

Financial Statements for the Year Ended 31 December 2019

for

Itaya Europe Ltd

**Contents of the Financial Statements
for the Year Ended 31 December 2019**

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3

Itaya Europe Ltd
Company Information
for the Year Ended 31 December 2019

DIRECTORS:	H Itaya T Itaya S Nagamine M Teranishi
SECRETARY:	H Itaya
REGISTERED OFFICE:	2nd Floor Turnpike Gatehouse Birmingham Road Alcester Heath Warwickshire B49 5JG
REGISTERED NUMBER:	04336209 (England and Wales)
SENIOR STATUTORY AUDITOR:	Joanne Baldwin ACA FCCA
AUDITORS:	Ormerod Rutter Limited The Oakley Kidderminster Road Droitwich Worcestershire WR9 9AY

Balance Sheet
31 December 2019

	Notes	2019 £	£	2018 £	£
FIXED ASSETS					
Tangible assets	4		131,454		63,573
CURRENT ASSETS					
Stocks	5	798,039		668,224	
Debtors	6	491,952		477,232	
Cash at bank and in hand		<u>1,766,191</u>		<u>1,539,048</u>	
		3,056,182		2,684,504	
CREDITORS					
Amounts falling due within one year	7	<u>838,627</u>		<u>510,610</u>	
NET CURRENT ASSETS			<u>2,217,555</u>		<u>2,173,894</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,349,009		2,237,467
CREDITORS					
Amounts falling due after more than one year	8		(17,283)		(24,191)
PROVISIONS FOR LIABILITIES	10		<u>(24,976)</u>		<u>(11,443)</u>
NET ASSETS			<u>2,306,750</u>		<u>2,201,833</u>
CAPITAL AND RESERVES					
Called up share capital	11		400,000		400,000
Retained earnings	12		<u>1,906,750</u>		<u>1,801,833</u>
SHAREHOLDERS' FUNDS			<u>2,306,750</u>		<u>2,201,833</u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 26 June 2020 and were signed on its behalf by:

M Teranishi - Director

H Itaya - Director

**Notes to the Financial Statements
for the Year Ended 31 December 2019**

1. STATUTORY INFORMATION

Itaya Europe Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

Plant and machinery	- 10% on cost
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on cost

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Warranties

Provision is made for the estimated liability on all products still under warranty, including claims already received. The provision is based on past experience of claims arising in the warranty periods.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 10 (2018 - 10) .

4. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2019	-	13,448	101,732	25,643	140,823
Additions	94,500	-	-	-	94,500
At 31 December 2019	<u>94,500</u>	<u>13,448</u>	<u>101,732</u>	<u>25,643</u>	<u>235,323</u>
DEPRECIATION					
At 1 January 2019	-	7,662	48,767	20,821	77,250
Charge for year	9,450	868	13,241	3,060	26,619
At 31 December 2019	<u>9,450</u>	<u>8,530</u>	<u>62,008</u>	<u>23,881</u>	<u>103,869</u>
NET BOOK VALUE					
At 31 December 2019	<u>85,050</u>	<u>4,918</u>	<u>39,724</u>	<u>1,762</u>	<u>131,454</u>
At 31 December 2018	<u>-</u>	<u>5,786</u>	<u>52,965</u>	<u>4,822</u>	<u>63,573</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

4. TANGIBLE FIXED ASSETS - continued

	2019	2018
£		
Future minimum lease payments due under finance leases:		
Within one year	6,909	6,909
In two to five years	17,283	24,191
	<u>24,192</u>	<u>31,100</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 2.5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

5. STOCKS

	2019	2018
£		
Stocks	<u>798,039</u>	<u>668,224</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
£		
Trade debtors	461,744	454,006
Amounts owed by group undertakings	1,353	-
Other debtors	16,503	192
VAT	-	9,255
Prepayments	12,352	13,779
	<u>491,952</u>	<u>477,232</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
£		
Hire purchase contracts (see note 9)	6,909	6,909
Trade creditors	58,322	39,644
Amounts owed to group undertakings	507,763	121,650
Tax	17,492	46,783
Social security and other taxes	12,225	22,706
Pension control	-	2,108
VAT	71,353	-
Other creditors	132,479	153,098
Credit card account	1,934	-
Accrued expenses	30,150	117,712
	<u>838,627</u>	<u>510,610</u>

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

	2019	2018
£		
Hire purchase contracts (see note 9)	<u>17,283</u>	<u>24,191</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

9. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts 2019 £	2018 £
Net obligations repayable:		
Within one year	6,909	6,909
Between one and five years	<u>17,283</u>	<u>24,191</u>
	<u>24,192</u>	<u>31,100</u>
	Non-cancellable operating leases	
	2019 £	2018 £
Between one and five years	<u>53,384</u>	<u>31,456</u>

Hire purchase contracts are secured against the assets to which they relate to.

10. **PROVISIONS FOR LIABILITIES**

	2019 £	2018 £
Deferred tax	<u>24,976</u>	<u>11,443</u>
		Deferred tax £
Balance at 1 January 2019		11,443
Provided during year		<u>13,533</u>
Balance at 31 December 2019		<u>24,976</u>

11. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2019 £	2018 £
Number:	Class:			
400,000	Ordinary	£1	<u>400,000</u>	<u>400,000</u>

12. **RESERVES**

	Retained earnings £
At 1 January 2019	1,801,833
Profit for the year	<u>104,917</u>
At 31 December 2019	<u>1,906,750</u>

13. **DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Joanne Baldwin ACA FCCA (Senior Statutory Auditor)
for and on behalf of Ormerod Rutter Limited

14. PARENT COMPANY

The ultimate parent company is Itaya Engineering Limited, a company that is registered in Japan. The company owns 100% of the issued share capital of Itaya Europe Limited.

Copies of the Itaya Engineering Limited financial statements can be obtained from the company secretary at 504 Matsuhidai, Matsuda-Shi, 270-2214, Chiba, Japan.

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.