

Registered no: 2669193

TOYOTA TSUSHO U.K. LIMITED

**Annual report
for the year ended 31 March 2020**



TOYOTA TSUSHO U.K. Limited

DIRECTORS AND AUDITORS

Directors:

Mr J Karube (Resigned 30 June 2020)
Mr Hirobe
Mr T Iwata
Mr H Takamizu
Mr K Yamagiwa (Resigned 30 April 2019)
Mr S Nishide (Resigned 31 March 2020)
Mr H Yanase (Appointed 1 April 2019)
Mr H Hattori (Appointed 1 April 2020)

Secretary

Mr M Deann-Valentine

Company number 2669193

Registered office 88 Wood Street
London
EC2V 7DA

Independent Auditors PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Chamberlain Square
Birmingham
B3 3AX

TOYOTA TSUSHO U.K. Limited

Annual report for the year ended 31 March 2020

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Strategic report for the year ended 31 March 2020

The directors present their strategic report on the company for the year ended 31 March 2020.

Principal activities

The principal activities of the Company (referred to as TTUK) continued to be trading in general merchandise and vehicles, as well as supplying automotive parts, machinery, equipment and raw materials to (mainly) Toyota group companies.

The Company has two subsidiary undertakings: TT Assembly Systems (UK) Limited (referred to as TTAS) and Green Metals UK Limited (referred to as GMUK). The principal activity of TTAS is the assembly of auto parts for the Toyota car factory in Derby and for Jaguar Land Rover in Birmingham and Liverpool. The principal activity of GMUK is the provision of scrap metal recycling services.

Business Review

In the year ended 31 March 2020, the Company generated turnover of £198 million. This compares with £214 million for the previous year.

Below is an analysis of sales in the year

Division	2020 £'000	2019 £'000
Metal	26,407	31,518
Machinery	7,670	12,461
Automotive Parts & Logistics	89,286	110,107
Automotive (Vehicles)	33,459	27,066
Chemicals	37,196	27,269
Food	3,723	5,570
Electronics	70	134
Total TTUK	197,811	214,125

All of the divisions showed a decrease in sales compared to the previous financial year except for Chemicals, Automotive and Electronics. The most notable increases are from Chemicals by 36%, Automotive by 24%. Whereas Automotive Parts & Logistics showed a decrease in sales by 19% respectively compared to the previous financial year. The Automotive Parts & Logistics division contributed 45% (2019: 51%) of company revenue.

The Company's investment in Voicevale Limited, whose principal activities are selling and distributing agricultural commodities to the European and overseas food industries had a good year in 2019. As a result the Company received in Mar 20 a dividend of £73K (2019:£66K) for its 6% investment in Voicevale Limited for the year ended 31 December 2018.

In the year the Company made a loss before taxation of £ 0.9 million (2019: profit £4.6 million). This year the Company received £0.3 million dividends from Toyota de Angola for the year from 2014 to 2015.

**Strategic report for the year ended 31 March 2020
(continued)****Business Review (continued)**

At the end of the year under review, the Company was in a financially strong position. The European economy uncertainty has increased and 2020-21 is expected to be another challenging year with uncertainty around Brexit. TTUK is continuing to seek new business opportunities and move to markets in North and West Africa.

Going Concern

The financial statements have been prepared on a going concern basis. In adopting the going concern basis the directors have considered the company's business activities, together with the main trends and factors likely to affect its future development, performance and financial position of the company as at 31 March 2020. The directors have also considered potential scenario arising from the COVID pandemic.

The company has net assets and a positive cash balance as set out in the balance sheet. The company is part of the Toyota Tsusho Group of companies and as such has access to considerable financial resources, including loans and overdrafts facilities, held with core group of well-established banks. The directors have a high level of confidence that despite the current economic uncertainty the company has access to the necessary liquid resources to meet its liabilities as they fall due and will be able to sustain its business model, strategy and operations and remain solvent for the foreseeable future. Thus, the directors continue to adopt the going concern basis in preparing the financial statements.

Management of Risk

The directors are aware of the risks and uncertainties that face enterprises operating in the Global marketplace and particularly those that may be specifically applicable to the Company. The Company's processes incorporate internal controls which are designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- a) Effectiveness and efficiency of operations
- b) Reliability of Financial Reporting
- c) Compliance with applicable laws and regulations

A risk is a threat that circumstances, events or actions will adversely affect the Company's ability to achieve its business objectives. Risks, therefore, affect the Company's ability to survive, successfully compete within its industry and maintain the overall quality of its products, services and people. The Company's objectives, its internal organisation and the environment in which it operates are continually changing. Therefore the identification and assessment of risk is a continuing process within the company.

Once identified, risks are then assessed in terms of their likelihood (probability), imminence (timing) and potential impact (materiality). Risk assessment is the process of prioritising the 'potential risks' into those 'applicable risks' that need to be actively managed. Internal controls exist to protect the Company against operational risks and financial risks.

Operational controls cover the following areas: Health and Safety, Corporate law compliance, Financial law compliance (including transfer pricing legislation), Environmental law (such as rules to protect the natural world and to prevent pollution) and Employment law.

**Strategic report for the year ended 31 March 2020
(continued)****Key Performance Indicators**

The directors monitor the progress on the overall strategy and the individual strategic elements by reference to the following KPIs.

	2020	2019
Gross profit Margin	3.6%	3.3%
Current asset ratio	1.3	1.3
Assets : debt	1.6	1.4

The gross profit margin of the company improved despite the fall in turnover compared to the previous financial year.

The current asset ratio and the Assets: debt ratio for the Company remained consistent with the previous financial year.

On behalf of the board

T Iwata
Director

Date: November 2020

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Directors' report for the year ended 31 March 2020

The directors present their report and the audited financial statements for the year ended 31 March 2020.

Future developments

The first quarter of our result of 2020/21 is heavily affected by Covid-19 but our customers' activities recovered well and remain strong, and we are expecting the trend to continue.

Financial risk management

Financial controls within the Company concern liquidity, interest rates, foreign exchange and credit risk. These are described in greater detail below:

- a) **Liquidity risk.** In order to control expenditure properly procedures exist to ensure that the commitment to expenditure is properly authorised. As well as controls over income and expenditure, the management of liquidity also involves control over Fixed Assets and Stocks. Fixed assets are preserved by preventative maintenance and insurance. They should not be replaced until such time as their usefulness expires or maintenance costs become uneconomic. Stocks levels are reviewed regularly. Stock is stored in such a way that it will not deteriorate or be exposed to the risk of damage. Specific controls have been established for disposal of stock, disposal of assets, payment of salaries, VAT accounting, purchase of stock, purchase of goods for resale, expenditure on overheads, petty cash, travel and subsistence claims, car fleet management, insurances and office accommodation costs.
- b) **Interest rates risk.** As interest rates can vary between currencies and countries, the borrowings and deposits are handled by Treasury department. Because of the specialist expertise needed, and the fact that total company cash requirements need to be considered in aggregate, as UK consolidated position, the Treasury function is centralised in the Derby Office. Interest rate risk on borrowings is managed through entering into interest rate swaps.
- c) **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 by either transactional or translational. Transactional variances are minimised by the purchase of forward forex contracts. Translational variances are minimised by the neutralisation of assets and liabilities in each currency.
- d) **Credit risk.** A credit policy exists in order to control exposure to the risk of loss in its selling activities. Business dealings are never undertaken with a customer without firstly establishing a credit limit with that customer. As a customer's financial status can rapidly change, credit limits are valid for duration of only 1 year. Renewal credit applications submitted annually for each customer.

Results and dividends

The results for the Company are shown on page 10. The directors do not recommend payment of a dividend in respect of the year ended 31 March 2020 (2019: £1,056,000 circa £0.05867 per ordinary share).

**Directors' report
for the year ended 31 March 2020 (continued)**

Directors

The directors, who held office during the year and up to the date of signing the financial statements, unless otherwise indicated are:

Mr H Hattori (appointed 1 April 2020)
 Mr H Takamizu
 Mr T Iwata
 Mr S Nishide (resigned 31 March 2020)
 Mr T Hirobe
 Mr J Karube (resigned 30 June 2020)
 Mr K Yamagiwa (resigned 1 April 2019)
 Mr H Yanase (appointed 1 April 2019)

Employees

The Company is committed to employment policies which follow best practice, based on equal opportunities for all employees. The Company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities.

The Company provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. The Company encourages the involvement of employees by means of multiple communication channels, including the company's intranet.

Streamlined Energy and Carbon Reporting

In line with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 our energy use and greenhouse gas (GHG) emissions are set out below.

The data relates to UK emissions for the 12-month period from 1 April 2019 to 31 March 2020. This period is in line with the Strategic Report and Financial Statements which cover the 12-month period between 1 April 2019 – 31 March 2020.

Toyota Tsusho UK Ltd Energy Use and Associated Greenhouse Gas Emissions	
Total energy consumption	3,391,721 kWh
Emissions from combustion of gas	29 tCO ₂ e
Emissions from combustion of fuel for the purposes of transport	600 tCO ₂ e
Emissions from purchased electricity	201 tCO ₂ e
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel	0 tCO ₂ e
Total Gross Emissions	830 tCO₂e
Emissions per £m turnover	4.2 tCO₂e per £m turnover

Directors' report for the year ended 31 March 2020 (continued)

Quantification and Reporting Methodology:

We report our emissions with reference to the latest Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol). The 2019 UK Government GHG Conversion Factors for Company Reporting published by the UK Department for Environment Food & Rural Affairs (DEFRA) are used to convert energy use in our operations to emissions of CO₂e. Carbon emission factors for purchased electricity calculated according to the 'location-based grid average' method. This reflects the average emission of the grid where the energy consumption occurs. Data sources include billing, invoices and the Group's internal systems. For transport data actual usage data (e.g. litres) was utilised.

Intensity Ratio

We have chosen to report our gross emissions against £m Turnover as this represents a common business metric.

Energy Efficiency Action:

TTUK Group are committed to ensuring a safe and healthy workplace for our employees and one that minimises our impact and protects the environment. We will demonstrate this commitment through:

- Minimising the environmental impact of our activities by maintaining an environmental management system.
- Meeting or exceeding our compliance obligations as applicable to our environmental aspects.
- Identifying and preventing or minimising pollution within our scope of activity.
- Supporting initiatives and programmes aimed at improving awareness of sustainability.
- Continuing to work in partnership with the community and other stakeholders to improve the local environment and ensure that our operations do not have a detrimental effect on that community.
- Continually seeking ways to improve our environmental performance.

We are committed to encouraging our customers, suppliers and all business associates to do the same. It is our policy to replace faulty lighting with new LED lights as and when required. TTUK Group have set a target to reduce electricity consumption by 10% with a target date of 31st March 2021. Responsibility for the target has been awarded to Mr. J. Taylor (Head of QSE). The project is currently delayed due to the impact of COVID 19.

Directors' report for the year ended 31 March 2020 (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.

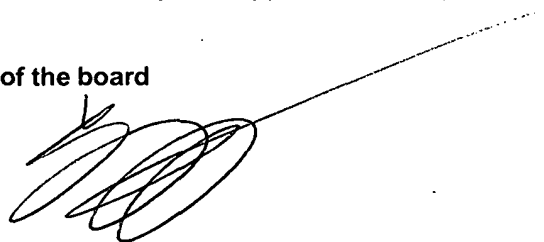
Independent auditors

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

T Iwata
Director

25 November 2020



Independent auditors' report to the members of Toyota Tsusho U.K. Limited

Report on the audit of the financial statements

Opinion

In our opinion, Toyota Tsusho U.K. Limited's financial statements:

give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;

have been properly prepared 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); and

have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance sheet as at 31 March 2020; the Statement of income and retained earnings for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Independent auditors' report to the members of Toyota Tsusho U.K. Limited (Continued)

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Mark Kingsbury (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham

27 November 2020

Statement of income and retained earnings for the year ended 31 March 2020

	Note	2020 £'000	2019 £'000
Turnover	2	197,811	214,125
Cost of sales		(190,750)	(207,152)
Gross profit		7,061	6,973
Administrative expenses		(6,445)	(6,272)
Other operating income		1,614	1,677
Gain on derivative assets		-	8
Exceptional administrative income	3	303	251
Impairment loss on investment in subsidiary	12	(5,000)	(1,287)
Operating (loss)/profit	3	(2,467)	1,350
Operating profit excluding impairment and other exceptional administrative (expenses)/income		2,230	2,386
Income from shares in group undertakings		988	2,953
(Loss)/profit before interest and taxation		(1,479)	4,303
Interest receivable and similar income	4	1,329	1,006
Interest payable and similar expenses	5	(790)	(659)
(Loss)/profit before taxation		(940)	4,650
Tax on (loss)/profit	9	(580)	(591)
(Loss)/profit for the financial year	20	(1,520)	4,059
Retained earnings as at 1 April		21,549	18,069
Dividends paid	10	(1,056)	(579)
Retained earnings as at 31 March		18,973	21,549

All results derive from continuing operations.

There is no other comprehensive income for the year.

The notes on pages 12 to 34 form an integral part of these financial statements.

Balance sheet

As at 31 March 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	11	7,091	7,442
Investments	12	2,400	3,200
		<u>9,491</u>	<u>10,642</u>
Current assets			
Stocks	13	14,779	11,994
Debtors – amounts falling due within one year	14	52,242	52,493
Debtors - amounts falling due after more than one year	14	28,700	33,700
Cash at bank and in hand		21,703	24,806
		<u>117,424</u>	<u>122,993</u>
Creditors: amounts falling due within one year	16	<u>(89,761)</u>	<u>(93,926)</u>
Net current assets		<u>27,663</u>	<u>29,067</u>
Total assets less current liabilities		<u>37,154</u>	<u>39,709</u>
Provisions for liabilities	18	(181)	(160)
		<u>(181)</u>	<u>(160)</u>
Net assets		<u>36,973</u>	<u>39,549</u>
Capital and reserves			
Called up share capital	19	18,000	18,000
Retained earnings		18,973	21,549
Total shareholders' funds	20	<u>36,973</u>	<u>39,549</u>

The financial statements on pages 10 to 34 were approved by the directors on ²⁵ November 2020 and were signed on its behalf by:

The notes on pages 12 to 34 form an integral part of these financial statements



T Iwata
Director

Notes to the financial statements for the year ended 31 March 2020

1 Principal accounting policies

General information

Toyota Tsusho U.K. Limited is a private company limited by shares and is incorporated and domiciled in the U.K. The address of its registered office is 88 Wood Street, London, EC2V 7DA.

The principal activities of the Company continued to be trading in general merchandise and vehicles, as well as supplying automotive parts, machinery, equipment and raw materials to (mainly) Toyota group companies.

The company is a wholly-owned subsidiary of Toyota Tsusho Corporation and is included in the consolidated financial statements of Toyota Tsusho Corporation which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006.

Statement of compliance

The financial statements of Toyota Tsusho U.K. 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.

a) Basis of preparation

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

b) 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.

Notes to the financial statements for the year ended 31 March 2020 (continued)

1 Principal accounting policies (continued)

c) 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 entity, 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.

d) Foreign currencies

i) Functional and presentation currency

The Company's financial statements are presented in pound sterling. The Company's functional and presentation currency is pound sterling.

ii) 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 the statement of income and retained earnings.

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.

e) Turnover

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the group's activities. Turnover is shown net of value-added tax, returns, rebates and 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 entity and when the Company has delivered products or services to the customers.

Notes to the financial statements for the year ended 31 March 2020 (continued)

1 Principal accounting policies (continued)

f) Employee benefits

The Company provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii) Defined contribution pension plan

The Company operates a pension scheme and makes contributions to the pension scheme for its employees. The amount charged to statement of income and retained earnings represents the contributions payable by the company during the financial year.

g) Other operating income

Other operating income consists of income not directly related to the normal operating activities of the company and is mainly service fees to TTC group companies. The other category of income included within "other operating income" is management fees net of value-added tax received within the group.

h) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of income and retained earnings, except to the extent that it relates to items recognised directly in equity. In this case tax is also recognised directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

ii) 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.

Notes to the financial statements for the year ended 31 March 2020 (continued)

1 Principal accounting policies (continued)

i) Tangible assets

Tangible 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 provided by the Group to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

	Years
Freehold buildings	25
Motor vehicles	4
Office equipment	4
Fixtures and fittings	4
Plant and machinery	4

Freehold land is not depreciated. The carrying values of tangible fixed assets are reviewed for impairment if events and changes in circumstances indicate carrying values may not be recoverable. No depreciation is charged on construction in progress. These assets will be transferred to the appropriate class of asset once construction is complete and depreciation will commence when those assets are available for use.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

j) Leased assets

i) Operating leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Costs in respect of operating leases are charged on a straight line basis over the lease term. The Company provide for dilapidations on leased properties, which represent the estimated cost to return those properties to their original condition at the end of the lease. The dilapidation expense is recognised over the period of the lease.

ii) Lease incentives

Incentives received to enter into an operating lease are credited to the statement of income and retained earnings, to reduce the lease expense, on a straight-line basis over the period of the lease.

The Company has taken advantage of the exemption under paragraph 35.10(p) of FRS 102 in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 April 2014) and continues to credit such lease incentives to the statement of income and retained earnings over the period to the first review date on which the rent is adjusted to market rates.

Notes to the financial statements for the year ended 31 March 2020 (continued)

1 Principal accounting policies (continued)

k) Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest free cash flows obtainable as a result of the asset's continued use. The pre-tax and interest free cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of income and retained earnings, unless the asset has been revalued when the amount is recognised in the other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the statement of income and retained earnings.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of income and retained earnings.

l) Investments in subsidiaries

Investments in subsidiaries are included in the balance sheet at cost less amounts written off, representing the recoverable amount after any impairment.

The carrying value of the investments is reviewed for impairment. Any provision for impairment is charged to the statement of income and retained earnings in the year concerned.

m) Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell. Stocks are recognised as an expense in the period in which the related revenue is recognised. In general cost is determined on a first-in first-out basis and includes transport and handling cost. Provision is made for obsolete, slow-moving or defective items where appropriate.

n) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within creditors in current liabilities.

o) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events. The balance for provisions has been calculated as the expected future payment that may occur due to dilapidation and cancellation of an onerous lease. The balance provided is the maximum amount expected to be paid by the company and has been discounted to its present value.

Notes to the financial statements for the year ended 31 March 2020 (continued)

1 Principal accounting policies (continued)

p) Financial instruments

The Company has chosen to adopt the recognition and measurement provisions of IAS 39 (as amended following the publication of IFRS 9) and disclosure requirements of sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Classification

The company classifies its financial assets in the following categories:

- measured at fair value through profit or loss (FVTPL); and
- measured at amortised cost

Financial liabilities are classified in the following categories:

- measured at fair value through profit or loss (FVTPL); and
- measured at amortised cost

ii) Measurements

At initial recognition, the company measures a financial asset and liability at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of income and retained earnings.

Assets classified as subsequently measured at amortised cost, the interest revenue, expected credit losses and foreign exchange gains or losses are recognised in the statement of income and retained earnings. On de-recognition, any gain or loss is recognised in the statement of income and retained earnings.

Assets classified as subsequently measured at fair value through profit and loss, all gains and losses are recognised in the statement of income and retained earnings. The fair values are provided by the banks.

Financial liabilities held for trading; derivatives; and financial liabilities designated as at fair value through profit or loss on initial recognition are subsequently measured at fair value with all gains and losses being recognised in the statement of income and retained earnings.

Financial liabilities that are not classified at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

iii) Derivative financial instruments and hedge accounting

The group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts and interest rate swaps. Further details of derivative financial instruments are disclosed in note 15 and 17 to the financial statements.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of income and retained earnings immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of income and retained earnings depends on the nature of the hedge relationship. The company designates certain derivatives as either hedges of the fair value of

Notes to the financial statements for the year ended 31 March 2020 (continued)

1 Principal accounting policies (continued)

p) Financial instruments (continued)

iii) Derivative financial instruments and hedge accounting (continued)

recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations.

iv) Impairment

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of income and retained earnings.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of income and retained earnings.

v) De-recognition

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

vi) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

q) Related party transactions

The company has taken the exemption as provided by paragraph 33.1A of FRS 102 and does not disclose transactions with members of the same group that are wholly owned. The company discloses transactions with related parties which are not wholly owned with the same group in note 25.

Notes to the financial statements for the year ended 31 March 2020 (continued)

1 Principal accounting policies (continued)

r) 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*

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.

- Impairment of Investments and Receivables

The company considers whether investments and/or receivables are impaired. Where in management's judgement an indication of impairment is identified the recoverable value is estimated. See note 3 for details of impairments recognised in the year.

**Notes to the financial statements
for the year ended 31 March 2020 (continued)**

2 Turnover

The table below sets out information for each of the areas of operation, turnover by class of business and turnover by geographical destination.

<i>By class of business</i>	2020	2019
	£'000	£'000
Metal	26,407	31,518
Machinery	7,670	12,461
Automotive Parts & Logistics	89,286	110,107
Automotive	33,459	27,066
Chemicals	37,196	27,269
Food	3,723	5,570
Electronics	70	134
	197,811	214,125

<i>By geographical destination</i>	2020	2019
	£'000	£'000
Europe	157,034	179,977
Japan	19,015	6,810
North America	16,720	16,404
Central and South America	2,983	233
Africa and Middle East	1,639	8,499
Asia and Oceania	420	2,202
	197,811	214,125

The geographic origin of all turnover is in the United Kingdom.

Notes to the financial statements for the year ended 31 March 2020 (continued)

3 Operating (loss) /profit

Operating (loss)/profit is stated after charging/(crediting):

	2020 £'000	2019 £'000
Depreciation of tangible fixed assets		
- owned assets	512	428
Operating lease charges	321	149
Fees payable to Company's auditors for the audit of the company financial statements	70	66
Fees payable to Company's auditors for tax consultancy services	-	8
Exceptional administrative income – relate to reversal of a provision against dividends due from Toyota de Angola S.A,R.L.	(303)	(251)
Impairment loss on investment in subsidiary (Note 12)	5,000	1,287
Profit on disposal of fixed assets	(2)	-
Loss on foreign exchange	33	95

Total stock charged against operating (loss)/profit for the year was £180,658,000 (2019: £181,113,000). In addition a year-end stock provision of £146,000 (2019: £212,000) was held.

4 Interest receivable and similar income

	2020 £'000	2019 £'000
Other interest and similar income receivable	14	25
Interest and similar income receivable – Group	1,315	981
	<u>1,329</u>	<u>1,006</u>

**Notes to the financial statements
for the year ended 31 March 2020 (continued)**

5 Interest payable and similar expenses

	2020	2019
	£'000	£'000
Interest payable – Group	32	32
Bank loans and overdrafts	758	627
	<u>790</u>	<u>659</u>

6 Directors' emoluments

	2020	2019
	£'000	£'000
Aggregate emoluments: remuneration as executives	<u>666</u>	<u>516</u>

The highest paid director received emoluments as follows:

	2020	2019
	£'000	£'000
Aggregate emoluments	<u>349</u>	<u>266</u>

Retirement benefits are accruing to nil (2019: nil) directors under a money purchase pension scheme.

This disclosure does not include the emoluments of certain directors who are remunerated directly from the ultimate parent in Japan. These directors are also directors of a number of Group companies and it is not possible to estimate the value of their services as directors of the Company.

**Notes to the financial statements
for the year ended 31 March 2020 (continued)**

7 Employee information

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

	Number of employees	
	2020	2019
Administration	19	22
Sales	36	29
Operations	78	47
	<u>133</u>	<u>98</u>

8 Employment costs – all employees including executive directors:

	2020	2019
	£'000	£'000
Wages and salaries	4,583	3,584
Social security costs	396	331
Other pension costs	453	444
Total direct costs of employment	<u>5,432</u>	<u>4,359</u>

TOYOTA TSUSHO U.K. LIMITED

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Notes to the financial statements for the year ended 31 March 2020 (continued)

9 Tax on (loss) / profit

(a) Analysis of charge in the year

	2020	2019
	£'000	£'000
Current tax:		
UK corporation tax on (losses) / profits of the year	564	580
Adjustments in respect of prior years	32	6
Total current tax charge	596	586
Deferred tax:		
Origination and reversal of timing difference	27	5
Adjustments in respect of prior year	(30)	1
Effect of tax rate change	(13)	(1)
Total deferred taxation	(16)	5
Tax on (loss) / profit	580	591

(b) Factors affecting tax charge for the financial year

The tax assessed for the year is higher (2019: lower) than the standard rate of corporation tax in the UK 19% (2019: 19%). The differences are explained below:

	2020	2019
	£'000	£'000
(Loss)/profit before taxation	(940)	4,650
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(179)	884
Effects of:		
Expenses treated as not deductible for purpose of calculating the tax provision	1,014	247
Depreciation in excess of (less than) capital allowances	-	45
Income not taxable for tax purposes	(245)	(608)
Other timing difference	-	12
Adjustments in respect of prior years	3	6
Origination and reversal of timing difference	-	5
Effect of tax rate change	(13)	-
Tax on (loss) / profit	580	591

TOYOTA TSUSHO U.K. LIMITED

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Notes to the financial statements for the year ended 31 March 2020 (continued)

10 Dividends paid

	2020	2019
	£'000	£'000
Equity – Ordinary		
2018 Final dividend £0.03217 per ordinary share	-	579
2019 Final dividend £0.05867 per ordinary share	1,056	-
	<u>1,056</u>	<u>579</u>

The directors do not propose a dividend payment in respect of the company for the year ended 31 March 2020.

11 Tangible assets

	Freehold land and building £'000	Motor vehicles £'000	Office Equipment £'000	Fixtures and fittings £'000	Plant and Machinery £'000	Total £'000
Cost						
At 1 April 2019	10,875	220	1,706	603	511	13,915
Additions	-	53	51	16	41	161
Disposals	(5)	(6)	(347)	(96)	(31)	(485)
At 31 March 2020	<u>10,870</u>	<u>267</u>	<u>1,410</u>	<u>523</u>	<u>521</u>	<u>13,591</u>
Accumulated Depreciation						
At 1 April 2019	3,930	178	1,505	528	332	6,473
Charge for the financial year	319	33	79	27	54	512
Disposals	(5)	(6)	(347)	(96)	(31)	(485)
At 31 March 2020	<u>4,244</u>	<u>205</u>	<u>1,237</u>	<u>459</u>	<u>355</u>	<u>6,500</u>
Net book amount						
At 31 March 2020	<u>6,626</u>	<u>62</u>	<u>173</u>	<u>64</u>	<u>166</u>	<u>7,091</u>
At 31 March 2019	<u>6,945</u>	<u>42</u>	<u>201</u>	<u>75</u>	<u>179</u>	<u>7,442</u>

The value of freehold land, on which no depreciation is charged, is £1,809,000 (2019: £1,809,000).

Notes to the financial statements for the year ended 31 March 2020 (continued)

12 Investments

	Subsidiary undertakings	Other Investments	Total
	£'000	£'000	£'000
Investment value as at 1 April 2019	2,000	1,200	3,200
Additions	5,000	-	5,000
Disposals	(800)	-	(800)
Impairment charge	(5,000)	-	(5,000)
Investment value as at 31 March 2020	1,200	1,200	2,400

Investments are all subsidiary undertakings and in fellow subsidiaries of Toyota Tsusho Corporation, except Voicevale Limited:

Company	Proportion of voting rights held	Proportion of nominal value of issued shares held	Registered office address	Principal activity
TT Assembly Systems (UK) Limited	100%	100%	6 th Floor, Wood Street London, EC2V 7DA United Kingdom	Wheel and tyre assembly
Green Metals UK Limited	60%	60%	6 th Floor, Wood Street London, EC2V 7DA United Kingdom	Scrap metal recycling
TTAF Management Limited	5%	5%	6 th Floor, Wood Street London, EC2V 7DA United Kingdom	Intermediary for sale of vehicles and distribution of motor vehicles
Toyota de Angola S.A.R.L.	2.3%	2.3%	Toyota Building Rua N'Gola Mbandi Luanda Angola	Distribution of motor vehicles
Voicevale Limited	6.04%	6.04%	Voicevale House Spring Villa Park Edgware, Middlesex HA8 7EB United Kingdom	Food trading company

Investments in group undertakings are stated at cost less an impairment loss provision. During the current year, the company waived off loan receivable of £5 million from TT Assembly System (UK) Limited (TTAS) and this has been treated as additional capital contribution in TTAS. However as it is not recoverable, the additional investment has been impaired.

In order to maximise the business efficiencies Stirchley Technical Services Ltd transferred all its business together with assets and liabilities to the company on 1 Oct 2018 and subsequently was dissolved on 1 July 2020.

All subsidiary undertakings in which the Company has an interest were incorporated in Great Britain except for Toyota de Angola S.A.R.L which is registered and incorporated in Angola and TTAF Management Limited which is registered in the UK and incorporated in South Africa.

Notes to the financial statements for the year ended 31 March 2020 (continued)

13 Stocks

	2020	2019
	£'000	£'000
Finished goods and goods for resale	<u>14,779</u>	<u>11,994</u>

The replacement cost of finished goods and goods for resale at 31 March 2020 was not significantly different from the amounts at which they are stated in the financial statements.

14 Debtors

	2020	2019
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	9,487	23,734
Amounts owed by group undertakings	37,981	25,225
Other debtors	1,664	1,445
Corporation tax receivable	660	-
Derivative financial instruments	22	8
Deferred tax assets	93	78
Prepayments and accrued income	<u>2,335</u>	<u>2,003</u>
	52,242	52,493
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>28,700</u>	<u>33,700</u>
Total debtors	<u>80,942</u>	<u>86,193</u>
The amounts owed by group undertakings comprise:		
Falling due within one year		
Parent and group companies	37,938	24,551
Subsidiary undertakings	<u>43</u>	<u>674</u>
	37,981	25,225
Falling due after more than one year		
Parent and group companies	28,700	28,700
Subsidiary undertakings	<u>-</u>	<u>5,000</u>
	<u>28,700</u>	<u>33,700</u>
	<u>66,681</u>	<u>58,925</u>

Amount owed by group undertakings from trading are unsecured, interest free and have no fixed date of repayment. The Company also has amounts owed by group undertakings from financing carrying interest at floating rates based on LIBOR. The subsidiary undertaking loan are to be repaid in fully by 26 July 2022 which bear interest at a rate of the bank's cost plus 0.7% respectively.

Notes to the financial statements for the year ended 31 March 2020 (continued)

14 Debtors (continued)

Deferred tax

Deferred tax assets comprise:

	2020	2019
	£'000	£'000
Deferred tax at 1 April	78	83
Adjustment in respect of prior years	29	-
Charged to the statement of income and retained earnings for the year	<u>(14)</u>	<u>(5)</u>
Deferred tax at 31 March	<u>93</u>	<u>78</u>

Deferred tax balances comprise:

	2020	2019
	£'000	£'000
Accelerated capital allowances	75	78
Short term timing difference	<u>18</u>	<u>-</u>
	<u>93</u>	<u>78</u>

Note the figures in this table show the compilation of the net deferred tax balance for both years.

The amount of net reversals of deferred tax assets expected to occur during the year beginning after the reporting period is as follows:

	2020	2019
	£'000	£'000
Accelerated capital allowances & short term timing difference	(43)	(5)
Losses	-	-
Total	<u>(43)</u>	<u>(5)</u>

Notes to the financial statements for the year ended 31 March 2020 (continued)

15 Derivative financial instruments

The company had outstanding forward transactions to hedge foreign currencies as follows:

	In currency		Sterling equivalents		Fair value	
	2020 '000	2019 '000	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Forward transactions:						
- to hedge future operating payment in US Dollars	\$74	\$362	60	276	(1)	1
- to hedge future operating payments in Japanese Yen	¥369,845	¥437,291	3,071	3,025	19	7
- to hedge future operating payments in Euros	-	€	-	-	-	-
- to hedge future operating payments in AED	-	AED53	-	11	-	-
- to hedge future receivable from Subsidiary in Euros	-	€	-	-	-	-
- to hedge future receivable from Subsidiary in Japanese Yen	-	¥1,027	-	7	-	-
- to hedge future receivable from Parent/group company in JPY	-	¥4,740	-	32	-	1
- to hedge future revenue in Euros	€293	€93	262	79	4	(1)
- to hedge future revenue in US Dollar	-	\$390	-	299	-	-
- to hedge future repayment of loan in EUR	-	€	-	-	-	-
					22	8
Comprising amounts included in:						
					2020 £'000	2019 £'000
Creditors: amount falling due within one year					(1)	(1)
Debtors: amount falling due within one year				14	23	9
					22	8

Notes to the financial statements for the year ended 31 March 2020 (continued)

16 Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Bank loans and overdrafts	67,293	61,117
Deferred income	108	1,231
Trade creditors	5,718	8,228
Amounts owed to group undertakings	12,943	18,099
Other taxation and social security	647	1,337
Corporation tax payable	-	259
Other creditors	870	1,101
Accruals and deferred income	2,182	2,554
	<u>89,761</u>	<u>93,926</u>

The amounts owed to group undertakings comprise:

	2020	2019
	£'000	£'000
Parent and group undertakings	8,931	14,783
Subsidiaries undertakings	4,012	3,316
	<u>12,943</u>	<u>18,099</u>

Amounts owed to group undertakings from trading are unsecured, interest free and have no fixed date of repayment. The company also has amounts owed to group undertakings from financing carrying interest at floating rates based on LIBOR.

Bank loans and overdrafts attracted interest of between 0.01% and 3%.

**Notes to the financial statements
for the year ended 31 March 2020 (continued)**

17 Financial instruments

	Note	2020	2019
		£'000	£'000
Financial assets			
Financial assets that are debt instruments measured at amortised cost:			
Trade debtors	14	9,487	23,734
Other debtors	14	1,664	1,445
Amounts owed by group undertakings	14	66,681	58,920
		<u>77,832</u>	<u>84,099</u>
Financial liabilities			
Financial assets at fair value through profit or loss:			
Derivative (assets) – Current portion	14	(22)	(8)
		<u>(22)</u>	<u>(8)</u>
Financial liabilities measured at amortised cost:			
Bank loans and overdrafts	16	67,293	61,117
Payments received on account	16	108	1,231
Trade creditors	16	5,718	8,228
Amounts owed to group undertakings	16	12,943	18,100
Other creditors	16	870	1,101
		<u>86,932</u>	<u>89,777</u>

**Notes to the financial statements
for the year ended 31 March 2020 (continued)**

18 Provisions for liabilities

	Dilapidation
	£'000
At 1 April 2019	160
Charged to the statement of income and retained earnings	<u>21</u>
31 March 2020	<u>181</u>

This relates to the remaining leased building. Amounts are expected to be utilized in the next three years.

19 Called up share capital

	Ordinary shares of £1 each	
	2020	2019
Allotted, issued, called up and fully paid		
- value (£)	<u>18,000,000</u>	<u>18,000,000</u>
- number	<u>18,000,000</u>	<u>18,000,000</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of capital and the repayment of capital.

20 Reconciliation of movements in total shareholders' funds

	2020	2019
	£'000	£'000
(Loss) / profit for the financial year	(1,520)	4,059
Dividends paid in the financial year	<u>(1,056)</u>	<u>(579)</u>
Net change in total shareholders' funds	(2,576)	3,480
Opening of total shareholders' funds	<u>39,549</u>	<u>36,069</u>
Closing of total shareholders' funds	<u>36,973</u>	<u>39,549</u>

**Notes to the financial statements
for the year ended 31 March 2020 (continued)**

21 Financial commitments

At 31 March the company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2020	2019
	£'000	£'000
Within one year	882	847
Within two to five years	1,022	1,689
Over five years	-	-
	<u>1,904</u>	<u>2,536</u>

22 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 2020 totalled £452,889 (2019: £444,124). At the end of the year, a contribution of £69,395 (2019: £81,910) was outstanding for the Company.

23 Capital commitments

The company had no capital expenditure contracted for at the end of the reporting year (2019: £nil).

Notes to the financial statements for the year ended 31 March 2020 (continued)

24 Related party transactions

During the year, the Company have the following transactions with its related parties:

	2020 £'000	2019 £'000
<i>TT Assembly Systems (UK) Limited, a subsidiary of 100% shareholding:</i>		
Management fees received	238	245
Staff salaries recharged	-	-
Sales of goods	-	777
Amount due from TT Assembly Systems (UK) Limited at 31 March	1,479	5,382
<i>Green Metals UK Limited, a subsidiary of 60% shareholding:</i>		
Sales of goods	-	-
Management fees received	227	223
Dividends received	916	957
Amount due to Green Metals UK Limited at 31 March	2,488	2,186
<i>TTAF Management Limited, an associated company with 5% shareholding:</i>		
Management fees received	47	46
<i>Voicevale Limited, an associated company with 6% shareholding:</i>		
Management fees received	6	2
Dividends received	73	66
<i>Toyota de Angola S.A.R.L, an associated company with 2.3% shareholding:</i>		
Dividends received	-	-
Amount due from Toyota de Angola S.A.R.L. at 31 March	-	852
The amount due from Toyota de Angola S.A.R.L has been fully provided against (ref note 3)		

25 Ultimate parent company

The ultimate parent undertaking and controlling party is Toyota Tsusho Corporation, a company incorporated in Japan.

Toyota Tsusho Corporation (TTC) is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 March 2020. The consolidated financial statements of Toyota Tsusho Corporation are available from 9-8 Meieki 4-Chome, Nakamura-ku, 450-8575 Nagoya, Japan.