Company enters into lease in respect of a low-value asset, the Company decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- amounts expected to be payable by the lease under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payment of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for cost to dismantle and remove a leased asset, restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is required and measured under IAS 37.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Company will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Leases - as a lessee - continued

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use assets is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

In the statement of financial position, the Company presents right-of-use assets within the same line item as similar underlying assets and presents lease liabilities separately.

Retirement benefit costs

The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to the income statement in the period to which they relate.

Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Creditors are presented as amounts falling due within one year unless payment is not due within 12 months after the reporting period.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the income statement as other income or finance costs.

Borrowings are classified as creditors: amounts falling due within one year unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period in which case they are classified as creditors: amounts falling due after more than one year.

Operating profit

Operating profit is stated after charging restructuring costs but before investment income and finance costs.

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, 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 following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below:

In determining whether there are indicators of impairment of the Company's investments, factors taken into consideration include the economic viability and expected future financial performance of the subsidiary. This requires estimation of the future cash flows from the subsidiary and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

The key sensitivities in impairment assessment is the discount rate, the assumed revenue growth and the terminal growth rate.

4. REVENUE

Segmental reporting

Revenue reported in the Income Statement is wholly from the sale of goods.

An analysis of the Company's revenue by geographical market is set out below.

	2021	2020
	£	£
United Kingdom	43,177,065	26,848,297
Europe	574,779	1,619,332
	<u>43,751,844</u>	<u>28,467,629</u>

Revenue from contracts with customers

Contract balances

	2021	2020
	£	£
Debtors included in "Trade and other debtors"	<u>2,766,088</u>	<u>2,023,185</u>

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

5. OTHER OPERATING INCOME

	2021	2020
	£	£
Rents received	27,946	1,479
Sundry expenses	(3,467)	(2,572)
Other income	123,259	-
Government grants	30,538	121,585
	<u>178,276</u>	<u>120,492</u>

Government Grants

During 2020, the Chancellor announced a range of government support schemes to be put in place to assist companies during the COVID-19 outbreak. The company adopted the accrual model to recognise the following grants:

	2021	2020
	£	£
Coronavirus Job Retention Scheme (CJRS)	<u>30,538</u>	<u>121,585</u>

There are no unfulfilled conditions and other contingencies attaching to grants that have been recognised in income. There is no other form of government assistance from which the Company has directly benefited.

6. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	3,829,323	4,021,365
Social security costs	291,704	242,392
Other pension costs	252,750	211,235
	<u>4,373,777</u>	<u>4,474,992</u>

The average number of employees including directors during the year was as follows:

	2021	2020
Administration	21	19
Sales and Distribution	78	82
	<u>99</u>	<u>101</u>

	2021	2020
	£	£
Directors' remuneration	<u>493,630</u>	<u>632,816</u>

WISMETTAC HARRO FOODS LIMITED**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****6. EMPLOYEES AND DIRECTORS - continued**

Information regarding the highest paid director is as follows:

	2021 £	2020 £
Emoluments etc	<u>333,589</u>	<u>325,301</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £	2020 £
Bank interest	36,140	80,175
Interest expense on lease liabilities	29,540	33,117
Interest on group finance	7,671	34,173
	<u>73,351</u>	<u>147,465</u>

8. PROFIT/(LOSS) BEFORE TAXATION

The profit/(loss) before taxation is stated after charging:

	2021 £	2020 £
Cost of inventories recognised as expense	29,085,031	20,039,582
Hire of plant and machinery	34,248	48,967
Other operating leases	22,231	12,992
Depreciation - owned assets	274,006	268,880
Net foreign exchange gains	(71,021)	(99,008)
Gain on disposal of property, plant and equipment	(686)	-
Staff costs	4,373,777	4,474,992
(Reversal of impairment) or impairment of trade debtors	<u>(94,919)</u>	<u>234,368</u>

9. AUDITORS' REMUNERATION

Fees payable to P and Co (Partners) LLP for the audit of the Company's annual accounts were £33,500 (2020 - £30,000).

WISMETTAC HARRO FOODS LIMITED**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****10. TAXATION****Analysis of tax expense/(income)**

	2021 £	2020 £
Current tax:		
Tax	706,922	(102,871)
Adjustments in respect of prior years	(3,825)	-
Total current tax	703,097	(102,871)
Deferred tax	(427)	10,358
Total tax expense/(income) in income statement	702,670	(92,513)

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Profit/(loss) before income tax	3,573,516	(620,801)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	678,968	(117,952)
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit	44,199	26,917
Capital allowance in excess of depreciation	(16,672)	-
Adjustments in respect of prior years	(3,825)	(1,478)
Tax expense/(income)	702,670	(92,513)

Corporation tax is calculated at 19% (2020 - 19%) of the estimated taxable profit for the period.

There are no comprehensive income or expenses other than the profit for the financial period and the preceding financial year and therefore no related tax amounts.

There are no amounts relating to tax that have been recognised directly in equity.

WISMETTAC HARRO FOODS LIMITED
**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**
11. PROPERTY, PLANT AND EQUIPMENT
Owned fixed assets

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Equipment £	Totals £
COST					
At 1 January 2021	5,571,310	494,072	93,198	1,229,531	7,388,111
Additions	17,725	46,431	-	68,975	133,131
Disposals	-	(4,957)	(91,851)	(196,179)	(292,987)
At 31 December 2021	<u>5,589,035</u>	<u>535,546</u>	<u>1,347</u>	<u>1,102,327</u>	<u>7,228,255</u>
DEPRECIATION					
At 1 January 2021	770,148	153,109	92,143	535,146	1,550,546
Charge for year	123,224	29,013	269	121,500	274,006
Eliminated on disposal	-	(4,957)	(91,851)	(123,086)	(219,894)
At 31 December 2021	<u>893,372</u>	<u>177,165</u>	<u>561</u>	<u>533,560</u>	<u>1,604,658</u>
NET BOOK VALUE					
At 31 December 2021	<u>4,695,663</u>	<u>358,381</u>	<u>786</u>	<u>568,767</u>	<u>5,623,597</u>
At 31 December 2020	<u>4,801,162</u>	<u>340,963</u>	<u>1,055</u>	<u>694,385</u>	<u>5,837,565</u>

Right-of-use assets

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Equipment £	Totals £
COST					
At 1 January 2021	-	-	1,005,862	51,345	1,057,207
Additions	-	-	135,880	-	135,880
Disposals	-	-	(46,887)	-	(46,887)
At 31 December 2021	<u>-</u>	<u>-</u>	<u>1,094,855</u>	<u>51,345</u>	<u>1,146,200</u>
DEPRECIATION					
At 1 January 2021	-	-	255,854	15,358	271,212
Charge for year	-	-	207,344	11,450	218,794
Eliminated on disposal	-	-	(22,558)	-	(22,558)
At 31 December 2021	<u>-</u>	<u>-</u>	<u>440,640</u>	<u>26,808</u>	<u>467,448</u>
NET BOOK VALUE					
At 31 December 2021	<u>-</u>	<u>-</u>	<u>654,215</u>	<u>24,537</u>	<u>678,752</u>
At 31 December 2020	<u>-</u>	<u>-</u>	<u>750,008</u>	<u>35,987</u>	<u>785,995</u>

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

PROPERTY, PLANT AND EQUIPMENT - continued

The Company's freehold land and buildings are stated at their historical cost amounts, being the fair value at the date of acquisition, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Impairment losses recognised in the period

No impairment assessment was performed in 2021 (2020 - none) as there was no indication of impairment.

12. INVESTMENTS

	Shares in group undertakings £
COST	
Additions	8,402,312
At 31 December 2021	8,402,312
NET BOOK VALUE	
At 31 December 2021	8,402,312

On 20 February 2021, the Company acquired the entire share capital of Interlock Investments Limited, whose main business is the wholesale of Asian food products and ingredients, for £8,402,312 in cash. There is no liability incurred for contingent consideration.

Name of undertaking	Address	Class of shares held	% held
Interlock Investments Limited	229 St Vincent Street, Glasgow, United Kingdom, G2 5QY	Ordinary shares	100% direct

13. INVENTORIES

	2021 £	2020 £
Finished goods	9,550,597	5,437,462

The cost of inventories recognised as an expense includes £135,173 (2020 - £143,658) in respect of write-downs of inventory to net realisable value.

WISMETTAC HARRO FOODS LIMITED**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
Trade debtors	2,728,856	1,758,454
Amounts owed by group undertakings	351,273	250,231
Other debtors	16,670	9,871
Tax	-	105,354
VAT	322,815	189,393
Prepayments	231,887	200,705
	<u>3,651,501</u>	<u>2,514,008</u>

Trade debtors are stated after provisions for impairment of £36,059 (2020 - £221,445).

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 17)	4,500,000	5,400,000
Other loans	-	1,500,000
Leases (see note 18)	235,830	243,183
Trade creditors	4,195,756	2,920,555
Amounts owed to group undertakings	3,130,083	1,349,538
Tax	597,745	-
Social security and other taxes	262,573	214,367
Accrued expenses	507,107	224,649
	<u>13,429,094</u>	<u>11,852,292</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 17)	8,356,522	-
Leases (see note 18)	458,204	562,720
	<u>8,814,726</u>	<u>562,720</u>

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

17. FINANCIAL LIABILITIES - BORROWINGS

Terms and debt repayment schedule

	1 year or less £	1-2 years £	2-5 years £	More than 5 years £	Totals £
Bank loans	<u>4,500,000</u>	<u>-</u>	<u>8,356,522</u>	<u>-</u>	<u>12,856,522</u>

Bank loans

Included in the bank loans is an amount of £4,500,000, which is repayable on 24 January 2022. Interests are charged at 0.70% to 1.00%. The balance of £8,356,522 are repayable between 31 May 2024 and 27 February 2026. Interest is charged at 0.85% above the bank's cost of funds.

18. LEASING

Right-of-use assets

The Company mainly leases motor vehicle for goods delivery and distribution usage and some office equipment. Leases of motor vehicle are ranging from 3 years to 5 years. Leases of office equipment are ranging from 3 years to 5 years. Lease payments are generally fixed. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. There is no option to purchase the underlying leased asset outright at the end of lease, however, the Company can extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security.

	2021 £	2020 £
Motor vehicles	654,215	750,008
Equipment	<u>24,537</u>	<u>35,987</u>
	<u>678,752</u>	<u>785,995</u>

Other leases

	2021 £	2020 £
Short-term and low-value leases	<u>56,479</u>	<u>61,959</u>

The total cash outflow for leases in 2021 was £304,337 (2020 - £308,853).

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

18. LEASING - continued

Lease liabilities

Minimum lease payments fall due as follows:

	2021 £	2020 £
Gross obligations repayable :		
Current	235,830	243,183
Non-current	458,204	562,720
	<u>694,034</u>	<u>805,903</u>

Amounts realised in profit and loss

	2021 £	2020 £
Depreciation expense on right-of-use assets	218,794	232,588
Interest expense on lease liabilities	29,540	33,117
Expense relating to short-term leases and low-value assets	56,479	61,959
Variable lease payments not included in the measurement of the lease liability	88,266	86,188
	<u>393,079</u>	<u>413,852</u>

Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low-value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred. In the case of the Company, variable lease payments represent repairs and maintenance which are not recognised in the related lease liability are expensed as incurred.

19. PROVISIONS FOR LIABILITIES

	2021 £	2020 £
Deferred tax	<u>73,452</u>	<u>73,879</u>
		Deferred tax
		£
Balance at 1 January 2021		73,879
Charge to Income Statement		<u>(427)</u>
Balance at 31 December 2021		<u>73,452</u>

WISMETTAC HARRO FOODS LIMITED**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021****19. PROVISIONS FOR LIABILITIES - continued**

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current reporting period.

	Accelerated tax depreciation £
Balance at 1 January 2021	(73,879)
Charge to Income Statement	427
Balance at 31 December 2021	<u>(73,452)</u>

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
600,000	Ordinary shares	1	<u>600,000</u>	<u>600,000</u>

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. All shares rank pari passu in all respects.

21. RESERVES

	Retained earnings £
At 1 January 2021	3,744,782
Profit for the year	<u>2,870,846</u>
At 31 December 2021	<u>6,615,628</u>

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2021

22. RELATED PARTY DISCLOSURES

During the year, the Company sold £23,186 (2020 - £136,569) of goods to, purchased £101,884 (2020 - £82,025) of goods from Comptoirs Oceaniques, which is 90% (2020 - 20%) owned by the Company's immediate parent company, NTC Wismettac Europe B.V., indirectly. At the year end, £1,173 (2020 - £nil) was outstanding and included within debtors, and the Company owed £nil (2020 - £13,937) to Comptoirs Oceaniques, which was included within creditors.

During the year, the Company recharged £2,482,280 (2020 - £657,616) expenses to Comptoirs Des 3 Caps, which is 90% (2020 - 20%) owned by the Company's immediate parent company, NTC Wismettac Europe B.V. At the year end, £223,809 (2020 - £31,118) was outstanding and included within debtors.

No disclosure is required for transactions with SSP Konsumguter Trade & Consult GmbH which is wholly (2020 - 20%) owned by the Company's immediate parent company, NTC Wismettac Europe B.V. (2020 - the Company sold £8,891 of goods to, purchased £29,509 of goods from and recharged £498,813 expenses to SSP Konsumguter Trade & Consult GmbH. At 31 December 2020, £146,648 was outstanding and included within debtors and the Company owed £3,189 to SSP Konsumguter Trade & Consult GmbH, which was included within creditors).

The balances are unsecured and no guarantees have been received or granted.

23. EVENTS AFTER THE REPORTING PERIOD

The Company has continued to trade satisfactorily and have reported good results during the continued Pandemic period. The business has seen an increase in activity with customers now starting to expand their network which the business supports. The business sees the Pandemics influence as reducing as the UK Government's vaccine program has led to reduced restrictions and these restrictions are expected to be lifted further. The business is aware of ongoing inflationary pressures that may put pressure on consumers budgets along with supplier inflation that will lead to possible price rises.

The business has been able report satisfactory results for 2021 during the pandemic. In 2022 the business expects further lifting of restrictions that will help trading. Full lifting of restrictions is due in the first quarter of 2022. The business expects significant growth in 2022 and has taken additional steps to support that growth, the directors are confident that the business is a going concern.

24. ULTIMATE CONTROLLING PARTY

In the opinion of the directors, the Company's ultimate parent company and ultimate controlling party is Nishimoto Co., Ltd., a company incorporated in Japan. The parent undertaking of the smallest and largest group which includes the Company and for which group accounts are prepared is Nishimoto Co., Ltd., a company incorporated in Japan. Copies of the group financial statements of Nishimoto Co., Ltd. are available from 15th Floor, Nihonbashi Muromachi Mitsui Tower, 3-2-1, Nihonbashi Muromachi, Chuo-ku, Tokyo 103-0022 Japan. The Company's immediate controlling party is NTC Wismettac B.V., a company incorporated in the Netherlands.