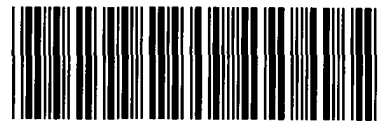


Registered number: 4416133

TT ASSEMBLY SYSTEMS (UK) LIMITED

Annual report for the year ended 31 March 2019

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TT ASSEMBLY SYSTEMS (UK) LIMITED

Annual report for the year ended 31 March 2019

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Strategic report for the year ended 31 March 2019

The directors present their strategic report on the company for the year ended 31 March 2019.

Principal activity

The principal activity of the company is to assemble auto parts and provide logistic services to its customers.

Business review, future developments and key performance and indicators

The company made a loss before taxation of -£1.2 million (2018: -£1.6 million).

The net book value of tangible fixed assets totalled £1.3 million (2018: £5.2 million).

Total shareholders' funds amounted to £0.4 million (2018: £1.4 million), financed by £2.5 million (2018: £2.5 million) called up share capital.

The directors expect that the results will improve in the future as, we will exit the business of Jaguar Land Rover (JLR) which had become a lossmaking activity and will focus on the business of Toyota Motor Manufacturing (UK). Compared with JLR business, Toyota business has been more profitable, although sales volume is smaller than that of JLR's.

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 management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition from other companies, resulting in strong downward price pressure, together with the volume uncertainty in vehicle manufacture of the major customers.

On behalf of the Board



T Ishida
Managing Director

Date: 19th December 2019

Directors' report for the year ended 31 March 2019

The directors present their report and the audited financial statements of the company for the year ended 31 March 2019.

Future developments

These are discussed in the business review in the strategic report on page 1.

Results and dividends

The Statement of income and retained earnings for the year is set out on page 6. The directors do not recommend the payment of a dividend (2018: nil).

Financial risk management policies

Financial controls 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 by transactional. Transactional variances are minimised by the purchase of forward forex contracts.
- b) Credit risk. Some sales are to Toyota group companies for which there is minimal risk. Credit checks are performed as appropriate for external customers to reduce the risk. For banks and financial institutions, only highly rated parties are accepted.

Directors

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

T Ishida
M Storey
J Panes
T Iwata
E Sumino
Y Narita (Appointed 1st April 2018)

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. The directors have also received assurances from the parent company, Toyota Tsusho U.K. Limited, that financial support will be available if required for a period of at least 12 months from the date of approval of these financial statements. 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.

**Directors' report for the year ended 31 March 2019
(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 Ishida
Managing Director

Date: 19th December 2019

Independent auditors' report to the members of TT Assembly Systems (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, TT Assembly Systems (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 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 (the "Annual Report"), which comprise: the Balance sheet as at 31 March 2019; 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

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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 TT Assembly Systems (UK) 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 2019 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 set out on page 3, 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.

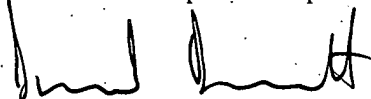
Other required reporting

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.



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

20 December 2019

Statement of income and retained earnings for the year ended 31 March 2019

	Note	2019 £	2018 £
Turnover	2	18,631,081	19,061,575
Cost of sales		<u>(16,254,532)</u>	<u>(17,126,089)</u>
Gross profit		2,376,549	1,935,486
Administrative expenses		<u>(3,548,548)</u>	<u>(3,457,356)</u>
Operating loss		(1,171,999)	(1,521,870)
Interest receivable and similar income	3	2,866	2,540
Interest payable and similar expenses	4	<u>(78,208)</u>	<u>(65,103)</u>
Loss before taxation	7	(1,247,341)	(1,584,433)
Tax on loss	8	<u>189,327</u>	<u>258,140</u>
Loss for the financial year	17,18	<u>(1,058,014)</u>	<u>(1,326,293)</u>
Accumulated Loss as at 1 April		(1,063,045)	263,248
Accumulated loss as at 31 March	17	<u>(2,121,059)</u>	<u>(1,063,045)</u>

The above results relate to continuing operations.

Balance sheet as at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	9	-	-
Tangible assets	10	<u>1,300,024</u>	<u>5,222,449</u>
		<u>1,300,024</u>	<u>5,222,449</u>
Current assets			
Stocks	11	107,768	142,135
Debtors (includes £nil (2018: £116,064)) due after more than one year	12	7,892,332	5,636,269
Cash at bank and in hand		<u>939</u>	<u>1,661</u>
		<u>8,001,039</u>	<u>5,780,065</u>
Creditors: amounts falling due within one year	13	<u>(3,132,148)</u>	<u>(9,181,563)</u>
Net current assets/(liabilities)		<u>4,868,891</u>	<u>(3,401,498)</u>
Total assets less current liabilities		<u>6,168,915</u>	<u>1,820,951</u>
Creditors: amounts falling due after more than one year	14	(5,000,000)	-
Provisions for liabilities	15	(789,974)	(383,996)
Net assets		<u>378,941</u>	<u>1,436,955</u>
Capital and reserves			
Called up share capital	16	2,500,000	2,500,000
Profit and loss account (deficit)	17	(2,121,059)	(1,063,045)
Total shareholders' funds	18	<u>378,941</u>	<u>1,436,955</u>

The financial statements on pages 6 to 20 were approved by the directors on 19th December 2019 and were signed on its behalf by:



T Ishida
Managing Director
Date: 19th December 2019

**Notes to the financial statements
for the year ended 31 March 2019**

1. Accounting policies

General Information

The principal activity of the company is to assemble auto parts and provide logistic services to its customers. The company is a private company limited by shares and is incorporated and domiciled in the UK. The address of its registered office is 6th Floor, 88 Wood Street, London, EC2V 7DA.

Statement of compliance

The financial statements of TT Assembly Systems (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 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. The directors have also received assurances from the parent company, Toyota Tsusho U.K. Limited that financial support will be available if required for a period of at least 12 months from the date of approval of these financial statements. 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 FRS102;
- 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 2019 (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 9 and 10)

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 10 for the carrying amount of tangible assets and note 1 for the useful economic lives for each class of asset.

Tangible fixed 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:

Plant and machinery	2 - 10 years
Office equipment	2-4 years
Fixtures and furniture	2 - 15 years
IT equipment	2-4 years
Motor vehicles	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. 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. Various assets had their depreciation accelerated in the current financial year due to the loss of a major contract.

Intangible fixed assets

Costs of the intangible asset include the original purchase price of knowledge and expertise from Central Motor Wheel Company Ltd. for a specific production line. It has been valued in accordance with the purchase contract and has been amortised over ten years, being the estimated useful life of the project.

Notes to the financial statements for the year ended 31 March 2019 (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 statement of income and retained earnings.

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 entity and when the company has delivered products or services to the customers.

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.

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.

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 right to pay less tax in the future have occurred at the balance sheet date. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain.

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 substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Notes to the financial statements for the year ended 31 March 2019 (continued)

1. Accounting policies (continued)

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.

Operating leases

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

The company provides for dilapidations on leased properties, which represents 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.

2. Turnover

Turnover represents the amounts charged for the assembly of auto parts and logistic services provided in the United Kingdom.

3. Interest receivable and similar income

	2019	2018
	£	£
Interest receivable - group undertakings	<u>2,866</u>	<u>2,540</u>

4. Interest payable and similar expenses

	2019	2018
	£	£
Interest payable - group undertakings	<u>78,208</u>	<u>65,103</u>
	<u>78,208</u>	<u>65,103</u>

5. Directors' emoluments

	2019	2018
	£	£
Directors' emoluments	<u>170,693</u>	<u>154,759</u>

The above amount is related to one (2018: one) director for his services for the company and was recharged from Toyota Tsusho U.K. Limited. The amount does not include the remaining directors who are remunerated directly from the parent company and sister 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 (2018: no) director under a money purchase pension scheme.

**Notes to the financial statements
for the year ended 31 March 2019 (continued)**

6. Employee information

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

	2019	2018
	Number	Number
By activity		
Assembly and Logistics	136	143
General administration	30	31
	<u>166</u>	<u>174</u>

	2019	2018
	£	£
Staff costs		
Wages and salaries	4,908,132	5,369,247
Social security costs	635,173	735,651
Other pension costs	274,992	226,491
	<u>5,818,297</u>	<u>6,331,389</u>

7. Loss before taxation

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

	2019	2018
	£	£
Auditors' remuneration:		
- fees payable for the audit	18,285	18,285
Depreciation:		
- tangible fixed assets	4,092,083	3,723,276
Deferred customer contribution to capital expenditure	(924,353)	(924,353)
Operating lease charges:		
- land and buildings	1,630,118	1,629,051
Loss on disposal of fixed assets	-	-
Foreign exchange gain	(114,291)	(12,059)

The total stock charged against operating loss/profit for the year was £867,950 (2018: £1,084,935).

Notes to the financial statements for the year ended 31 March 2019 (continued)

8. Tax on loss

(a) Analysis of tax credit for the financial year

	2019	2018
	£	£
Current tax:		
UK corporation tax on loss of the year	145,784	-
Group relief receivable	-	(73,709)
Adjustment in respect of previous year	10,825	6,153
Total current tax	156,609	(67,556)
Deferred tax:		
Origination and reversal of timing differences	(378,158)	(202,561)
Effect on tax rate change	39,806	-
Adjustment in respect of previous year	(7,584)	11,977
Total deferred tax	(345,936)	(190,584)
Tax on loss	(189,327)	(258,140)

(b) Factors affecting tax credit for the financial year

The tax assessed for the financial year is higher (2018: higher) than the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019	2018
	£	£
Loss before taxation	(1,247,340)	(1,584,433)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(236,995)	(301,042)
Effects of:		
Non-deductible expenses	4,622	943
Adjustment in respect of previous year	3,240	18,129
Effect on tax rate change	39,806	23,830
Utilisation of losses	-	-
Total tax	(189,327)	(258,140)

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 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 2019 (continued)**

9. Intangible assets

	£
Cost	
At 1 April 2018 and at 31 March 2019	<u><u>350,000</u></u>
Accumulated amortisation	
At 1 April 2018 and at 31 March 2019	<u><u>350,000</u></u>
Net book amount	
At 1 April 2018 and at 31 March 2019	<u><u>-</u></u>

The intangible asset was the purchase of knowledge and expertise of Central Motor Wheel Company Ltd engineers in TT Assembly Systems (UK) Limited. It was amortised over ten years.

**Notes to the financial statements
for the year ended 31 March 2019 (continued)**

10. Tangible assets

	Plant and machinery	Office equipment	Fixtures and furniture	IT equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2018	25,159,421	144,259	2,724,296	692,168	190,806	28,910,950
Additions	21,960	-	111,857	36,703	-	170,520
Disposals	-	(2,800)	-	-	-	(2,800)
At 31 March 2019	25,181,381	141,459	2,836,153	728,871	190,806	29,078,670
Accumulated depreciation						
At 1 April 2018	20,948,219	120,518	1,877,782	562,410	179,572	23,688,501
Adjustment	862	-	-	-	-	862
Charge for the year	3,579,089	16,094	400,578	89,319	7,003	4,092,083
Disposals	-	(2,800)	-	-	-	(2,800)
At 31 March 2019	24,528,170	133,812	2,278,360	651,729	186,575	27,778,646
Net book amount						
At 31 March 2019	653,211	7,647	557,793	77,142	4,231	1,300,024
At 31 March 2018	4,211,202	23,741	846,514	129,758	11,234	5,222,449

Plant and machinery includes construction in progress amounting to £nil (2018: £17,618), which relates to machinery not yet being used.

11. Stocks

	2019	2018
	£	£
Finished goods	<u>107,768</u>	<u>142,135</u>

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

**Notes to the financial statements
for the year ended 31 March 2019 (continued)**

12. Debtors

	2019	2018
	£	£
Trade debtors	2,531,617	3,654,846
Amounts owed by group undertakings	208,246	565,105
Other debtors	-	116,064
Derivative financial instruments (note 20)	63,582	12,006
Deferred tax assets	872,348	526,414
Prepayments and accrued income	<u>4,216,539</u>	<u>761,834</u>
	<u><u>7,892,332</u></u>	<u><u>5,636,269</u></u>

Amounts owed by group undertakings in the normal course of trade are unsecured, interest free and are repayable on demand. The company also has amounts owed by group undertakings which carry interest at floating rates based on LIBOR. Within other debtors is an amount due in more than one year of £Nil (2018: £116,064).

Deferred tax	2019	2018
	£	£
At 1 April	526,414	335,830
Adjustment in respect to prior years	7,584	
Credited to the statement of income and retained earnings	338,350	190,584
At 31 March	<u>872,348</u>	<u>526,414</u>

Deferred tax balance comprises:

Accelerated capital allowances	834,742	526,414
Short term timing difference	37,606	-
	<u>872,348</u>	<u>526,414</u>

**Notes to the financial statements
for the year ended 31 March 2019 (continued)**

13. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	435,749	614,159
Amounts owed to group undertakings	648,858	5,180,042
Other creditors	222,443	945,824
Other taxation and social security	492,831	654,524
Corporation tax due	145,901	33,270
Accruals and deferred income	<u>1,186,366</u>	<u>1,753,744</u>
	<u>3,132,148</u>	<u>9,181,563</u>

Amounts owed to group undertakings in the normal course of trade are unsecured, interest free (except for borrowings through cash pooling) and have no fixed date of repayment. Included in the amounts owed to group undertakings for 2018 is the £5,000,000 which is unsecured and bears interest at the rate of 6 Month LIBOR + 0.7% and is due for repayment on the 26th March 2022.

14. Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Amounts due to group undertakings	<u>5,000,000</u>	<u>-</u>

Amounts owed to group undertakings falling due after more than one year are unsecured, bear interest at the rate of 6 Month LIBOR + 0.7% and are due for repayment by 26th March 2022.

15. Provisions for liabilities

	Dilapidation £
1 April 2018	383,996
Debited to the profit and loss account	<u>405,978</u>
31 March 2019	<u>789,974</u>

The dilapidation provision is the estimated cost for dilapidations of all leased properties.

Notes to the financial statements for the year ended 31 March 2019 (continued)

16. Called up share capital

	2019	2018
	£	£
Allotted and fully paid		
2,500,000 (2018: 2,500,000) ordinary shares of £1 each	<u>2,500,000</u>	<u>2,500,000</u>

17. Profit and loss account

	2019	2018
	£	£
At 1 April	(1,063,045)	263,248
Loss for the financial year	<u>(1,058,014)</u>	<u>(1,326,293)</u>
At 31 March	<u>(2,121,059)</u>	<u>(1,063,045)</u>

18. Total shareholders' funds

	2019	2018
	£	£
Opening shareholders' funds	1,436,955	2,763,248
Loss for the financial year	<u>(1,058,014)</u>	<u>(1,326,293)</u>
Closing shareholders' funds	<u>378,941</u>	<u>1,436,955</u>

**Notes to the financial statements
for the year ended 31 March 2019 (continued)**

19. Operating lease commitments

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

	Land and buildings	
	2019	2018
	£	£
Within one year	1,980,728	1,487,353
Within two to five years	1,865,327	4,969,477
More than five years	<u>657,784</u>	<u>855,118</u>
	<u>4,503,839</u>	<u>7,311,948</u>

There is a difference between the operating lease commitment and the operating lease charge in the operating loss note (note 7) due to the difference between recognising the lease cost over the term of the lease in line with the accounting policy stated in note 1 and the actual cash commitment.

20. Derivatives

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

	In currency		Sterling equivalents		Fair value	
	2019	2018	2019	2018	2019	2018
	€	€	£	£	£	£
Forward transactions:						
- to hedge future currency revenues in Euros	3,237,632	2,665,554	3,126,089	2,364,080	63,582	12,006

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 2019 totalled £274,992 (2018: £226,491). At the end of this year, a contribution of £22,790 (2018: £17,573) 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.

Toyota Tsusho Corporation (TTC) is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 March 2019. The consolidated financial statements of Toyota Tsusho Corporation are available from 9-8 Meieki 4-Chome, Nakamura-ku, 450-8575 Nagoyo, Japan.

Notes to the financial statements for the year ended 31 March 2019 (continued)

23. Related party transactions

The company is not 100% owned within Toyota Tsusho Corporation group. As a result the company cannot take advantage of the exemption under FRS 102 not to disclose related party transactions with entities that are part of the group.

The company purchased goods and services to the value of £317,794 (2018: £137,056) and £nil (2018: £51,817) from Toyota Tsusho U.K. Limited, its parent company, during the year. Group relief of £63,003 (2018: £73,709) has been claimed for tax purposes and has been passed to Toyota Tsusho U.K. Limited. The company paid management fees of £244,956 (2018: £232,000) to Toyota Tsusho U.K. Limited during the year. At the year end, balances due to/(due by) the company from/(to) Toyota Tsusho U.K. Limited were as follows:

	2019	2018
	£	£
Trading balances	(146,720)	(134,274)
Group Relief	63,003	73,709
Term loan (*repayable 26 th March 2022)	(5,000,000)*	(5,000,000)*
Cash pooling	(309,370)	491,397
	<u>(5,393,087)</u>	<u>(4,569,168)</u>

The company purchased goods to the value of £177,780 (2018: £200,819) from Stirchley Technical Services Limited, a fellow subsidiary company, during the year. At the year end, £nil (2018: £20,173) was owed by the company to Stirchley Technical Services Limited.

The company purchased goods and services to the value of £58,560 (2018: £44,910) from Green Metals U.K. Limited, a fellow subsidiary company, during the year. The company paid management fees of £115,200 (2018: £87,408) to Green Metals U.K. Limited during the year. At the year end, £14,376 (2018: £11,054) was owed by the company to Green Metals U.K. Limited.

The company purchased goods to the value of £11,576 (2018: £5,559) from Toyota Tsusho Corporation, the ultimate parent company, during the year. At the year end, £nil (2018: £nil) was owed by the company to Toyota Tsusho Corporation.

The company purchased services to the value of £259,382 (2018: £143,734) from Toyota Tsusho Europe S.A., a fellow sister company, during the year. At the year end, £nil (2018: £nil) was owed by the company to Toyota Tsusho Europe S.A.

The company purchased goods and services to the value of £77,640 (2018: £101,157) from the UK branch of TT Network Integration Europe GmbH, a fellow sister company, during the year. At the year end, £6,480 (2017: £13,290) was owed by the company to TT Network Integration Europe GmbH.

The company purchased goods to the value of £3,775 (2018: £4,027) from Toyotsu Machinery Corporation, At the yearend, £nil (2018: £nil) was owed by the company to Toyotsu Machinery Corporation.