

S.K.Y. Enterprise UK Ltd

Abridged Financial Statements

for the year ended 31 December 2018

S.K.Y. Enterprise UK Ltd

Company Number: 05528728

ABRIDGED BALANCE SHEET

as at 31 December 2018

	Notes	2018 £	2017 £ as restated
Fixed Assets			
Tangible assets	7	34,405	70,866
Investments	8	1	-
		<u>34,406</u>	<u>70,866</u>
Current Assets			
Stocks		264,668	300,668
Debtors		316,766	347,531
Cash and cash equivalents		44,780	52,358
		<u>626,214</u>	<u>700,557</u>
Creditors: Amounts falling due within one year		<u>(302,527)</u>	<u>(573,948)</u>
Net Current Assets		<u>323,687</u>	<u>126,609</u>
Total Assets less Current Liabilities		<u>358,093</u>	<u>197,475</u>
Creditors			
Amounts falling due after more than one year		(539,438)	(6,302)
Net (Liabilities)/Assets		<u>(181,345)</u>	<u>191,173</u>
Capital and Reserves			
Called up share capital		100	100
Profit and Loss Account		(181,445)	191,073
Equity attributable to owners of the company		<u>(181,345)</u>	<u>191,173</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A (Small Entities).

All of the members have consented to the preparation of abridged accounts in accordance with section 444(2A) of the Companies Act 2006.

The company has taken advantage of the exemption under section 444 not to file the Abridged Profit and Loss Account and Directors' Report.

Approved by the Board and authorised for issue on 3 December 2019 and signed on its behalf by

Mr I Kubo
Director

NOTES TO THE ABRIDGED FINANCIAL STATEMENTS

for the year ended 31 December 2018

1. GENERAL INFORMATION

S.K.Y. Enterprise UK Ltd is a company limited by shares incorporated in United Kingdom. The registered office of the company is Handel House, 95 High Street, Edgware HA8 7DB. The principal activity of the company is as importers and distributors of quality Japanese foods, drinks and Saké. The company supplies to over 150 of the finest Japanese restaurants and retail outlets in London. The financial statements have been presented in Pound Sterling (£) which is also the functional currency of the company.

2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Statement of compliance

The financial statements of the company for the year ended 31 December 2018 have been prepared in accordance with the provisions of FRS 102 Section 1A (Small Entities) and the Companies Act 2006.

Basis of preparation

The financial statements have been prepared on the going concern basis and in accordance with the historical cost convention except for certain properties and financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Cash flow statement

The company has availed of the exemption in FRS 102 Section 1A from the requirement to prepare a Cash Flow Statement because it is classified as a small company.

Turnover

Revenue is recognised to the extent that it is probable the economic benefits will flow to the company and revenue can be reliably measured at the fair value of the goods supplied by the company, exclusive of trade discounts and value added tax. Revenue is attributable to wholesale trade.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or at valuation, less accumulated depreciation. The charge to depreciation is calculated to write off the original cost or valuation of tangible fixed assets, less their estimated residual value, over their expected useful lives as follows:

Short leasehold property	-	Straight line over 15 years
Plant and machinery	-	20% on reducing balance
Fixtures, fittings and equipment	-	20% on reducing balance
Motor vehicles	-	25% on reducing balance
Computer software & equipment	-	20% on reducing balance

The carrying values of tangible fixed assets are reviewed annually for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

**Leasing and
hire
purchases**

Tangible fixed assets held under leasing and Hire Purchases arrangements which transfer substantially all the risks and rewards of ownership to the company are capitalised and included in the Balance Sheet at their cost or valuation, less depreciation. The corresponding commitments are recorded as liabilities. Payments in respect of these obligations are treated as consisting of capital and interest elements, with interest charged to the Profit and Loss Account.

Leasing

Rentals payable under operating leases are dealt with in the Profit and Loss Account as incurred over the period of the rental agreement.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value. Income from other investments together with any related tax credit is recognised in the profit and loss account in the year in which it is receivable.

Stocks

Stocks are valued at the lower of cost and net realisable value. Stocks are determined on a first-in first-out basis. Cost comprises expenditure incurred in the normal course of business in bringing stocks to their present location and condition. Full provision is made for obsolete and slow moving items. Net realisable value comprises actual or estimated selling price (net of trade discounts) less all further costs to completion or to be incurred in marketing and selling.

**Trade and
other debtors**

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

**Borrowing
costs**

Borrowing costs relating to the acquisition of assets are capitalised at the appropriate rate by adding them to the cost of assets being acquired. Investment income earned on the temporary investment of specific borrowings pending their expenditure on the assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**Trade and
other
creditors**

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

**Employee
benefits**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

**Taxation and
deferred
taxation**

Current tax represents the amount expected to be paid or recovered in respect of taxable profits for the year and is calculated using the tax rates and laws that have been enacted or substantially enacted at the Balance Sheet date.

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

sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less tax in the future. Timing differences are temporary differences between the company's taxable profits and its results as stated in the financial statements. Deferred tax is measured on an undiscounted basis at the tax rates that are anticipated to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Balance Sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the rates of exchange ruling at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The resulting exchange differences are dealt with in the Profit and Loss Account.

Financial Instruments

Financial assets and liabilities

The company only enters into basic financial instrument transactions that result in the recognition of trade and other debtors and creditors. Financial assets that are measured at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found impairment loss is recognised in the statement of comprehensive income.

3. GOING CONCERN

It is noted that the company is in a net liability position and has made a loss of £372,518 (2017: loss of £258,367) in the current year, this is mostly attributable to difficult trading conditions. However, after reviewing the company's 2019 forecast and budget and its medium term plans, the directors have concluded that there is a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future.

The financial statements have been prepared on a going concern basis as the ultimate holding company has confirmed its continued support for the company and has agreed to provide financial support as necessary for the foreseeable future. The directors, having made sufficient enquiries, are satisfied that JFLA Holding Inc is in a position to provide the level of support required and hence concluded that it is appropriate to prepare the financial statements on a going concern basis.

4. INFORMATION RELATING TO THE AUDITOR'S REPORT

The Audit Report was unqualified. There were no matters to which the auditor was required to refer by way of emphasis.

The financial statements were audited by Greenback Alan LLP.

The Auditor's Report was signed by Yusuke Takanishi (Senior Statutory Auditor) for and on behalf of Greenback Alan LLP on 3rd December 2019.

5. EMPLOYEES

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

	2018	2017
	Number	Number
Employees and Directors	14	19

6. PRIOR YEAR ADJUSTMENT

The comparative figures in the balance sheet and statement of comprehensive income have been restated to reflect prior period errors. Investment in associate of £50,000 and corresponding impairment were omitted from the financial statements. The net effect of adjustments in the statement of comprehensive income totalled to £7,602. Other restated figures were reclasses between classes of transactions with no impact in the statement of comprehensive income.

7. TANGIBLE FIXED ASSETS

	Short leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Computer software & equipment £	Total £
Cost or Valuation						
At 1 January 2018	32,314	60,129	36,216	71,884	29,543	230,086
Additions	-	-	-	18,150	25	18,175
Disposals	-	-	(6,122)	(43,145)	-	(49,267)
At 31 December 2018	32,314	60,129	30,094	46,889	29,568	198,994
Depreciation						
At 1 January 2018	21,745	51,318	23,646	38,066	24,445	159,220
Charge for the year	2,154	2,478	3,476	6,765	2,021	16,894
On disposals	-	-	(6,122)	(5,403)	-	(11,525)
At 31 December 2018	23,899	53,796	21,000	39,428	26,466	164,589
Net book value						
At 31 December 2018	8,415	6,333	9,094	7,461	3,102	34,405
At 31 December 2017	10,569	8,811	12,570	33,818	5,098	70,866

**7.1. TANGIBLE FIXED ASSETS
CONTINUED**

Included above are assets held under finance leases or hire purchase contracts as follows:

	2018		2017	
	Net	Depreciation	Net	Depreciation
	book value	charge	book value	charge
	£	£	£	£
Fixtures, fittings and equipment	-	-	1,867	800
Motor vehicles	-	-	9,999	6,031
Computer software & equipment	-	-	-	1,697
	-	-	11,866	8,528

8. INVESTMENTS

	Group and participating interests/ joint ventures	Total
	£	£
Investments		
Cost		
Additions	1	1
At 31 December 2018	1	1
Net book value		
At 31 December 2018	1	1

**8.1. Holdings in related
undertakings**

The company holds 20% or more of the share capital of the following companies:

Name	Country of incorporation	Nature of business	Details of investment	Proportion held by company
Subsidiary undertaking				
Atariya S.K.Y. GmbH	Germany	Japanese Food Wholesalers	Ordinary Euro Shares	60%
Japan Food Hall Limited	Japan	Online food sales	Ordinary £1,000 shares	50%

Investments include holdings in associated companies: Japan Food Hall (which has been fully impaired) and a

60% investment in Atariya S.K.Y. GmbH.

Atariya S.K.Y. GmbH is a 60% subsidiary of S.K.Y. Enterprise UK Limited. This asset was gifted to the company in 2012 by T & S Enterprises (London) Ltd, a company formerly controlled by Mr K Tasaka, who was also a former director of S.K.Y. Enterprise UK Ltd.

The financial results of Atariya S.K.Y. GmbH are not being consolidated with S.K.Y. as they are being consolidated with the parent company, Atariya Foods Limited instead.

In 2015 the company purchased 50% of the share capital in Japan Food Hall Limited, which is an online food sales joint venture with an unconnected third party. The investment was fully impaired in 2017 and the company was dissolved on 27 August 2019.

In the opinion of the directors, the value to the company of the unlisted investments is not less than the book amount shown above.

9. CONTINGENT LIABILITIES

As at the balance sheet date, the Company had bills of exchange for £NIL (Dec 17 - £28,835) outstanding with NatWest Bank Plc in connection with stock which was in transit.

10. PARENT AND ULTIMATE PARENT COMPANY

The company regards Atariya Foods Limited as its parent company.

The company's ultimate parent undertaking is JFLA Holdings Inc..

The address of JFLA Holdings Inc. 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..

JFLA Holdings Inc. is registered in Japan.

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