

REGISTERED NUMBER: SC376021 (Scotland)

Report of the Directors and
Financial Statements for the Year Ended 31 March 2019
for
Torishima Service Solutions Europe Ltd



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for the Year Ended 31 March 2019

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Torishima Service Solutions Europe Ltd

Company Information
for the Year Ended 31 March 2019

DIRECTORS:

G Ashe
M Ishida
A J Ferrie
S Tomizawa
Ms L M O'Neill

REGISTERED OFFICE:

Unit 3 - M8 Interlink Estate
Kirkshaws Road
Coatbridge
ML5 4RP

REGISTERED NUMBER:

SC376021 (Scotland)

AUDITORS:

Key Professional Partnership Limited
Chartered Accountants
Statutory Auditors
Suite 4F, Ingram House
227 Ingram Street
Glasgow
G1 1DA

Report of the Directors
for the Year Ended 31 March 2019

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

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2018 to the date of this report.

G Ashe
M Ishida
A J Ferrie
S Tomizawa

Other changes in directors holding office are as follows:

P Cunningham - resigned 6 April 2018
Ms L M O'Neill - appointed 11 May 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Key Professional Partnership Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:


Andrew Ferrie (Dec 13, 2019)

A J Ferrie - Director

13 December 2019

Report of the Independent Auditors to the Members of
Torishima Service Solutions Europe Ltd

Opinion

We have audited the financial statements of Torishima Service Solutions Europe Ltd (the 'company') for the year ended 31 March 2019 which comprise the Income Statement, Balance Sheet and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Torishima Service Solutions Europe Ltd

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 a Report of the Auditors 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.


Stephen Usher (Dec 13, 2019)

Stephen A Usher (Senior Statutory Auditor)
for and on behalf of Key Professional Partnership Limited
Chartered Accountants
Statutory Auditors
Suite 4F, Ingram House
227 Ingram Street
Glasgow
G1 1DA

13 December 2019

Income Statement
for the Year Ended 31 March 2019

	Notes	31.3.19 £	£	31.3.18 £	£
TURNOVER			8,345,782		4,996,020
Cost of sales			5,152,913		2,684,742
GROSS PROFIT			3,192,869		2,311,278
Distribution costs		66,649		58,673	
Administrative expenses		2,150,916		1,874,998	
			2,217,565		1,933,671
OPERATING PROFIT	4		975,304		377,607
Interest receivable and similar income			242		102
			975,546		377,709
Interest payable and similar expenses			152		696
PROFIT BEFORE TAXATION			975,394		377,013
Tax on profit			158,342		(21,465)
PROFIT FOR THE FINANCIAL YEAR			817,052		398,478

The notes form part of these financial statements

Torishima Service Solutions Europe Ltd (Registered number: SC376021)

Balance Sheet

31 March 2019

	Notes	31.3.19 £	31.3.18 £
FIXED ASSETS			
Tangible assets	5	256,477	362,964
CURRENT ASSETS			
Stocks	6	485,725	324,026
Debtors	7	3,430,812	2,153,904
Cash at bank and in hand		1,287,093	1,144,794
		<u>5,203,630</u>	<u>3,622,724</u>
CREDITORS			
Amounts falling due within one year	8	<u>2,288,232</u>	<u>1,114,342</u>
NET CURRENT ASSETS		<u>2,915,398</u>	<u>2,508,382</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,171,875</u>	<u>2,871,346</u>
PROVISIONS FOR LIABILITIES		(30,373)	(48,926)
ACCRUALS AND DEFERRED INCOME		<u>(34,178)</u>	<u>(532,148)</u>
NET ASSETS		<u><u>3,107,324</u></u>	<u><u>2,290,272</u></u>
CAPITAL AND RESERVES			
Called up share capital	9	10,000	10,000
Retained earnings	10	<u>3,097,324</u>	<u>2,280,272</u>
SHAREHOLDERS' FUNDS		<u><u>3,107,324</u></u>	<u><u>2,290,272</u></u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 13 December 2019 and were signed on its behalf by:


Andrew Ferrie (Dec 13, 2019)

A J Ferrie - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 March 2019

1. STATUTORY INFORMATION

Torishima Service Solutions Europe Ltd is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Property renovations	- 20% on cost
Plant and machinery	- 20% on cost and 10% on cost
Fixtures and fittings	- 20% on cost
IT/Phone equipment	- 33% on cost

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

2. **ACCOUNTING POLICIES - continued**

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 35 (2018 - 35).

4. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.3.19	31.3.18
	£	£
Depreciation - owned assets	123,730	119,520
	<u> </u>	<u> </u>

5. **TANGIBLE FIXED ASSETS**

	Property renovations £	Plant and machinery £	Fixtures and fittings £	IT/Phone equipment £	Totals £
COST					
At 1 April 2018	168,075	501,286	18,992	68,698	757,051
Additions	-	10,712	709	5,822	17,243
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2019	168,075	511,998	19,701	74,520	774,294
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION					
At 1 April 2018	58,545	294,380	13,241	27,921	394,087
Charge for year	35,052	67,517	2,244	18,917	123,730
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2019	93,597	361,897	15,485	46,838	517,817
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE					
At 31 March 2019	74,478	150,101	4,216	27,682	256,477
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2018	109,530	206,906	5,751	40,777	362,964
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

6. **STOCKS**

	31.3.19	31.3.18
	£	£
Stocks	93,361	78,122
Work-in-progress	392,364	245,904
	<u> </u>	<u> </u>
	485,725	324,026
	<u> </u>	<u> </u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.19	31.3.18
	£	£
Trade debtors	3,268,910	1,749,445
Tax	-	298,623
VAT	103,273	-
Prepayments & other debtors	58,629	105,836
	<u>3,430,812</u>	<u>2,153,904</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.19	31.3.18
	£	£
Trade creditors	1,631,812	689,386
Tax	76,825	-
Social security and other taxes	47,921	43,141
VAT	-	13,978
Accrued & other creditors	531,674	367,837
	<u>2,288,232</u>	<u>1,114,342</u>

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	31.3.19	31.3.18
Number:	Class:		£	£
10,000	Ordinary	1	<u>10,000</u>	<u>10,000</u>

10. RESERVES

	Retained earnings £
At 1 April 2018	2,280,272
Profit for the year	817,052
At 31 March 2019	<u>3,097,324</u>

11. CAPITAL COMMITMENTS

The company are in the throes of negotiating a lease on a new European Headquarters that will pull together all the Torishima operations in Scotland in one site at Clyde Gateway with a 15 year lease and initial capital expenditure exceeding £400,000. The company have secured regional grant funding in the amount of £150,000. the move will improve the logistical performance of the company and decrease its overall cost base securing its future. A rental has been agreed of £205,860 per annum ex vat. This represents a cost saving with other rental agreements being extinguished.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2019

12. RELATED PARTY DISCLOSURES

The company made sales to Torishima Europe Projects Ltd of £83,046 during the year, of which an outstanding trade creditor balance of £3,618 was owed to the company at the year end date.

The company made sales to Torishima Europe Ltd of £11,628 during the year, of which an outstanding trade debtor balance of £6,489 was owed to the company at the year end date.

The company made sales to Torishima Pumps Mfg Co of £438,132 during the year, of which an outstanding trade debtor balance of £106,431 was owed by the company at the year end date.

The company made sales to Torishima Service Solutions Dubai of £13,717 during the year, of which an outstanding trade debtor balance of £7,297 was owed by the company at the year end date.

13. ULTIMATE CONTROLLING PARTY

The company is ultimately owned and controlled by Torishima Mfg Coy Japan.