

Registered number
02986582

True World Foods (UK) Ltd
Report and Financial Statements
31 March 2018

True World Foods (UK) Ltd
Report and accounts
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True World Foods (UK) Ltd
Company Information

Directors

B Jung
J H Kim
S Yoshida
A J Choi

Auditors

Kaiser Nouman Nathan LLP
Unit 4
17 Plumbers Row
London
E1 1EQ

Bankers

HSBC
50-52 Kilburn High Road
London
NW6 4HJ

Registered office

Unit 10b, Beaver Industrial Park
Brent Road
Southall
Middlesex. England
UB2 5FB

Registered number

02986582

True World Foods (UK) Ltd

Registered number:

02986582

Directors' Report

The directors present their report and financial statements for the year ended 31 March 2018.

Principal activities

The company's principal activity during the year continued to be fresh and frozen fish wholesalers.

Dividends

No dividends will be distributed for the year ended 31 March 2018.

Directors

The following persons served as directors during the year:

B Jung
J H Kim
S Yoshida
A J Choi

Directors' responsibilities

The directors are responsible for preparing the report and 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 (Financial Reporting Standard 102 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 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;
- 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.

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself

aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 27 July 2018 and signed on its behalf.

B Jung
Director

True World Foods (UK) Ltd

Strategic Report

The directors present their strategic report for the year ended 31 March 2018.

Review of business

TWF (UK) Ltd has had a very encouraging year. We recorded nearly 22% rise in turnover. This is set to continue especially as we have invested well with hiring able and experience people and also in new machineries. We achieved our growth mostly from acquiring new accounts mainly with the premium-end restaurants and also by securing bigger product basket to supply the small and medium size take-away groups. In addition we achieved a higher level of Food Safety standard with SALSA certification early this year. This certification will potentially allow us the opportunity to approach major customers which require suppliers to be equipped with a higher standard of traceability and food safety standard. We achieved Gross Profit and Net Income of over 20% and 5% respectively.

Principal risks and uncertainties

Our main areas of concern are in relation to the current uncertainties in the economic climate especially with regards to Brexit and related issues such as currency fluctuation and potential different regulation to adjust to. In addition to all this we have to deal with competition from few major seafood product suppliers which are trying to break into the niche market of supplying to Japanese-theme restaurants.

Risk management

We are putting in measures in place to combat any potential risk we may face in the next few years. One of the key measure we decided on was to invest in the Defroster machine which helps to defrost super-frozen Yellowfin Tuna which we believe will allow to compete in market better and may help drive the future growth.

KPI and the future

With the achievement of the SALSA certification, the outlook is more positive as we will have the opportunity to bid for seafood supply contract with retailers and major contract caterers. This is one area which could potentially drive and sustain our growth for the next few years.

This report was approved by the board on 27 July 2018 and signed on its behalf.

B Jung
Director

True World Foods (UK) Ltd

Independent auditors' report

to the members of True World Foods (UK) Ltd

We have audited the financial statements of True World Foods (UK) Ltd for the year ended 31 March 2018 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, 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 accounts

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/auditscopeukprivate

Opinion on the accounts

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report and the Strategic 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 accounts 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.

D Bathmanathan

(Senior Statutory Auditor)

for and on behalf of

Kaiser Nouman Nathan LLP

Accountants and Statutory Auditors

27 July 2018

Unit 4

17 Plumbers Row

London

E1 1EQ

True World Foods (UK) Ltd
Income Statement
for the year ended 31 March 2018

	Notes	2018 £	2017 £
Turnover	2	17,662,942	14,520,439
Cost of sales		(14,037,899)	(11,126,029)
Gross profit		<u>3,625,043</u>	<u>3,394,410</u>
Administrative expenses		(2,428,341)	(2,194,402)
Other operating income		38,000	38,731
Operating profit	3	<u>1,234,702</u>	<u>1,238,739</u>
Loss on sale of fixed assets		(18,700)	(2,977)
Interest receivable		101	185
Interest payable	5	(31,615)	(34,940)
Profit on ordinary activities before taxation		<u>1,184,488</u>	<u>1,201,007</u>
Tax on profit on ordinary activities	6	(233,885)	(246,804)
Profit for the financial year		<u>950,603</u>	<u>954,203</u>

True World Foods (UK) Ltd
Statement of Financial Position
as at 31 March 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible assets	7	2,187,011	2,288,049
Current assets			
Stocks	8	2,075,793	1,584,537
Debtors	9	2,594,271	2,278,849
Cash at bank and in hand		1,093,967	925,053
		<u>5,764,031</u>	<u>4,788,439</u>
Creditors: amounts falling due within one year	10	(2,822,741)	(2,758,174)
Net current assets		<u>2,941,290</u>	<u>2,030,265</u>
Total assets less current liabilities		<u>5,128,301</u>	<u>4,318,314</u>
Creditors: amounts falling due after more than one year	11	(1,231,439)	(1,371,190)
Provisions for liabilities			
Deferred taxation	13	<u>(87,951)</u>	<u>(88,816)</u>
Net assets		<u>3,808,911</u>	<u>2,858,308</u>
Capital and reserves			
Called up share capital	14	3	3
Share premium	15	164,157	164,157
Profit and loss account	16	3,644,751	2,694,148
Total equity		<u>3,808,911</u>	<u>2,858,308</u>

B Jung

Director

Approved by the board on 27 July 2018

True World Foods (UK) Ltd
Statement of Changes in Equity
for the year ended 31 March 2018

	Share capital	Share premium	Other reserves	Profit and loss account	Total
	£	£	£	£	£
At 1 April 2016	3	164,157	-	1,739,945	1,904,105
Profit for the financial year				954,203	954,203
At 31 March 2017	<u>3</u>	<u>164,157</u>	<u>-</u>	<u>2,694,148</u>	<u>2,858,308</u>
At 1 April 2017	3	164,157	-	2,694,148	2,858,308
Profit for the financial year				950,603	950,603
At 31 March 2018	<u>3</u>	<u>164,157</u>	<u>-</u>	<u>3,644,751</u>	<u>3,808,911</u>

True World Foods (UK) Ltd
Statement of Cash Flows
for the year ended 31 March 2018

	Notes	2018 £	2017 £
Operating activities			
Profit for the financial year		950,603	954,203
Adjustments for:			
Loss on sale of fixed assets		18,700	2,977
Interest receivable		(101)	(185)
Interest payable		31,615	34,940
Tax on profit on ordinary activities		233,885	246,804
Depreciation		260,988	290,119
Increase in stocks		(491,256)	(568,580)
Increase in debtors		(315,422)	(502,492)
Increase in creditors		78,093	511,496
		<u>767,105</u>	<u>969,282</u>
Interest received		101	185
Interest paid		(29,889)	(34,940)
Interest element of finance lease payments		(1,726)	-
Corporation tax paid		(263,304)	(162,352)
Cash generated by operating activities		<u>472,287</u>	<u>772,175</u>
Investing activities			
Payments to acquire tangible fixed assets		(183,650)	(232,136)
Proceeds from sale of tangible fixed assets		5,000	16,689
Cash used in investing activities		<u>(178,650)</u>	<u>(215,447)</u>
Financing activities			
Repayment of loans		(164,950)	(161,541)
Capital element of finance lease payments		40,227	(4,254)
Cash used in financing activities		<u>(124,723)</u>	<u>(165,795)</u>
Net cash generated			
Cash generated by operating activities		472,287	772,175
Cash used in investing activities		(178,650)	(215,447)
Cash used in financing activities		(124,723)	(165,795)
Net cash generated		<u>168,914</u>	<u>390,911</u>
Cash and cash equivalents at 1 April		925,053	534,142
Cash and cash equivalents at 31 March		<u>1,093,967</u>	<u>925,053</u>

Cash and cash equivalents comprise:

Cash at bank	<u>1,093,967</u>	<u>925,053</u>
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True World Foods (UK) Ltd
Notes to the Accounts
for the year ended 31 March 2018

1 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	2% on costs
	20% reducing balance;
	10% straight line
Plant and machinery	25% reducing balance
Fixtures, fittings, tools and equipment	

Investment property

Investment property is initially recognised at cost and then subsequently measured at fair value. Changes in value are recognised in profit or loss.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price).

Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Leased assets

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

2 Analysis of turnover

	2018	2017
	£	£
Sale of goods	<u>17,662,942</u>	<u>14,520,439</u>
By geographical market:		
UK	<u>17,662,942</u>	<u>14,520,439</u>

3 Operating profit	2018	2017
	£	£

This is stated after charging:

Depreciation of owned fixed assets	260,988	290,119
Auditors' remuneration for audit services	9,000	7,500
Carrying amount of stock sold	<u>13,430,944</u>	<u>10,605,470</u>

4 Staff costs	2018	2017
	£	£

Wages and salaries	1,561,506	1,354,597
Other pension costs	9,249	5,282
	<u>1,570,755</u>	<u>1,359,879</u>

5 Interest payable	2018	2017
	£	£

Bank loans and overdrafts	29,889	34,940
Finance charges payable under finance leases and hire purchase contracts	1,726	-
	<u>31,615</u>	<u>34,940</u>

6 Taxation	2018	2017
	£	£

Analysis of charge in period

Current tax:

UK corporation tax on profits of the period	<u>234,750</u>	<u>244,546</u>
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Deferred tax:

Origination and reversal of timing differences	<u>(865)</u>	<u>2,258</u>
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Tax on profit on ordinary activities	<u>233,885</u>	<u>246,804</u>
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Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2018	2017
	£	£
Profit on ordinary activities before tax	<u>1,184,488</u>	<u>1,201,007</u>
Standard rate of corporation tax in the UK	19%	20%

	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	225,053	240,201
Effects of:		
Expenses not deductible for tax purposes	9,412	4,060
Capital allowances for period in excess of depreciation	285	285
Current tax charge for period	<u>234,750</u>	<u>244,546</u>

7 Tangible fixed assets

	Land and buildings <i>At cost</i> £	Plant and machinery <i>At cost</i> £	Fixtures, fittings, tools and equipment <i>At cost</i> £	Total £
Cost or valuation				
At 1 April 2017	1,533,275	1,384,686	287,801	3,205,762
Additions	-	86,685	96,965	183,650
Disposals	-	(1,974)	(45,240)	(47,214)
At 31 March 2018	<u>1,533,275</u>	<u>1,469,397</u>	<u>339,526</u>	<u>3,342,198</u>
Depreciation				
At 1 April 2017	107,021	718,393	92,299	917,713
Charge for the year	29,360	198,260	33,368	260,988
On disposals	-	(909)	(22,605)	(23,514)
At 31 March 2018	<u>136,381</u>	<u>915,744</u>	<u>103,062</u>	<u>1,155,187</u>
Carrying amount				
At 31 March 2018	<u>1,396,894</u>	<u>553,653</u>	<u>236,464</u>	<u>2,187,011</u>
At 31 March 2017	<u>1,426,254</u>	<u>666,293</u>	<u>195,502</u>	<u>2,288,049</u>

8 Stocks	2018 £	2017 £
Finished goods and goods for resale	<u>2,075,793</u>	<u>1,584,537</u>

9 Debtors	2018 £	2017 £
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Trade debtors	2,334,683	2,007,419
Amounts owed by group undertakings and undertakings in which the company has a participating interest	159,372	171,535
Other debtors	100,216	99,895
	<u>2,594,271</u>	<u>2,278,849</u>
10 Creditors: amounts falling due within one year	2018	2017
	£	£
Obligations under finance lease and hire purchase contracts	15,258	230
Trade creditors	1,372,391	1,275,538
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1,193,982	1,220,761
Corporation tax	160,858	189,412
Other taxes and social security costs	49,152	40,685
Other creditors	31,100	31,548
	<u>2,822,741</u>	<u>2,758,174</u>
11 Creditors: amounts falling due after one year	2018	2017
	£	£
Bank loans	1,206,240	1,371,190
Obligations under finance lease and hire purchase contracts	25,199	-
	<u>1,231,439</u>	<u>1,371,190</u>
12 Obligations under finance leases and hire purchase contracts	2018	2017
	£	£
Amounts payable:		
Within one year	15,258	230
Within two to five years	25,199	-
	<u>40,457</u>	<u>230</u>
13 Deferred taxation	2018	2017
	£	£
Accelerated capital allowances	<u>87,951</u>	<u>88,816</u>
	2018	2017
	£	£
At 1 April	88,816	86,558
(Credited)/charged to the profit and loss account	(865)	2,258

At 31 March	<u>87,951</u>	<u>88,816</u>
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14 Share capital	Nominal value	2018 Number	2018 £	2017 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	3	<u>3</u>	<u>3</u>

15 Share premium	2018 £	2017 £
At 1 April	164,157	164,157
At 31 March	<u>164,157</u>	<u>164,157</u>

16 Profit and loss account	2018 £	2017 £
At 1 April	2,694,148	1,739,945
Profit for the financial year	950,603	954,203
At 31 March	<u>3,644,751</u>	<u>2,694,148</u>

17 Pension commitments

The company operates a defined contribution pension schemes. The assets of the scheme are hold separately from those of the company in an independently administered fund. The pension charge amounted to £9,249 (2017 £5,282) during the year. Contributions amounting to £1,402 (2017 £754) were payable to the fund at the balance sheet date and are included in creditors.

18 Related party transactions

True World Foods Limited

Holding company

Amount due to the related party	<u>(963,193)</u>	<u>(963,193)</u>
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True World Japan Inc

Fellow subsidiary

Purchase of fresh food and wholesale fish	<u>82,187</u>	<u>632,888</u>
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Amount due (to)/from the related party	<u>(230,137)</u>	<u>(256,916)</u>
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True World Foods NY LLC

Fellow subsidiary

Amount due (to)/from the related party	(652)	(652)
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True World Foods Spain S.L.

Fellow subsidiary

Sale of wholesale fish	7,001	149,656
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Amount due (to)/from the related party	159,372	171,535
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19 Ultimate parent company

The company is wholly owned subsidiary of True World Foods Limited a company registered in the Republic of Ireland, company number 393077. The ultimate parent company is True World Holdings LLC incorporated in the United States which is controlled by Family Federation for World Peace & Unification a not for profit organisation based in the USA.

20 Presentation currency

The financial statements are presented in Sterling.

21 Legal form of entity and country of incorporation

True World Foods (UK) Ltd is a private company limited by shares and incorporated in England.

22 Principal place of business

The address of the company's principal place of business and registered office is:

Unit 10b, Beaver Industrial Park
Brent Road
Southall
Middlesex. England
UB2 5FB

23 Reconciliations on adoption of FRS 102

Profit and loss for the year ended 31 March 2017	£
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Profit under former UK GAAP	954,203
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Profit under FRS 102	954,203
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Balance sheet at 31 March 2017**£**

Equity under former UK GAAP	2,858,308
Equity under FRS 102	<u>2,858,308</u>

Balance sheet at 1 April 2016**£**

Equity under former UK GAAP	434,435
Equity under FRS 102	<u>434,435</u>

On transition management have considered the effect of any changes in accounting treatment from UK GAAP to FRS 102 for this company but do not consider there to be any material changes that would warrant restatement of the comparative financials.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.