

Registered number: 03818920

T & S ENTERPRISES (LONDON) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



T & S ENTERPRISES (LONDON) LIMITED

COMPANY INFORMATION

Directors	Shusaku Higaki Itsuro Kubo Masanori Morishita Go Hashimoto (resigned 1 April 2019) Hitoshi Usami (resigned 1 April 2019) Kunihiko Kanno (appointed 1 January 2020)
Registered number	03818920
Registered office	Handel House 95 High Street Edgware Middlesex HA8 7DB
Independent auditors	Greenback Alan LLP Chartered Accountants 89 Spa Road London SE16 3SG
Bankers	National Westminster Bank Plc 166 Camden High Street London NW1 0NW

T & S ENTERPRISES (LONDON) LIMITED

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T & S ENTERPRISES (LONDON) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The company's principal activity continued to be the wholesale distribution of food products, especially sea products and "Wagyu", Japanese beef. Our main customers are premium "Sushi" restaurants, Sushi takeaway and Japanese grocery retail shops, which also provide "Sushi" quality Sashimi.

Business review

The company developed its supply chain so that it could maintain stable supply of wider range products and also developed sales team structure to diversify its customer base by hiring new sales manager.

We continued to maintain the highest standards of hygiene with increasing demand of the number of our products and transactions.

In order to maintain the standards, the required investments have been made throughout the year.

Principal risks and uncertainties

The principal risks and uncertainties affecting the business is described in detail in the directors report. However, below are some key factors which are also considered:

Food Industry Standards

The company is subject to stringent levels of food hygiene and safety inspections are carried out by the relevant regulatory bodies on a periodic basis.

Sustainable Fishing

The company follows strict control of fishing quotas and import regulations and is subject to changes in global jurisdictional regulations.

Brexit

In 2019 the UK economy was down due to uncertainty caused by Brexit and as such the company had to increase some of its product lines as well. The company had to store a higher amount of inventory of frozen products, which comes outside the UK, in case of any disruption caused in custom clearance and to avoid delay in supply to our customers. The impact of brexit will negatively affect the future planning and pricing of our products.

COVID-19

As described in the director's report, the impact of COVID-19 has adversely affected the company.

Financial key performance indicators

The company considers Gross Profit margin as a key performance indicator. During the year under review, Turnover decreased from £15m to £13.8m (2018) and Gross Profit margin decreased from 12.5% (2018) to 10.5% in 2019. The cost of sushi-grade fish and seafood products have increased due to the impact of severe weather conditions of supplier chain (overseas) and also due to the uncertainty of Brexit and general price increase. The company still had to maintain a very competitive price to their customers due to fierce competition in the market, which led to similar distribution costs compared to the previous year despite a decrease in Turnover. As a result, the net loss for the year decreased to £272k (2018: net loss £45k).

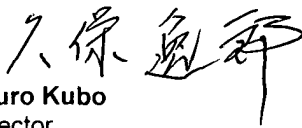
Future developments

Future developments are described in the directors report.

T & S ENTERPRISES (LONDON) LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

This report was approved by the board on 3 March 2021 and signed on its behalf.


Itsuro Kubo
Director

T & S ENTERPRISES (LONDON) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, 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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Results and dividends

The loss for the year, after taxation, amounted to £271,620 (2018 - loss £45,401).

The directors do not recommend payment of a dividend.

Directors

The directors who served during the year were:

Shusaku Higaki
Itsuro Kubo
Masanori Morishita
Go Hashimoto (resigned 1 April 2019)
Hitoshi Usami (resigned 1 April 2019)

Future developments

The future strategy of the company is to focus on growth. The company is working on plans to achieve those which will also mean more focus on higher standards for hygiene. With the COVID-19 pandemic affecting most of 2020 and expected impact in the forthcoming year as well, the company will need to re-assess its future strategy and focus on more key issues such as dealing with the negative impact of the pandemic.

T & S ENTERPRISES (LONDON) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Branches outside the United Kingdom

There were no branches outside the United Kingdom.

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including cash flow risk, credit risk and liquidity risk. These risks and their management are as follows:

Cash flow risk

The company has been importing a lot products from outside the United Kingdom and our major customers are UK based. Therefore the company has been exposed to foreign exchange risk. Our foreign exchange currencies for our imports are JPY, EUR and USD. The depreciation of the sterling against these currencies causes higher risks for the company.

The company has not engaged in any hedging activities such as, but not limited to, entering foreign exchange forward or swap contracts, buying or selling foreign exchange options due to the complexity of the operation. However, the company is checking the movement of the foreign exchange market closely and mitigating this risk on increase in the cost by adjusting the sales price.

Credit risk

The company is exposed to credit risk because our major customers are medium and small size restaurants. However, the company has maintained a credit insurance policy with a major credit insurance company and the company's credit risk has been appropriately mitigated.

Liquidity risk

The company ensures it has sufficient funds and bank credit lines to meet its working capital requirements and future developments. The company has maintained invoice financing facilities with a major UK bank, where the company can sell whole or part of eligible account receivable portfolio if required.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the company since the year end. However COVID-19 pandemic has badly hit the industry in which the company operates. With the increase of the uncertainty levels and unpredictable events and conditions, the company is expecting significant impact in its trading results.

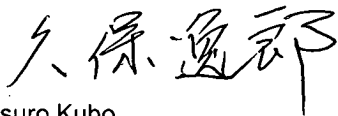
Auditors

The auditors, Greenback Alan LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

T & S ENTERPRISES (LONDON) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

This report was approved by the board on 3 March 2021 and signed on its behalf.



Itsuro Kubo
Director

T & S ENTERPRISES (LONDON) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF T & S ENTERPRISES (LONDON) LIMITED

Opinion

We have audited the financial statements of T & S Enterprises (London) Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 2019 and of its loss 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 United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

T & S ENTERPRISES (LONDON) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF T & S ENTERPRISES (LONDON) LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report 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 or the Directors' Report.

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.

T & S ENTERPRISES (LONDON) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF T & S ENTERPRISES (LONDON) LIMITED
(CONTINUED)**

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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.

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.

A further description of our responsibilities for the audit of the financial statements is located 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.



Yusuke Takanishi (Senior Statutory Auditor)

for and on behalf of
Greenback Alan LLP

Chartered Accountants

89 Spa Road
London
SE16 3SG

3 March 2021

T & S ENTERPRISES (LONDON) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	4	13,827,031	15,052,422
Cost of sales		(12,322,668)	(13,166,825)
Gross profit		1,504,363	1,885,597
Distribution costs		(515,815)	(546,226)
Administrative expenses		(1,323,526)	(1,407,128)
Other operating income	5	37,822	-
Operating loss	6	(297,156)	(67,757)
Interest receivable and similar income	10	133	25,678
Interest payable and expenses	11	(21,342)	(11,060)
Loss before tax		(318,365)	(53,139)
Tax on loss	12	46,745	7,738
Loss for the financial year		(271,620)	(45,401)
Other comprehensive income for the year			
Total comprehensive income for the year		(271,620)	(45,401)

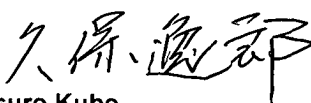
The notes on pages 13 to 27 form part of these financial statements.

T & S ENTERPRISES (LONDON) LIMITED
REGISTERED NUMBER: 03818920

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 Re- stated £
Fixed assets			
Tangible assets	13	286,341	212,494
Investments	14	6,488	6,488
		<u>292,829</u>	<u>218,982</u>
Current assets			
Stocks	15	891,973	1,173,030
Debtors: amounts falling due after more than one year	16	57,632	-
Debtors: amounts falling due within one year	16	4,286,982	3,625,117
Cash at bank and in hand	17	140,348	141,493
		<u>5,376,935</u>	<u>4,939,640</u>
Creditors: amounts falling due within one year	18	(3,765,961)	(2,983,199)
Net current assets		<u>1,610,974</u>	<u>1,956,441</u>
Total assets less current liabilities		<u>1,903,803</u>	<u>2,175,423</u>
Provisions for liabilities			
Deferred tax	19	(34,024)	(34,024)
		<u>(34,024)</u>	<u>(34,024)</u>
Net assets		<u><u>1,869,779</u></u>	<u><u>2,141,399</u></u>
Capital and reserves			
Called up share capital	20	1,000	1,000
Profit and loss account	21	1,868,779	2,140,399
		<u><u>1,869,779</u></u>	<u><u>2,141,399</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 March 2021.


Itsuro Kubo
 Director

The notes on pages 13 to 27 form part of these financial statements.

T & S ENTERPRISES (LONDON) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	1,000	2,140,399	2,141,399
Comprehensive income for the year			
Loss for the year	-	(271,620)	(271,620)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(271,620)	(271,620)
Total transactions with owners	-	-	-
At 31 December 2019	1,000	1,868,779	1,869,779

The notes on pages 13 to 27 form part of these financial statements.

T & S ENTERPRISES (LONDON) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	1,000	2,421,196	2,422,196
Comprehensive income for the year			
Loss for the year	-	(45,401)	(45,401)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(45,401)	(45,401)
Prior year adjustment - Note 22	-	(235,396)	(235,396)
Total transactions with owners	-	(235,396)	(235,396)
At 31 December 2018	1,000	2,140,399	2,141,399

The notes on pages 13 to 27 form part of these financial statements.

T & S ENTERPRISES (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

T & S Enterprises (London) Limited is a private company limited by shares registered in England. The registered office of the company is Handel House, 95 High Street Edgware HA8 7DB. The company's place of business is 458 Heather Park Drive, Wembley HA0 1SS. The nature of the company's operations and its principal activities continued to be as a wholesale distributor of food products.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

Cash flow statement

The company has availed of the exemption in FRS 102 from the requirement to prepare a Cash Flow Statement because it is a subsidiary undertaking for which the consolidated financial statements are publicly available.

The following principal accounting policies have been applied:

2.2 Going concern

The current global coronavirus pandemic has affected many organisations and continues to create worldwide uncertainty in the foreseeable future. The company's forecasts and projections, taking into account the possibility of changes in the trading performance, show that the company should be able to operate within the level of its current financial arrangements. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors, having made sufficient enquiries, are satisfied that the ultimate parent company will provide financial support in terms of contributing towards potential liquidity and working capital shortfalls. The company therefore continues to adopt the going concern basis in preparing its financial statements.

T & S ENTERPRISES (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

T & S ENTERPRISES (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

T & S ENTERPRISES (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	- Over the life of the lease
Plant and machinery	- 10% on written down value
Motor vehicles	- 25% on written down value
Fixtures and fittings	- 25% on written down value

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

T & S ENTERPRISES (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.19 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. In respect of the judgements, estimates and assumptions made by management in preparing these financial statements, none are considered to have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities presented.

T & S ENTERPRISES (LONDON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Turnover

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	13,472,823	14,420,710
Rest of Europe	354,208	631,712
	<u>13,827,031</u>	<u>15,052,422</u>

5. Other operating income

	2019 £	2018 £
Intercompany recharge	37,822	-
	<u>37,822</u>	<u>-</u>

6. Operating loss

The operating loss is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	29,620	38,564
Loss/(profit) on disposal of tangible fixed assets	-	22,933
Exchange differences	61,430	7,564
Other operating lease rentals	3,086	-
- Land and buildings	-	49,822
- Motor vehicles	82,906	14,302
Auditor's remuneration	15,000	14,000
	<u>15,000</u>	<u>14,000</u>

T & S ENTERPRISES (LONDON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>28,929</u>	<u>21,262</u>
Fees payable to the Company's auditor and its associates in respect of:		
Audit-related assurance services	15,000	14,000
Taxation compliance services	1,600	-
All other assurance services	12,329	7,262
	<u>28,929</u>	<u>21,262</u>

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	1,452,681	1,449,919
Social security costs	130,132	116,712
Cost of defined contribution scheme	40,207	40,906
	<u>1,623,020</u>	<u>1,607,537</u>

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

	2019 No.	2018 No.
Operations	34	33
Administraion	7	7
Selling	8	10
Purchasing	6	5
	<u>55</u>	<u>55</u>

T & S ENTERPRISES (LONDON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	35,500	109,966
	35,500	109,966

10. Interest receivable

	2019 £	2018 £
Interest receivable from group companies	133	25,678
	133	25,678

11. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	13,372	11,060
Loans from group undertakings	7,970	-
	21,342	11,060

T & S ENTERPRISES (LONDON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Taxation

	2019 £	2018 £
Corporation tax		
Adjustments in respect of previous periods	(46,745)	-
	<u>(46,745)</u>	<u>-</u>
Total current tax	<u>(46,745)</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	-	(7,738)
Total deferred tax	<u>-</u>	<u>(7,738)</u>
Taxation on loss on ordinary activities	<u>(46,745)</u>	<u>(7,738)</u>

T & S ENTERPRISES (LONDON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2018 - the same as) the standard rate of corporation tax in the UK of 17% (2018 - 17%) as set out below:

	2019 £	2018 £
Loss on ordinary activities before tax	(318,365)	(53,139)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(48,296)	(10,096)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	988	713
Capital allowances for year in excess of depreciation	19	6,134
Adjustments to tax charge in respect of prior periods	(46,745)	-
Short term timing difference leading to an increase (decrease) in taxation	-	(7,738)
Unrelieved tax losses carried forward	47,289	3,249
Total tax charge for the year	(46,745)	(7,738)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

T & S ENTERPRISES (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

13. Tangible fixed assets

	Short leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2019	257,394	559,916	6,490	146,027	969,827
Additions	79,113	21,085	-	5,730	105,928
Disposals	-	-	-	(2,498)	(2,498)
At 31 December 2019	<u>336,507</u>	<u>581,001</u>	<u>6,490</u>	<u>149,259</u>	<u>1,073,257</u>
Depreciation					
At 1 January 2019	257,394	392,005	1,623	106,311	757,333
Charge for the year on owned assets	-	18,596	1,216	11,024	30,836
Disposals	-	-	-	(1,253)	(1,253)
At 31 December 2019	<u>257,394</u>	<u>410,601</u>	<u>2,839</u>	<u>116,082</u>	<u>786,916</u>
Net book value					
At 31 December 2019	<u>79,113</u>	<u>170,400</u>	<u>3,651</u>	<u>33,177</u>	<u>286,341</u>
At 31 December 2018	<u>-</u>	<u>167,911</u>	<u>4,867</u>	<u>39,716</u>	<u>212,494</u>

14. Fixed asset investments

	Investments in associates £
Cost or valuation	
At 1 January 2019	6,488
At 31 December 2019	<u>6,488</u>

The company holds 30% of the share capital of Atariya S.K.Y GmbH (an associated undertaking), which is incorporated in Germany and its registered address is Immermannstr.21, 40210 Dusseldorf, Germany.

T & S ENTERPRISES (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

15. Stocks

	2019 £	2018 £
Finished goods and goods for resale	891,973	1,173,030
	<u>891,973</u>	<u>1,173,030</u>

The replacement cost of stock did not differ significantly from the figures shown.

16. Debtors

	2019 £	2018 £
Due after more than one year		
Other debtors	57,632	-
	<u>57,632</u>	<u>-</u>
Due within one year		
Trade debtors	985,590	1,118,453
Amounts owed by group undertakings	2,993,967	2,259,383
Other debtors	107,401	148,924
Prepayments and accrued income	200,024	98,357
	<u>4,286,982</u>	<u>3,625,117</u>

17. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	140,348	141,493
Less: bank overdrafts	(8,511)	(9,302)
	<u>131,837</u>	<u>132,191</u>

T & S ENTERPRISES (LONDON) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

18. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Bank overdrafts	8,511	9,302
Trade creditors	1,620,858	1,539,738
Amounts owed to group undertakings	1,368,671	509,859
Corporation tax	-	46,745
Other taxation and social security	52,136	72,679
Other creditors	550,856	512,399
Accruals and deferred income	164,929	292,477
	<u>3,765,961</u>	<u>2,983,199</u>

The bank overdraft are secured by charges over all asses of the company. £522,665 within other creditors relate to invoice financing and are secured by fixed and floating charges over all he company's present and future assets, properties and undertakings.

T & S ENTERPRISES (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

19. Deferred taxation

	2019 £	2018 £
At beginning of year	(34,024)	(41,762)
Charged to profit or loss	-	7,738
At end of year	(34,024)	(34,024)

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(34,024)	(41,762)
Utilised during the year	-	7,738
	(34,024)	(34,024)

20. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1,000 (2018 - 1,000) ordinary shares of £1.00 each	1,000	1,000

21. Reserves

Profit and loss account

The profit and loss reserve account consists of the cumulative total of all current and prior period profits and losses.

22. Prior year adjustment

The comparative profit and loss reserve account and creditors have been restated as management fees and insurance costs from the ultimate parent company related to the financial year 2017 totalling to £234k were omitted from the prior year's financial statements.

T & S ENTERPRISES (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

23. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2019 £	2018 £
Not later than 1 year	521,762	303,658
Later than 1 year and not later than 5 years	1,024,476	664,123
Later than 5 years	445,592	483,092
	<u>1,991,830</u>	<u>1,450,873</u>

24. Parent and ultimate parent company

The company's ultimate parent undertaking is JFLA Holdings Inc. which is registered in Japan. Its registered office address is 1-5-6 Nihonbashi-kakigara-cho, Chuo-ku, Tokyo 103-0014. JFLA Holdings Inc. is regarded as both the controlling party and the ultimate controlling party.

The parent of the largest group in which the results are consolidated is JFLA Holdings Inc.

25. Controlling party

The company is a wholly owned subsidiary of Atariya Foods Limited which owns 100% of the share capital of the company.