

Company registration number: 07528797

ITO Europe Limited

Financial statements

31 December 2016



ITO Europe Limited

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ITO Europe Limited

Directors and other information

Directors	Neil Ormrod Niroh Utsumi Yukiko Utsumi Yasuyuki Kanakusa
Company number	07528797
Registered office	9 Field View Offices UBF Industrial Park Bicester Road, Westcott Buckinghamshire HP18 0JX
Business address	9 Field View Offices UBF Industrial Park Bicester Road, Westcott Buckinghamshire HP18 0JX
Auditor	Henry Reeves & Co 11 Albion Place Maidstone Kent ME14 5DY

ITO Europe Limited

Directors responsibilities statement Year ended 31 December 2016

The directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 judgments and accounting estimates that are reasonable and prudent; and
- 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.

ITO Europe Limited

**Statement of financial position
31 December 2016**

	Note	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	6	505		757	
			505		757
Current assets					
Debtors	7	42,033		13,286	
Cash at bank and in hand		8,331		8,898	
		50,364		22,184	
Creditors: amounts falling due within one year	8	(540,550)		(399,663)	
Net current liabilities			(490,186)		(377,479)
Total assets less current liabilities			(489,681)		(376,722)
Net liabilities			<u>(489,681)</u>		<u>(376,722)</u>
Capital and reserves					
Called up share capital			200,000		200,000
Profit and loss account			(689,681)		(576,722)
Shareholder deficit			<u>(489,681)</u>		<u>(376,722)</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

The notes on pages 6 to 11 form part of these financial statements.

ITO Europe Limited

Statement of financial position (continued)
31 December 2016

These financial statements were approved by the board of directors and authorised for issue on ~~7 JUNE 2017~~, and are signed on behalf of the board by:

内海由輝子

Yukiko Utsumi
Director

Company registration number: 07528797

The notes on pages 6 to 11 form part of these financial statements.

ITO Europe Limited

Notes to the financial statements Year ended 31 December 2016

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 9 Field View Offices, UBF Industrial Park, Bicester Road, Westcott, Buckinghamshire, HP18 0JX.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity and rounded to the nearest £1.

Going concern

The company is reliant on the ultimate parent for ongoing financial support. The parent company has given assurance that it will continue to provide support to the company for at least twelve months following the date of signing these accounts. As a result, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the financial statements.

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in Note 3 the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors have assessed the loan to the company made by the parent company for impairment. At 31 December 2016 the loan balance was £475,000. This loan was made to the company for working capital purposes whilst the parent company products were re-manufactured and tested to comply with British Safety Standards. This process has taken longer than originally anticipated and is now complete. The company is now in a position to offer all of its products to the European market which the directors expect to increase profitability and cash flow. It is expected that this loan will then begin to be repaid. On this basis, at 31 December 2016 the directors do not consider this loan to be impaired.

ITO Europe Limited

Notes to the financial statements (continued) Year ended 31 December 2016

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised 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 that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fittings fixtures and equipment	- 20%	straight line
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If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

ITO Europe Limited

Notes to the financial statements (continued) **Year ended 31 December 2016**

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Stocks

At 31 December 2016 the company held consignment stock with a value of £50,971. The stock is legally owned by the parent company ITO f Systems Corporation and is not included on the Statement of Financial Position of ITO Europe Limited. ITO Europe Limited are invoiced for stock sold at the prevailing price at the time of sale.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

ITO Europe Limited

Notes to the financial statements (continued)
Year ended 31 December 2016

4. Staff costs

The average number of persons employed by the company during the year, including the directors was 1 (2015: 1).

5. Loss before taxation

Loss before taxation is stated after charging/(crediting):

	2016	2015
	£	£
Depreciation of tangible assets	252	404

6. Tangible assets

	Fixtures, fittings and equipment £	Total £
Cost		
At 1 January 2016 and 31 December 2016	2,311	2,311
Depreciation		
At 1 January 2016	1,554	1,554
Charge for the year	252	252
At 31 December 2016	1,806	1,806
Carrying amount		
At 31 December 2016	505	505
At 31 December 2015	757	757

7. Debtors

	2016	2015
	£	£
Trade debtors	24,066	4,069
Other debtors	17,967	9,217
	42,033	13,286

ITO Europe Limited

Notes to the financial statements (continued)
Year ended 31 December 2016

8. Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	52,220	19,285
Amounts owed to group undertakings and undertakings in which the company has a participating interest	475,000	370,000
Social security and other taxes	7,774	2,543
Other creditors	5,556	7,835
	<u>540,550</u>	<u>399,663</u>

Amounts owed to the parent company ITO f Systems Corporation included in trade creditors are shown in Note 11.

9. Operating leases

The company as lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016	2015
	£	£
Not later than 1 year	14,499	13,339
Later than 1 year and not later than 5 years	-	4,011
	<u>14,499</u>	<u>17,350</u>

10. Summary audit opinion

The auditor's report for the year dated 14 July '17 was unqualified.

The senior statutory auditor was Stuart Relf FCCA, for and on behalf of Henry Reeves & Co.

ITO Europe Limited

Notes to the financial statements (continued) Year ended 31 December 2016

11. Related party transactions

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2016	2015	2016	2015
	£	£	£	£
ITO f Systems Corporation (in Japan) - Loan	105,000	115,000	(475,000)	(370,000)
ITO f Systems Corporation (in Japan) - Creditor	<u>23,445</u>	<u>13,900</u>	<u>(35,168)</u>	<u>(11,723)</u>

The only related party transactions that occurred during the year were those with the parent company ITO f Systems Corporation, a company based in Japan. At 31 December 2016 there is a loan amount outstanding of £475,000 (2015 - £370,000) included in the figures above. The loan is interest free, unsecured and repayable on demand. The remaining balances shown above comprise trade creditors.

12. Controlling party

The ultimate controlling party are the directors of I.T.O Corporation, a company registered in Japan, by virtue of its 100% shareholding in the parent company.