

**Green Metals UK Limited**

**Annual report for the year ended 31 March 2017**

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# **Green Metals UK Limited**

## **Annual report for the year ended 31 March 2017**

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## Strategic report for the year ended 31 March 2017

The directors present their strategic report on the company for the year ended 31 March 2017.

### Principal activity

The principal activity of the company is to collect, handle and arrange recycling of scrap metal and non-metal waste.

### Review of the business

Company turnover was higher than expected mainly due to the increased scrap metal market price. The company made a profit on ordinary activities before taxation of £ 0.9 million (2016: £ 1.0 million). Profit was lower than expected, mainly due to lower than expected production at a major client resulting in lower than expected scrap metal and waste volumes and, due to the reduced overall profit margin for scrap metal and, due to a bad debt related to a plastics customer (together with the related legal costs).

At the end of the year under review, the company was in a financially satisfactory and economically stable position, which continues to augur well for the future. The net book value of tangible fixed assets totalled £ 2.4 million (2016: £ 2.7 million) of which £ 1.9 million (2016: £ 2.0 million) is represented by buildings and £ 0.4 million (2016: £ 0.6 million) by plant and machinery mainly at the Burnaston operation. Total capital employed amounted to £ 3.6 million (2016: £ 3.9 million), financed by £ 2.0 million (2016: £ 2.0 million) share capital. A return on capital employed (ROCE) of 21.23% (2016: 19.32%) was achieved, based on profit for the financial year. The company has net current assets of £ 1.2 million (2016: £ 1.3 million) at the balance sheet date. The directors expect that the present level of activity will continue for the foreseeable future.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

### Principal risks and uncertainties

The principal risks and uncertainties can be determined as follows:

- a) Potential loss of business due to strong competitor activity.
- b) Potential reduction in gross margins due to customer pressure to reduce the cost of waste management services provided by the company and supplier pressure to increase prices for the recyclables they sell to the company.
- c) The global market price for scrap metal (still at a relatively low level).
- d) Uncertainty regarding the accuracy and stability of published price indexes used widely within the UK as a basis for buying and selling scrap metals ("Metal Bulletin" index).

The company has managed the above risks by the development of business with new customers and by negotiating acceptable purchase and selling prices.

On behalf of the board



J Panes  
Managing Director  
18 October 2017

## **Directors' report for the year ended 31 March 2017**

The directors present their report and the audited financial statements of the company for the year ended 31 March 2017.

### **Future developments**

These are detailed in the review of the business in the Strategic report on page 1.

### **Dividends**

A dividend of £ 1,051,000 (£ 0.526 pence per ordinary share) will be proposed at the board meeting in October 2017 and if approved is likely to be paid in October 2017. A dividend of £ 1,103,000 (£ 0.552 pence per ordinary share) was paid for the year ended 31 March 2016.

### **Financial risk management**

Financial risks within the company concern foreign exchange and credit risk. These are described in greater detail below:

- a) Foreign exchange risk. Foreign exchange transactions and foreign currency holdings are controlled in such a way as to minimise the company's exposure to exchange variances. Foreign exchange variances can be either transactional or translational. Transactional variances are minimised by the purchase of forward exchange contracts.
- b) Credit Risk. The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed periodically by the Managing Director. For banks and financial institutions, only highly rated parties are accepted.
- c) Price risk. Sales and purchasing contracts are based on the same commodity indexes, and this helps minimise price-risk. But the scrap metal index is occasionally "re-aligned" and this leads to the need for purchase and selling price renegotiation, and associated price-risk. The "Management fee" received from a major client is partly related to the varying market price of recyclables. The pricing risk associated with this management fee is normally less significant in the context of the overall business, but in 2016/17 the price of scrap metal was still relatively low, and this continued to impact the company.

### **Directors**

The directors of the company during the financial year and up to the date of signing the financial statements, unless otherwise indicated, are listed below:

J Panes  
S Tada (Resigned 31 March 2017)  
S Tsujiuchi (Resigned 31 March 2017)  
Y Hayashi (Resigned 31 March 2017)  
T Iwata (Appointed 1 April 2017)  
I Deguchi (Appointed 1 April 2017)

## **Directors' report for the year ended 31 March 2017 (continued)**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements 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.

The directors 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 of the directors confirms that, so far as he is aware, there is no relevant audit information of which the company's auditors are unaware, and that 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 auditors are aware of that information.

### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the annual general meeting.

### **On behalf of the Board**



J Panes  
Managing Director  
18 October 2017

## **Independent auditors' report to the members of Green Metals UK Limited**

### **Report on the financial statements**

#### **Our opinion**

In our opinion, Green Metals UK Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2017 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.

#### **What we have audited**

The financial statements, included within the Annual Report, comprise:

- the balance sheet as at 31 March 2017;
- the statement of income and retained earnings for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### **Opinions 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.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

## **Independent auditors' report to the members of Green Metals UK Limited (continued)**

### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

## **Responsibilities for the financial statements and the audit**

### **Our responsibilities and those of the directors**

As explained more fully in the Statement of directors' responsibilities 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.

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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **What an audit of financial statements involves**

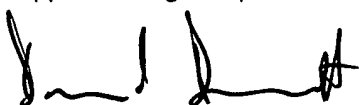
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Daniel Dennett (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Uxbridge

18 October 2017

## Statement of income and retained earnings for the year ended 31 March 2017

	Note	2017 £	2016 £
<b>Turnover</b>	2	<b>7,355,384</b>	6,737,396
Cost of sales		<u>(5,629,977)</u>	<u>(5,132,387)</u>
Gross profit		<b>1,725,407</b>	1,605,009
Administrative expenses		<b>(836,160)</b>	(696,613)
Other operating income	3	<u><b>54,576</b></u>	<u>45,871</u>
<b>Operating profit</b>		<b>943,823</b>	954,267
Interest receivable and similar income	4	<b>5,346</b>	8,128
Interest payable and similar charges	5	<u><b>(62)</b></u>	<u>(7)</u>
<b>Profit before taxation</b>	8	<b>949,107</b>	962,388
Tax on profit	9	<u><b>(190,042)</b></u>	<u>(205,482)</u>
<b>Profit for the financial year</b>	17	<u><b>759,065</b></u>	<u>756,906</u>
Retained earnings as at 1 April		<b>1,918,743</b>	1,987,837
Dividends paid		<u><b>(1,103,000)</b></u>	<u>(826,000)</u>
<b>Retained earnings as at 31 March</b>	17	<u><b>1,574,808</b></u>	<u>1,918,743</u>

The above results relate to continuing operations.

There is no material difference between the profit before taxation and the profit for the financial year stated above and their historical cost equivalents.



## Balance sheet as at 31 March 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	11	2,398,081	2,660,391
<b>Current assets</b>			
Stocks	12	9,000	724
Debtors	13	2,195,401	2,279,817
Cash at bank and in hand		335	50,706
		<u>2,204,736</u>	<u>2,331,247</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(981,949)</u>	<u>(993,789)</u>
<b>Net current assets</b>		<u>1,222,787</u>	<u>1,337,458</u>
<b>Total assets less current liabilities</b>		<u>3,620,868</u>	<u>3,997,849</u>
<b>Provisions for liabilities</b>	15	<u>(46,060)</u>	<u>(79,106)</u>
<b>Net assets</b>		<u>3,574,808</u>	<u>3,918,743</u>
<b>Capital and reserves</b>			
Called up share capital	16	2,000,000	2,000,000
Profit and loss account	17	1,574,808	1,918,743
<b>Total shareholders' funds</b>	18	<u>3,574,808</u>	<u>3,918,743</u>

The financial statements on pages 6 to 19 were approved by the directors on 18 October 2017 and were signed on its behalf by:



J Panes  
Managing Director

Green Metals UK Limited

Registered no. 6484632

## **Notes to the financial statements for the year ended 31 March 2017**

### **1 Accounting policies**

#### **General Information**

The principle activity of the company is to collect, handle and arrange recycling of scrap metal and non-metal waste. The company is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is 6<sup>th</sup> Floor, 88 Wood Street, London, EC2V 7DA.

#### **Statement of compliance**

The financial statements of Green Metals UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) and the Companies Act 2006.

#### **Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Basis of preparation**

These financial statements have been prepared on the going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value, and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom.

#### **Going concern**

On the basis of their assessment of the company's financial position and resources, the directors believe that the Company is well placed to manage its business risks. Therefore the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated.

As a qualifying member, the Company has taken advantage of the following exemptions:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

## Notes to the financial statements for the year ended 31 March 2017 (continued)

### 1 Accounting policies (continued)

#### Critical accounting judgements and key source of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### - *Useful economic lives of intangible assets and tangible assets (Sections 18 and 17)*

The annual amortisation or depreciation charge for intangible and tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values are assessed annually. They are amended when necessary to reflect current estimates, based on technological advancements, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of tangible assets and note 1 for the useful economic lives for each class of asset.

#### Tangible assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal useful economic lives used for this purpose are:

Building:	25 years
Plant and machinery:	4 - 10 years
Office equipment:	4 years
Fixtures and Furniture:	4 years
IT equipment:	4 years
Motor vehicle	4 years

The carrying values of tangible fixed assets are reviewed for impairment if events and changes in circumstances indicate carrying values may not be recoverable.

#### Cash flow statement

The company is a wholly owned subsidiary company of a group headed by Toyota Tsusho Corporation, and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the company has taken advantage of the exemption from the requirement to prepare a statement of cash flows as required within FRS 102 paragraph 3.17(d).

## **Notes to the financial statements for the year ended 31 March 2017 (continued)**

### **1 Accounting policies (continued)**

#### **Foreign currencies**

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the closing rate on the balance sheet date. Exchange differences on such items and on transactions completed in the ordinary course of business are dealt with in the profit and loss account.

Forward currency contracts, entered into as a hedge of repayment or receipt of balances denominated in foreign currencies, are not recognised until they mature. The premiums or discounts on the contracts are amortised over the contract term.

#### **Turnover**

Turnover represents the value of services supplied excluding value added tax and trade discounts.

The company recognises turnover when the amount of turnover can be reliably measured, it is probable that future economic benefits will flow to the company and when the company has delivered products or services to the customers.

#### **Other operating income**

Other operating income is a management fee from group undertakings and recognised as the service is rendered.

#### **Debtors**

Debtors are stated in the balance sheet at estimated net realisable value. Net realisable value is the invoiced amount less provisions for bad and doubtful debtors. Provisions are made specifically against debtors where there is evidence of an inability to pay.

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value. In general cost is determined on a first-in-first-out basis and includes transport and handling costs. Net realisable value is determined as the estimated selling price less costs of disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

#### **Deferred taxation**

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected 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. Deferred tax is measured on an undiscounted basis.

## Notes to the financial statements for the year ended 31 March 2017 (continued)

### 1 Accounting policies (continued)

#### Operating leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the life of the lease.

#### Pension costs

The company contributes to a defined contribution pension scheme on behalf of certain employees, the assets of which are held separately from those of the company in a group pension scheme. Contributions payable are charged to the profit and loss account in the year in which they are incurred. The company does not operate a defined benefit pension scheme for its employees.

### 2 Turnover

Turnover is derived entirely from the company's principal activity which arose in the United Kingdom.

### 3 Other operating income

	2017 £	2016 £
Management fee from group undertakings	<u>54,576</u>	<u>45,871</u>

### 4 Interest receivable and similar income

	2017 £	2016 £
Interest receivable – group undertakings	5,337	6,476
Interest receivable – other	<u>9</u>	<u>1,652</u>
	<u>5,346</u>	<u>8,128</u>

### 5 Interest payable and similar charges

	2017 £	2016 £
Interest payable – group undertakings	3	7
Interest payable – other	<u>59</u>	<u>-</u>
	<u>62</u>	<u>7</u>

## Notes to the financial statements for the year ended 31 March 2017 (continued)

### 6 Directors' emoluments

	2017	2016
	£	£
Aggregate emoluments	<u>108,772</u>	<u>105,069</u>

The above amount relates to one (2016: one) director for his services for the company and, who is on the company's own payroll. The amount does not include the remaining directors who are remunerated directly from the parent company. These directors are also directors of a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Retirement benefits are accruing to no (2016: no) director under a money purchase pension scheme.

The highest paid director received emoluments as follows:

	2017	2016
	£	£
Aggregate emoluments	<u>108,772</u>	<u>105,069</u>

### 7 Employee information

The average monthly number of persons (including executive directors) employed by the company during the financial year was:

	2017	2016
	Number	Number
<b>By activity</b>		
Operation	31	24
General administration	<u>12</u>	<u>12</u>
	<u>43</u>	<u>36</u>

	2017	2016
	£	£
<b>Staff costs</b>		
Wages and salaries	1,184,566	1,016,013
Social security costs	111,730	96,211
Other pension costs	<u>57,521</u>	<u>67,138</u>
	<u>1,353,817</u>	<u>1,179,362</u>

## Notes to the financial statements for the year ended 31 March 2017 (continued)

### 8 Profit before taxation

Profit before taxation is stated after charging:

	2017	2016
	£	£
Auditors' remuneration:		
- fees payable for the audit	12,612	11,980
Depreciation of tangible fixed assets		
- owned assets	345,559	345,972
Impairment of trade receivables	33,881	12,022
Operating lease charges:		
- land and buildings	53,317	53,317
- other	54,905	67,453
Profit on disposal of tangible assets	(6,500)	-
Foreign exchange loss/(gain)	370	(19)

Total stock charged against profit before taxation for the year was £ 3,782,974 (2016: £ 3,494,980).

## Notes to the financial statements for the year ended 31 March 2017 (continued)

### 9 Tax on profit

(a) Analysis of charge in the financial year	2017 £	2016 £
<b>Current tax:</b>		
UK corporation tax on profits of the year	222,063	218,364
Adjustments in respect of previous years	1,025	(87)
Total current tax	223,088	218,277
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(22,746)	(12,795)
Effect of tax rate change	(8,128)	-
Adjustments in respect of previous years	(2,172)	-
Total deferred tax (note 15)	(33,046)	(12,795)
Tax on profit	190,042	205,482

#### (b) Factors affecting tax charge for the financial year

The tax assessed for the financial year is higher (2016: higher) than the standard rate of corporation tax in the UK of 20% (2016: 20%). The differences are explained below:

	2017 £	2016 £
<b>Profit before taxation</b>	<b>949,107</b>	<b>962,388</b>
Profit multiplied by standard rate of corporation tax in the UK of 20% (2016: 20%)	189,821	192,478
Effects of:		
Non-deductible expenses	9,496	168
Effect of tax rate change	(8,128)	12,923
Adjustments in respect of previous years	(1,147)	(87)
Total tax charge for the year	190,042	205,482

Changes to the UK corporation tax rate were substantively enacted as part of the Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted rates and reflected in these financial statements.



## Notes to the financial statements for the year ended 31 March 2017 (continued)

### 10 Dividends

	2017 £	2016 £
Dividends paid of £ 0.552 pence (2016: £ 0.413 pence) per ordinary share	<u>1,103,000</u>	<u>826,000</u>

A dividend of £1,051,000 (£0.526 pence per ordinary share) will be proposed at the board meeting in October 2017 and if approved is likely to be paid in October 2017.

### 11 Tangible assets

	Building £	Plant and Machinery £	Office equipment £	Fixtures and Furniture £	Motor vehicle £	IT equipment £	Total £
<b>Cost</b>							
At 1 April 2016	2,829,764	2,218,146	11,873	180,049	65,684	115,595	5,421,111
Additions	-	46,982	-	976	58,369	-	106,327
Disposal	-	(90,613)	(3,807)	(2,720)	(24,841)	(32,092)	(154,073)
<b>At 31 March 2017</b>	<u>2,829,764</u>	<u>2,174,515</u>	<u>8,066</u>	<u>178,305</u>	<u>99,212</u>	<u>83,503</u>	<u>5,373,365</u>
<b>Accumulated Depreciation</b>							
At 1 April 2016	792,383	1,631,983	11,094	162,710	59,830	102,720	2,760,720
Charge for the year	113,280	202,272	718	11,204	11,833	6,252	345,559
Disposal	-	(67,535)	(3,807)	(2,720)	(24,841)	(32,092)	(130,995)
<b>At 31 March 2017</b>	<u>905,663</u>	<u>1,766,720</u>	<u>8,005</u>	<u>171,194</u>	<u>46,822</u>	<u>76,880</u>	<u>2,975,284</u>
<b>Net book amount</b>							
<b>At 31 March 2017</b>	<u>1,924,101</u>	<u>407,795</u>	<u>61</u>	<u>7,111</u>	<u>52,390</u>	<u>6,623</u>	<u>2,398,081</u>
<b>At 31 March 2016</b>	<u>2,037,381</u>	<u>586,163</u>	<u>779</u>	<u>17,339</u>	<u>5,854</u>	<u>12,875</u>	<u>2,660,391</u>

### 12 Stocks

	2017 £	2016 £
Finished goods	<u>9,000</u>	<u>724</u>
	<u>9,000</u>	<u>724</u>

The replacement cost of stock does not materially differ from the amount shown.

## Notes to the financial statements for the year ended 31 March 2017 (continued)

### 13 Debtors

	2017	2016
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	1,035,877	813,092
Amounts owed by group undertakings	1,151,603	1,441,556
Prepayments and accrued income	7,921	25,169
	<u>2,195,401</u>	<u>2,279,817</u>

Amounts owed by group undertakings in the normal course of trade are unsecured, interest free and have no fixed date of repayment. The company also has amounts owed by group undertakings which carry interest at floating rates based on LIBOR.

### 14 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	31,400	57,949
Derivative liability	-	171
Amounts owed to group undertakings	3,483	20,491
Other taxation and social security	185,945	185,997
Other creditors	12,190	40,478
Corporation tax	113,412	114,479
Accruals and deferred income	635,519	574,224
	<u>981,949</u>	<u>993,789</u>

Amounts owed to group undertakings in the normal course of trade are unsecured, interest free and have no fixed date of repayment. The company also has amounts owed by group undertakings which carry interest at 3.8%.

## Notes to the financial statements for the year ended 31 March 2017 (continued)

### 15 Provisions for liabilities

#### Deferred tax liability

	2017	2016
	£	£
Opening deferred tax liability	79,106	91,901
Charge to profit and loss account	(33,046)	(12,795)
Closing deferred tax liability	<u>46,060</u>	<u>79,106</u>

The deferred tax liability recognised in the financial statements is as follows:

	2017	2016
	£	£
Accelerated capital allowances	<u>46,060</u>	<u>79,106</u>

### 16 Called up share capital

	2017	2016
	£	£
Allotted, called up and fully paid		
2,000,000 ordinary shares of £1 each (2016: 2,000,000)	<u>2,000,000</u>	<u>2,000,000</u>

### 17 Profit and loss account

	2017	2016
	£	£
1 April	1,918,743	1,987,837
Profit for the financial year	759,065	756,906
Dividend paid	(1,103,000)	(826,000)
31 March	<u>1,574,808</u>	<u>1,918,743</u>

### 18 Reconciliation of movements in shareholders' funds

	2017	2016
	£	£
Opening shareholders' funds	3,918,743	3,987,837
Profit for the financial year	759,065	756,906
Dividend paid	(1,103,000)	(826,000)
Closing shareholders' funds	<u>3,574,808</u>	<u>3,918,743</u>

## Notes to the financial statements for the year ended 31 March 2017 (continued)

### 19 Operating lease commitments

At 31 March the company had commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2017	2016	2017	2016
	£	£	£	£
Within one year	53,317	53,377	44,458	48,966
Within two to five year	17,772	106,753	68,692	82,580
More than five years	-	-	-	791
	<u>71,089</u>	<u>160,130</u>	<u>113,150</u>	<u>132,337</u>

### 20 Derivatives

The company had outstanding forward transactions to hedge foreign currencies which all matured within one year as follows:

	In currency		Sterling equivalents		Fair value	
	2017	2016	2017	2016	2017	2016
	€	€	£	£	£	£
Forward transactions:						
- to hedge future currency revenues in Euros	-	7,743	-	5,953	-	171

### 21 Pension commitments

The company has a defined contribution pension scheme. The assets of the scheme are held separately from those of the company, in an independently administered fund. Under a defined contribution scheme, benefits depend on the contribution levels and the emerging investment performance. The company contributions to this scheme in the year ended 31 March 2017 totalled £ 57,521 (2016: £ 67,138). At the end of this year, a contribution of £ 4,973 (2016: £ 10,862) was outstanding.

### 22 Immediate and ultimate parent company

The immediate parent company is Toyota Tsusho U.K. Limited, a company registered in the United Kingdom.

The ultimate parent undertaking and controlling party is Toyota Tsusho Corporation, a company incorporated in Japan. Toyota Tsusho Corporation is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 March 2017. The consolidated financial statements of Toyota Tsusho Corporation are available from 9-8 Meieki 4-chome, Nakamura Ku 450-8575, Nagoya, Japan.

**Notes to the financial statements  
for the year ended 31 March 2017 (continued)**

**23 Related party transactions**

The company is a wholly owned subsidiary of a group headed by Toyota Tsusho Corporation and as such has availed of the exemption contained in FRS 102 in respect of related party transactions, not to disclose intra-group transactions with other companies that are wholly owned within the Group.