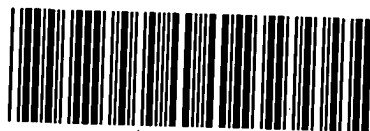


REGISTERED NUMBER: 02739808 (England and Wales)

**Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 31 December 2022
for
WISMETTAC HARRO FOODS LIMITED**

SATURDAY



ACAQQPC1

A13

26/08/2023

#49

COMPANIES HOUSE

WISMETTAC HARRO FOODS LIMITED

Contents of the Financial Statements for the Year Ended 31 December 2022

	Page
Company Information	1
Strategic Report	2
Report of the Directors	6
Statement of Directors' Responsibilities	10
Independent Auditors' Report to the Members of Wismettac Harro Foods Limited	11
Income Statement	15
Other Comprehensive Income	16
Balance Sheet	17
Statement of Changes in Equity	18
Notes to the Financial Statements	19

WISMETTAC HARRO FOODS LIMITED

**Company Information
for the Year Ended 31 December 2022**

DIRECTORS:

I D Hetherington
B L D Pandit
Y Sasa
H Tsujikawa
K Hayashi

SECRETARY:

M P Rogers

REGISTERED OFFICE:

Oak Point
Oakcroft Road
Chessington
Surrey
KT9 1RH

REGISTERED NUMBER:

02739808 (England and Wales)

AUDITORS:

P and Co (Partners) LLP
Chartered Accountants and
Statutory Auditors
18 Ensign Street
London
E1 8PA

SOLICITORS:

3CS Corporate Solicitors
60 Moorgate
London EC2R 6EJ

WISMETTAC HARRO FOODS LIMITED

Strategic Report for the Year Ended 31 December 2022

The directors present their strategic report for the year ended 31 December 2022.

ACTIVITIES

The company's business is the wholesale of foodstuffs.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The results for the year ended 31 December 2022 are set out in the Income Statement. During the year the company made a profit after taxation of £2,716,681 (2021: profit of £2,870,846).

Annual sales have increased by 17.5% compared to the year ended 31 December 2021. There has been an increase in gross profit margin (2022: 22.7%; 2021: 25.6%). Distribution expenses, which the directors regard as a key KPI, increased from 8.3% of sales in 2021, to 9.3% in 2022. These factors contributed to an operating profit in 2022 of £3,523,205 (2021: £3,646,867).

At 31 December 2022, the company's net assets are £9,932,309 (2021: £7,215,628).

The market sector that the company is principally concerned with is the supply of goods to restaurants and takeaways. Trading for the business improved as a result of our customer expansion. Markets were affected by the war in Ukraine and the cost of living crisis.

Inflation in the market has increased cost of goods and has led to a reduction in demand in some sectors. The Directors are satisfied with the increase in sales during the year under the market conditions.

The company ensures it is aware of and complies with the rapidly changing regulations concerning food hygiene and safety and has BRC AA accreditation for its foods safety management system.

The strength of the company is increased by utilizing our group purchasing facility, which enables the company to find the most competitive products for supplying to its customers. The company will continue to use all its competitive strength to enable it to increase the level of business and profitability in the future.

WISMETTAC HARRO FOODS LIMITED

Strategic Report for the Year Ended 31 December 2022

PRINCIPAL RISKS AND UNCERTAINTIES

The company's activities expose it to a number of financial risks including price risk, credit risk, cash flow risk, liquidity risk and risk to a further pandemic. The use of financial derivatives is governed by the company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The company does not use derivative financial instruments for speculative purposes.

Cash flow risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The company uses foreign exchange forward contracts arranged through high credit-rated banking grounds to hedge exposure.

Credit risk

The company's principal financial assets are bank balances and trade receivables.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identifiable loss event which based on previous experience, is evidence of a reduction in recoverability of the cash flow.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit –ratings assigned by international credit-rating agencies.

The company has contracted with an insurance company, with high credit-ratings assigned by international credit rating agencies, to mitigate the credit risk of conducting business with its customers. The Directors consider that the company has successfully reduced its credit risk as much as economically viable, and it continues to monitor its credit position limits very closely.

Pandemic Risk

The future risk of continued covid pandemic has subsided and the market conditions have improved. The business continues to monitor the risks of future outbreaks.

Brexit

The business awaits the passing of the Windsor agreement that should improve the trading conditions with the European Union and Northern Ireland.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operation and future developments the company issues a mixture of long-term and short-term debt finance. The company's position as part of the Nishimoto Wismettac Group means that it has access to finance facilities both internal and external to the Group.

Price risk

The company is exposed to commodity price risk, due to both market conditions and foreign rate variation. The company does not manage its exposure to commodity price risk due to cost benefit considerations.

WISMETTAC HARRO FOODS LIMITED

Strategic Report for the Year Ended 31 December 2022

SECTION 172(1) STATEMENT

The board of Directors believes that governance of the company is best achieved by delegation to the senior management team, subject to defined limits and monitoring by the board. The board routinely monitors the delegation of authority, ensuring that it is regularly updated, while retaining ultimate responsibility.

The business of the company is the wholesale provision of Japanese and Asian foods to restaurants, retailers, wholesale and manufacturing sectors.

The directors of the company consider they have acted in in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to -

- a. the likely consequences of any decision in the long term,
- b. the interests of the company's employees,
- c. the need to foster the company's business relationships with suppliers, customers and others,
- d. the impact of the company's operations on the community and the environment,
- e. the desirability of the company maintaining a reputation for high standards of business conduct and,
- f. the need to act fairly as between members of the company.

The board receives regular reports by the business about strategy, performance and key decisions made. This provides the board assurance that the proper consideration is given to stakeholder's interest. It uses this information to assess the impact of the decisions on each stakeholder group as part of its own decision making process.

The Company recognises the following key stakeholder groups which are relevant to the proper discharge of the Directors duties and to promote the success of the company.

- Employees
- Customer and Suppliers
- Communities and the environment
- Other stakeholders

Employees

Our people are the key to the success of the company, we want them to be successful both individually and as a team. The Group carries out a twice yearly surveys, the results of this survey are shared with the board and local management to understand engagement of staff with the company. The employee engagement invites all departments to give their views on their relationship with managers, personal growth, company support, strategy and vision. The board will then consider and discuss on those feedbacks and review the strategy.

Customers and Suppliers

Our ambition is to be the leading wholesaler and supplier of ambient and frozen Japanese food products. To achieve that, the company need the support of customers and suppliers.

Our customers are fundamental to our success. The company is building quality relationships with our customers and understanding their needs on products and the level of service they require. We monitor the demands of the customers closely and bring them innovative new products to enhance mutual business growth.

Our suppliers are experts in a wide range of products across the world. The company fully utilises the global buying facility to provide new and cost effective options to our customer base. The payment to suppliers is to terms agreed and payments are made promptly to ensure our continued success in these relationships.

Communities and the environment

The company fully acknowledges the responsibility on empowering the communities and preserving the environment. Recognising the significance of climate change, the company has plans and dedicated to improve the energy efficiency. Wider information can be found with the streamline and carbon reporting section.

WISMETTAC HARRO FOODS LIMITED

Strategic Report for the Year Ended 31 December 2022

Other stakeholders

The company meets the highest standards that the industry requires on food safety and we achieve and are committed to achieving BRC (British Retail Consortium) standard for storage and distribution, in 2022, the business achieved AA grade BRC accreditation.

The business holds regular Health and safety meetings and has dedicated resource to ensure that all staff are properly trained and that the highest standards are maintained. All equipment is regularly checked and we have made improvements to the transport compliance systems with further dedicated resource.

Customer safety is of paramount importance and our logistics teams work closely with customers to ensure that deliveries are made in a safe and prompt manner.

GOING CONCERN

The company prepares forecast and cash flow projections to identify the level of financial resources required for its future operations. The results are shared with the parent company, which has confirmed its continued support for the company's cash flow requirements via a signed letter of support. The company continues to have access to a combined £15m loan and overdraft facility, the security of the loan is guaranteed by the parent company.

The directors therefore have a reasonable expectation that the company will have access to adequate resources to continue in operational existence for the foreseeable future and have therefore continued to adopt the going concern basis in preparing the financial statements.

The company has continued to trade satisfactorily and have reported good results during the continued Pandemic period. The business has seen an increase in activity with customers now starting to expand their network which the business supports. The business sees the Pandemics influence as reducing as the UK Governments vaccine program has led to reduced restrictions and these restrictions are expected to be lifted further. The business is aware of ongoing inflationary pressures that may put pressure on consumers budgets along with supplier inflation that will lead to possible price increases.

Subsequent Events disclosure

The business has been able to report satisfactory results for 2022 during a period of inflationary pressures. The business expects continued strong growth in 2023 and has taken additional steps to support that growth, the directors are confident that the business is a going concern.

APPROVED AND SIGNED ON BEHALF OF THE BOARD:



.....
K Hayashi - Director

Date: 15.08.2023
.....

WISMETTAC HARRO FOODS LIMITED

Report of the Directors for the Year Ended 31 December 2022

The directors present their report with the financial statements of the Company for the year ended 31 December 2022.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2022.

FUTURE DEVELOPMENTS

Information regarding future developments of the Company is included in the Strategic Report.

WISMETTAC HARRO FOODS LIMITED

Report of the Directors for the Year Ended 31 December 2022

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

I D Hetherington
B L D Pandit
Y Sasa
H Tsujikawa
K Hayashi

STREAMLINED ENERGY AND CARBON REPORTING

Introduction

As the Company is classified as a large unquoted company under the definitions set in Section 465 and 466, Chapter 15 of Companies Act 2006, it needs to comply with the new government legislation implemented by The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 on Streamlined Energy and Carbon Reporting (SECR).

To fulfil this, we have measured our UK energy and greenhouse gas (GHG) emissions as classified within Scope 1 & 2 and mandatory element of Scope 3 (grey fleet) of the Streamlined Energy and Carbon Reporting regulations, which are presented in tables 1,2,3 and 4 as these are material to our organisation's activities.

Organisational and operational boundaries of the Company

The Company's structural and operational boundaries are the same. The Company is operating one site within UK, where the Company is responsible for the energy consumption:

- Oak Point, Oakcroft Road, Chessington, Surrey, KT9 1RH UK (gas & electricity directly paid)

Environmental Performance

The Company decided to follow and adapt, for SECR reporting, a widely recognised Greenhouse Gas Reporting Protocol - Corporate Standard methodology. As at 31 December 2022 the Company's energy usage and associated carbon emissions for the year, 1 January 2022 to 31 December 2022 were as follows:

Table 1: Total energy consumption and associated GHG emissions from Scope 1, 2 & 3 for SECR Year 1 reporting period

Energy Type:		Energy Use	% Split	Emissions	% Split
		(kWh)	(kWh)	(tCO2e/yr.)	(tCO2e)
Combustion of Gas	(Scope 1)	543,934	11.55%	99.3	9.14%
Electricity	(Scope 2)	1,266,613	26.90%	244.9	22.53%
Transport	(Scope 1 & 3)	2,898,217	61.55%	742.8	68.33%
Total	(Scope 1 & 2)	4,708,764	100.00%	1,087.0	100.00%

Intensity ratio

Intensity ratios compare emissions data with an appropriate business metric or financial indicator. This allows a comparison of energy efficiency performance over time and with other similar types of organisation. The Company chose to compare overall energy consumption and associated emissions against the annual turnover figure and the total number of full-time equivalent employees in the base year (2022) which is also the Company SECR Year 1 reporting period.

Table 2 Intensity Ratio - Energy consumption and associated GHG emissions per £100,000 of annual turnover

Total energy consumption	Total GHG emissions	Annual turnover	Intensity ratio	Intensity ratio
(kWh)	(tCO2e)	(£)	(kWh / £100,000 turn over)	(tCO2e / £100,000 turn over)
4,708,764	1,087.03	51,401,056	9,160.83	2.115

WISMETTAC HARRO FOODS LIMITED

Report of the Directors for the Year Ended 31 December 2022

Table 3 Intensity Ratio - Energy consumption and associated GHG emissions per the number of full-time equivalent (FTE) employees

Total energy consumption (kWh)	Total GHG emissions (tCO ₂ e)	Number of FTE Employees (-)	Intensity ratio (kWh / FTE Employees)	Intensity ratio (tCO ₂ e / FTE Employees)
4,708,764	1,087.03	106	44,422	10.26

Energy intensity ratios are calculated and presented as advised by the Department of Business Energy and Industry Strategy recommendations.

Energy Efficiency Actions

The Company's ability to implement energy efficiency measures during 2022 was limited. However, it intends to assess its abilities to carry out LED lighting refurbishment and boiler replacement projects in the upcoming 2023 fiscal year, recognising the significance of climate change and energy efficiency for the company.

In addition, the Company acknowledges the importance of reducing GHG emissions in achieving sustainability goals and thus plans to evaluate its capacity to implement strategies for their reduction in the upcoming fiscal year.

Methodology

The methodology used for determining energy and carbon emissions originates from a number of sources of GHG emissions:

- Natural gas used for building heating and domestic hot water (Scope 1)
- Electricity used for lighting, heating, ventilation and air conditioning, and the operation of office equipment (Scope 2)
- Transport activities (Scope 1 & 3)

The electricity consumption uses accurate and verifiable monthly invoice data from half hourly meter readings for the head office site where the Company is directly responsible for the energy use. Gas consumption is determined from monthly invoices derived from supplier or customer readings. In all cases, energy use was corrected to a full year's data as necessary.

Transport emissions were determined from the recorded mileage for both heavy goods vehicles (HGV) and grey fleet vehicles. Grey fleet vehicles comprised small diesel cars and medium sized petrol cars and the appropriate conversions factors were used to convert into carbon dioxide equivalent emissions. The HGV were broken down into two groups:

- rigid vehicles weighing 3.5t to 7.5 t
- rigid vehicles weighing greater than 17t

The appropriate conversions factors were used to convert into carbon dioxide equivalent emissions.

The following conversion factors were used during the calculations. GHG emissions have been calculated using the UK Government approved and published conversion factors for company reporting, 2022.

WISMETTAC HARRO FOODS LIMITED

Report of the Directors for the Year Ended 31 December 2022

Table 4 - Energy and Carbon Conversion Factors for gas, electricity and company vehicles

Activity	Fuel	Unit	Year	kgCO ₂ e
Combustion of Gas	Natural Gas	kWh	2022	0.1825
Grid supplied Electricity	Electricity: UK	kWh	2022	0.1934

Fuel	Vehicle size	Conversion factor (kg/mile)
Diesel	Small car	0.22514
Diesel	Medium car	0.27039
Diesel	Large car	0.33722
Diesel	Rigid HGV > 3.5t - 7.5t	0.74574
Diesel	Rigid HGV > 17t	1.27294
Petrol	Small car	0.2358
Petrol	Medium car	0.29724
Petrol	Large car	0.4448
	Average car	0.2758

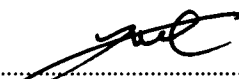
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 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.

AUDITORS

The auditors, P and Co (Partners) LLP, have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

APPROVED AND SIGNED ON BEHALF OF THE BOARD:


.....
K Hayashi - Director

Date:

15.08.2023

WISMETTAC HARRO FOODS LIMITED

Statement of Directors' Responsibilities for the Year Ended 31 December 2022

The directors are responsible for preparing the Strategic Report, 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Independent Auditors' Report to the Members of Wismettac Harro Foods Limited**Opinion**

We have audited the financial statements of Wismettac Harro Foods Limited (the "company") for the year ended 31 December 2022 which comprise the Income Statement, the Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and the Notes to the Financial Statements including 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 101 'Reduced Disclosure Framework' (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 December 2022 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



Independent Auditors' Report to the Members of Wismettac Harro Foods Limited (continued)**Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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 Strategic Report and the Report of the Directors. We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors responsibilities statement set out on page 6, 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 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.

Independent Auditors' Report to the Members of Wismettac Harro Foods Limited (continued)**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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our understanding of the company and the industry in which it operates.

The principal risks of non-compliance with laws and regulations related to failure to comply with UK tax regulations and employment laws in the relevant jurisdictions, health and safety legislation, anti-bribery legislation, general data protection regulation (GDPR), and relevant legislation such as the Criminal Finance Act 2017 and we considered the extent to which non-compliance might have a material effect on amounts or disclosures in the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements including the financial reporting legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting for estimates including estimates relating to investment impairment, stock provision, and provision for bad and doubtful debts.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations identified in the paragraphs above. Audit procedures performed included, but were not limited to:

- discussing with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reading minutes of meetings of those charged with governance;
- inspecting the company's regulatory and legal correspondence;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- identifying and testing journal entries, in particular journal entries posted with unusual account combinations;
- testing of assumptions and judgements made by management in making significant accounting estimates; and
- reviewing the financial statement disclosures and agreeing to underlying supporting documentation.

Independent Auditors' Report to the Members of Wismettac Harro Foods Limited (continued)

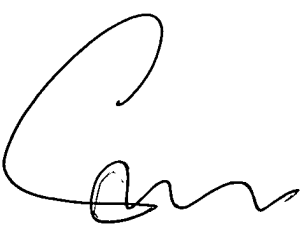
Auditors' responsibilities for the audit of the financial statements (continued)

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations or through collusion. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

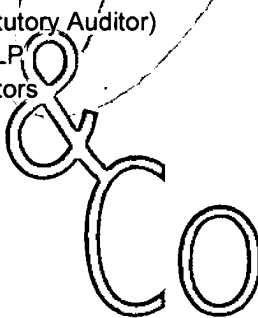
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

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 an auditors' report 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.



Sangyai Jonathan Pitayanukul (Senior Statutory Auditor)
for and on behalf of P and Co (Partners) LLP
Chartered Accountants and Statutory Auditors
18 Ensign Street
London
E1 8PA
Date: 15 August 2023

The logo for P&Co, featuring the letters 'P&Co' in a stylized, outlined font.

WISMETTAC HARRO FOODS LIMITED

**Income Statement
for the Year Ended 31 December 2022**

	Notes	2022 £	2021 £
REVENUE	4	51,401,056	43,751,844
Cost of sales		<u>(39,745,878)</u>	<u>(32,543,275)</u>
GROSS PROFIT		11,655,178	11,208,569
Distribution costs		(4,080,458)	(3,643,146)
Administrative expenses		<u>(4,184,886)</u>	<u>(4,096,832)</u>
		3,389,834	3,468,591
Other operating income	5	<u>133,371</u>	<u>178,276</u>
OPERATING PROFIT		3,523,205	3,646,867
Interest receivable and similar income		<u>73</u>	<u>-</u>
		3,523,278	3,646,867
Interest payable and similar expenses	7	<u>(146,814)</u>	<u>(73,351)</u>
PROFIT BEFORE TAXATION	8	3,376,464	3,573,516
Tax on profit	10	<u>(659,783)</u>	<u>(702,670)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>2,716,681</u></u>	<u><u>2,870,846</u></u>

The notes form part of these financial statements

WISMETTAC HARRO FOODS LIMITED

**Other Comprehensive Income
for the Year Ended 31 December 2022**

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		2,716,681	2,870,846
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>2,716,681</u></u>	<u><u>2,870,846</u></u>

The notes form part of these financial statements

WISMETTAC HARRO FOODS LIMITED (Registered number: 02739808)

**Balance Sheet
31 December 2022**

	Notes	2022 £	2021 £
FIXED ASSETS			
Owned			
Property, plant and equipment	11	5,537,683	5,623,597
Right-of-use			
Property, plant and equipment	11, 18	996,948	678,752
Investments	12	<u>8,452,312</u>	<u>8,402,312</u>
		<u>14,986,943</u>	<u>14,704,661</u>
CURRENT ASSETS			
Inventories	13	9,301,902	9,550,597
Debtors	14	4,054,845	3,651,501
Cash at bank and in hand		<u>3,668,983</u>	<u>1,626,141</u>
		17,025,730	14,828,239
CREDITORS			
Amounts falling due within one year	15	<u>(12,929,830)</u>	<u>(13,429,094)</u>
NET CURRENT ASSETS		<u>4,095,900</u>	<u>1,399,145</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		19,082,843	16,103,806
CREDITORS			
Amounts falling due after more than one year	16	(9,015,690)	(8,814,726)
PROVISIONS FOR LIABILITIES	19	<u>(134,844)</u>	<u>(73,452)</u>
NET ASSETS		<u>9,932,309</u>	<u>7,215,628</u>
CAPITAL AND RESERVES			
Called up share capital	20	600,000	600,000
Retained earnings	21	<u>9,332,309</u>	<u>6,615,628</u>
SHAREHOLDERS' FUNDS		<u>9,932,309</u>	<u>7,215,628</u>

The financial statements were approved by the Board of Directors and authorised for issue on
and were signed on its behalf by:

15/08/23



K Hayashi - Director

The notes form part of these financial statements

WISMETTAC HARRO FOODS LIMITED**Statement of Changes in Equity
for the Year Ended 31 December 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2021	600,000	3,744,782	4,344,782
Changes in equity			
Total comprehensive income	<u>-</u>	<u>2,870,846</u>	<u>2,870,846</u>
Balance at 31 December 2021	<u>600,000</u>	<u>6,615,628</u>	<u>7,215,628</u>
Changes in equity			
Total comprehensive income	<u>-</u>	<u>2,716,681</u>	<u>2,716,681</u>
Balance at 31 December 2022	<u>600,000</u>	<u>9,332,309</u>	<u>9,932,309</u>

The notes form part of these financial statements

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2022

1. STATUTORY INFORMATION

WISMETTAC HARRO FOODS LIMITED (the "Company") is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

Consolidation

The Company is a wholly owned subsidiary of NTC WISMETTAC EUROPE B.V., a company incorporated in the Netherlands and of its ultimate parent, Nishimoto Co., Ltd., a company incorporated in Japan. It is included in the consolidated financial statements of Nishimoto Co., Ltd., which are publicly available. Therefore, the Company is exempt, by virtue of section 401 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The address of the ultimate parent's registered office is 15th Floor, Nihonbashi Muromachi Mitsui Tower, 3-2-1, Nihonbashi Muromachi, Chuo-ku, Tokyo 103-0022 Japan.

These financial statements are separate financial statements.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report.

The directors have reviewed forecasts and are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due at least 12 months from the date of approval of the financial statements through support and funding from its intermediate parent company and existing banking arrangements. The Covid-19 pandemic risks to the business have been reduced due to the effective vaccine program put in place by the UK Government.

The directors, having assessed the responses of the directors of the parent company to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Nishimoto Wismettac group to continue as a going concern or its ability to continue with the current banking arrangements. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

2. ACCOUNTING POLICIES - continued

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraph 52 the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1; and
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied in the normal course of business, net of discounts, VAT and other sales-related taxes. The Company recognises revenue when performance obligations have been satisfied and for the Company. This is when the goods have transferred to the customer and the customer has control of these. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

<u>Class of assets</u>	<u>Depreciation method</u>	<u>Annual rate</u>
Buildings	Straight-line	3%
Fixtures and equipment	Straight-line	5% - 33%
Motor vehicles	Straight-line	14% - 20%

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at their historical cost amounts, being the original purchase cost less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation on buildings is charged to the income statement. Freehold land is not depreciated. On the subsequent sale or scrapping of a property, the attributable surplus or loss is recognised in the income statement.

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Investments

Investments in subsidiaries are held at cost less accumulated impairment losses.

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

2. ACCOUNTING POLICIES - continued

Financial assets

Financial assets are classified as measure at: amortised cost, fair value through profit or loss and fair value through other comprehensive income, as appropriate.

The Company classifies its financial assets at amortised costs.

The classification depends on the purpose for which the financial assets were acquired i.e. the entity's business model for managing the financial assets and/or the contractual cash flow characteristics of the financial asset.

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent to initial recognition these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the income statement together with foreign exchange gains and losses.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debtors, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debtors and contract assets.

To measure the expected credit losses, trade debtors and contract assets are grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade debtors for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade debtors are a reasonable approximation of the loss rates for the contract assets.

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete, defective and slow moving items.

Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in-first-out method. Net realisable value represents the estimated selling price less all costs to be incurred in marketing, selling and distribution.

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

2. ACCOUNTING POLICIES - continued

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Foreign currencies

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the income statement in the period in which they arise.

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

2. ACCOUNTING POLICIES - continued

Leases - as a lessee

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

At the lease commencement date, the Company recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Company enters into lease in respect of a low-value asset, the Company decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- amounts expected to be payable by the lease under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payment of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for cost to dismantle and remove a leased asset, restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is required and measured under IAS 37.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Company will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

2. ACCOUNTING POLICIES - continued

Leases - as a lessee - continued

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use assets is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

In the statement of financial position, the Company presents right-of-use assets within the same line item as similar underlying assets and presents lease liabilities separately.

Retirement benefit costs

The Company operates a defined contribution pension scheme. Contributions payable to the Company's pension scheme are charged to the income statement in the period to which they relate.

Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Creditors are presented as amounts falling due within one year unless payment is not due within 12 months after the reporting period.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the income statement as other income or finance costs.

Borrowings are classified as creditors: amounts falling due within one year unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period in which case they are classified as creditors: amounts falling due after more than one year.

Operating profit

Operating profit is stated after charging restructuring costs but before investment income and finance costs.

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2022.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies.

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Critical judgements

Impairment of investment

Management assesses whether there are any indicators of impairment for investment at each reporting date. Investments are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

Management considered the operating performances of the Group's cash generating units and identified that there are indicators of impairment for a cash generating unit. The Group has determined the respective recoverable amounts of the cash generating unit based on its value in use derived from management's cash flow projection.

When value in use calculations are undertaken, management is required to estimate the expected future cash flows from the asset or cash-generating unit, including estimating the revenue growth rate and gross profit margin for the individual cash generating units and using a suitable discount rate in order to determine the present value of those cash flows. The carrying amount of investment at the end of the reporting period is £8,402,312 (2021: £8,402,312) as set out in Note 12 to the financial statements. Changes in assumptions made and discount rate applied could affect the carrying values of the asset.

Incremental borrowing rate used to measure lease liabilities

Where the interest rate implicit in the lease cannot be readily determined, lease liabilities are discounted at the lessee's incremental borrowing rate. This is the rate of interest that the lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. This involves assumptions and estimates, which would affect the carrying value of the lease liabilities (Note 18) and the corresponding right-of-use assets (Note 18).

Lease term

IFRS 16 defines the lease term as the non-cancellable period of a lease together with the options to extend or terminate a lease if the lessee were reasonably certain to exercise that option. The company assesses the likelihood of extending lease contracts beyond the break date by taking into account current economic and market conditions, current trading performance, forecast profitability and the level of capital investment in the property.

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

4. REVENUE

Segmental reporting

Revenue reported in the Income Statement is wholly from the sale of goods.

An analysis of the Company's revenue by geographical market is set out below.

	2022 £	2021 £
United Kingdom	50,659,044	43,177,065
Europe	<u>742,012</u>	<u>574,779</u>
	<u>51,401,056</u>	<u>43,751,844</u>

Revenue from contracts with customers

Contract balances

	2022 £	2021 £
Debtors included in "Trade and other debtors"	<u>2,872,630</u>	<u>2,766,088</u>

5. OTHER OPERATING INCOME

	2022 £	2021 £
Rents received	37,856	27,946
Sundry income / (expenses)	3,731	(3,467)
Other income	91,784	123,259
Government grants	<u>-</u>	<u>30,538</u>
	<u>133,371</u>	<u>178,276</u>

Government Grants

During 2020, the Chancellor announced a range of government support schemes to be put in place to assist companies during the COVID-19 outbreak. The company adopted the accrual model to recognise the following grants:

	2022 £	2021 £
Coronavirus Job Retention Scheme (CJRS)	<u>-</u>	<u>30,538</u>

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

6. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	4,210,534	3,829,323
Social security costs	338,103	291,704
Other pension costs	<u>272,145</u>	<u>252,750</u>
	<u>4,820,782</u>	<u>4,373,777</u>

The average number of employees including directors during the year was as follows:

	2022	2021
Administration	22	21
Sales and Distribution	<u>84</u>	<u>78</u>
	<u>106</u>	<u>99</u>

	2022	2021
	£	£
Directors' remuneration	<u>617,601</u>	<u>493,630</u>

Information regarding the highest paid director is as follows:

	2022	2021
	£	£
Emoluments etc	<u>352,883</u>	<u>333,589</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank interest	113,936	36,140
Interest expense on lease liabilities	32,716	29,540
Interest on overdue payments	162	-
Interest on group finance	<u>-</u>	<u>7,671</u>
	<u>146,814</u>	<u>73,351</u>

WISMETTAC HARRO FOODS LIMITED**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022****8. PROFIT BEFORE TAXATION**

The profit/(loss) before taxation is stated after charging:

	2022	2021
	£	£
Cost of inventories recognised as expense	34,965,354	29,085,031
Hire of plant and machinery	25,320	34,248
Other operating leases	13,452	22,231
Depreciation - owned assets	297,724	274,006
Net foreign exchange gains	(206,845)	(71,021)
Gain on disposal of property, plant and equipment	-	(686)
Staff costs	4,820,782	4,373,777
(Reversal of impairment) or impairment of trade debtors	<u>20,402</u>	<u>(94,919)</u>

9. AUDITORS' REMUNERATION

Fees payable to P and Co (Partners) LLP for the audit of the Company's annual accounts were £33,500 (2021 - £33,500).

10. TAXATION**Analysis of tax expense**

	2022	2021
	£	£
Current tax:		
Tax	609,703	706,922
Adjustments in respect of prior years	<u>(11,312)</u>	<u>(3,825)</u>
Total current tax	598,391	703,097
Deferred tax	<u>61,392</u>	<u>(427)</u>
Total tax expense in income statement	<u>659,783</u>	<u>702,670</u>

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

10. TAXATION - continued

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £	2021 £
Profit before income tax	<u>3,376,464</u>	<u>3,573,516</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	641,528	678,968
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit	29,567	44,199
Capital allowance in excess of depreciation	-	(16,672)
Adjustments in respect of prior years	<u>(11,312)</u>	<u>(3,825)</u>
Tax expense	<u>659,783</u>	<u>702,670</u>

Corporation tax is calculated at 19% (2021 - 19%) of the estimated taxable profit for the period.

There are no comprehensive income or expenses other than the profit for the financial period and the preceding financial year and therefore no related tax amounts.

There are no amounts relating to tax that have been recognised directly in equity.

WISMETTAC HARRO FOODS LIMITED
**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**
11. PROPERTY, PLANT AND EQUIPMENT
Owned fixed assets

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Equipment £	Totals £
COST					
At 1 January 2022	5,589,035	535,546	1,347	1,102,327 169,592	7,228,255 211,810
Additions	27,100	15,118	-	-	-
Disposals	-	-	-	-	-
At 31 December 2022	<u>5,616,135</u>	<u>550,664</u>	<u>1,347</u>	<u>1,271,919</u>	<u>7,440,065</u>
DEPRECIATION					
At 1 January 2022	893,372	177,165	561	533,560	1,604,658
Charge for year	123,224	37,481	269	136,750	297,724
Eliminated on disposal	-	-	-	-	-
At 31 December 2022	<u>1,016,596</u>	<u>214,646</u>	<u>830</u>	<u>670,310</u>	<u>1,902,382</u>
NET BOOK VALUE					
At 31 December 2022	<u>4,599,539</u>	<u>336,018</u>	<u>517</u>	<u>601,609</u>	<u>5,537,683</u>
At 31 December 2021	<u>4,695,663</u>	<u>358,381</u>	<u>786</u>	<u>568,767</u>	<u>5,623,597</u>
Right-of-use assets					
	Freehold property £	Fixtures and fittings £	Motor vehicles £	Equipment £	Totals £
COST					
At 1 January 2022	-	-	1,094,855	51,345	1,146,200
Additions	-	-	550,476	98,822	649,298
Disposals	-	-	(83,632)	(25,588)	(109,220)
At 31 December 2022	<u>-</u>	<u>-</u>	<u>1,561,699</u>	<u>124,579</u>	<u>1,686,278</u>
DEPRECIATION					
At 1 January 2022	-	-	440,640	26,808	467,448
Charge for year	-	-	265,858	28,278	294,136
Eliminated on disposal	-	-	(60,490)	(11,764)	(72,254)
At 31 December 2022	<u>-</u>	<u>-</u>	<u>646,008</u>	<u>43,322</u>	<u>689,330</u>
NET BOOK VALUE					
At 31 December 2022	<u>-</u>	<u>-</u>	<u>915,691</u>	<u>81,257</u>	<u>996,948</u>
At 31 December 2021	<u>-</u>	<u>-</u>	<u>654,215</u>	<u>24,537</u>	<u>678,752</u>

WISMETTAC HARRO FOODS LIMITED**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022****PROPERTY, PLANT AND EQUIPMENT - continued**

The Company's freehold land and buildings are stated at their historical cost amounts, being the fair value at the date of acquisition, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Impairment losses recognised in the period

No impairment assessment was performed in 2022 (2021 - none) as there was no indication of impairment.

12. INVESTMENTS

	Shares in group undertakings £	Shares in unlisted investment £	Total £
COST			
At 1 January 2022	8,402,312	-	8,402,312
Additions	-	50,000	50,000
At 31 December 2022	8,402,312	50,000	8,452,312
NET BOOK VALUE			
At 31 December 2022	8,402,312	50,000	8,452,312
At 31 December 2021	8,402,312	-	8,402,312

On 20 February 2021, the Company acquired the entire share capital of Interlock Investments Limited, whose main business is the wholesale of Asian food products and ingredients, for £8,402,312. There is no liability incurred for contingent consideration.

On 9 September 2022, the Company acquired 0.9% share capital of Field Doctor, whose main business is the retail of ready meals, for £50,000. There is no liability incurred for contingent consideration.

Name of undertaking	Address	Class of shares held	% held
Interlock Investments Limited	229 St Vincent Street, Glasgow, United Kingdom, G2 5QY	Ordinary shares	100% direct
Field Doctor Ltd	11 Laura Place, Bath, England, BA2 4BL	Ordinary shares	0.9% indirect

Impairment losses recognised in the period

Impairment assessment for shares in group undertakings was performed in 2022 and 2021. No impairment losses was recognised (2021: nil).

WISMETTAC HARRO FOODS LIMITED**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022****13. INVENTORIES**

	2022	2021
	£	£
Finished goods	<u>9,301,902</u>	<u>9,550,597</u>

The cost of inventories recognised as an expense includes £118,947 (2021 - £135,173) in respect of write-downs of inventory to net realisable value.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	2,848,356	2,728,856
Amounts owed by group undertakings	466,282	351,273
Other debtors	71,827	16,670
VAT	289,442	322,815
Prepayments	<u>378,938</u>	<u>231,887</u>
	<u>4,054,845</u>	<u>3,651,501</u>

Trade debtors are stated after provisions for impairment of £24,274 (2021 - £36,059).

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 17)	5,000,000	4,500,000
Leases (see note 18)	355,026	235,830
Trade creditors	3,382,440	4,195,756
Amounts owed to group undertakings	2,862,389	3,130,083
Corporation tax	609,703	597,745
Social security and other taxes	262,180	262,573
Accrued expenses	<u>458,092</u>	<u>507,107</u>
	<u>12,929,830</u>	<u>13,429,094</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 17)	8,356,522	8,356,522
Leases (see note 18)	<u>659,168</u>	<u>458,204</u>
	<u>9,015,690</u>	<u>8,814,726</u>

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

17. FINANCIAL LIABILITIES - BORROWINGS

Terms and debt repayment schedule

	1 year or less	1-2 years	2-5 years	More than 5 years	Totals
	£	£	£	£	£
Bank loans	<u>5,000,000</u>	<u>-</u>	<u>8,356,522</u>	<u>-</u>	<u>13,356,522</u>

Bank loans

Included in the bank loans is an amount of £5,000,000, which is repayable on 25 January 2023. Interests are charged at 3.40% to 4.07%. The balance of £8,356,522 are repayable between 31 May 2024 and 27 February 2026. Interest is charged at 0.85% above the bank's cost of funds.

18. LEASING

Right-of-use assets

The Company mainly leases motor vehicle for goods delivery and distribution usage and some office equipment. Leases of motor vehicle are ranging from 3 years to 5 years. Leases of office equipment are ranging from 2 years to 5 years. Lease payments are generally fixed. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. There is no option to purchase the underlying leased asset outright at the end of lease, however, the Company can extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security.

	2022	2021
	£	£
Motor vehicles	915,691	654,215
Equipment	<u>81,257</u>	<u>24,537</u>
	<u>996,948</u>	<u>678,752</u>

Other leases

	2022	2021
	£	£
Short-term and low-value leases	<u>38,772</u>	<u>56,479</u>

The total cash outflow for leases in 2022 was £369,226 (2021 - £304,337).

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

18. LEASING - continued

Lease liabilities

Minimum lease payments fall due as follows:

	2022 £	2021 £
Gross obligations repayable :		
Current	355,026	235,830
Non-current	<u>659,168</u>	<u>458,204</u>
	<u>1,014,194</u>	<u>694,034</u>

Amounts realised in profit and loss

	2022 £	2021 £
Depreciation expense on right-of-use assets	294,136	218,794
Interest expense on lease liabilities	32,716	29,540
Expense relating to short-term leases and low-value assets	38,772	56,479
Variable lease payments not included in the measurement of the lease liability	<u>94,773</u>	<u>86,188</u>
	<u>460,397</u>	<u>413,852</u>

Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low-value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred. In the case of the Company, variable lease payments represent repairs and maintenance which are not recognised in the related lease liability are expensed as incurred.

19. PROVISIONS FOR LIABILITIES

	2022 £	2021 £
Deferred tax	<u>134,844</u>	<u>73,452</u>
		Deferred tax
		£
Balance at 1 January 2022		73,452
Charge to Income Statement		<u>61,392</u>
Balance at 31 December 2022		<u>134,844</u>

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

19. PROVISIONS FOR LIABILITIES - continued

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following are the major deferred tax liabilities and assets recognised by the Company and movements thereon during the current reporting period.

	Accelerated tax depreciation £
Balance at 1 January 2022	(73,452)
Charge to Income Statement	<u>(61,392)</u>
Balance at 31 December 2022	<u><u>(134,844)</u></u>

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value: £1	2022 £	2021 £
Number:	Class:			
600,000	Ordinary shares		<u>600,000</u>	<u>600,000</u>

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. All shares rank pari passu in all respects.

21. RESERVES

	Retained earnings £
At 1 January 2022	6,615,628
Profit for the year	<u>2,716,681</u>
At 31 December 2022	<u><u>9,332,309</u></u>

22. CAPITAL COMMITMENTS

	2022 £	2021 £
Contracted but not provided for in the financial statements	<u>180,336</u>	<u>-</u>

WISMETTAC HARRO FOODS LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 December 2022

23. RELATED PARTY DISCLOSURES

During the year, the Company sold £15,888 (2021 - £23,186) of goods to, purchased £304,207 (2021 - £101,884) of goods from Comptoirs Oceaniques, which is 90% (2021 - 90%) owned by the Company's immediate parent company, NTC Wismettac Europe B.V., indirectly. At the year end, £nil (2021 - £1,173) was outstanding and included within debtors, and the Company owed £85,609 (2021 - £nil) to Comptoirs Oceaniques, which was included within creditors.

During the year, the Company recharged £2,112,485 (2021 - £2,482,280) expenses to Comptoirs Des 3 Caps, which is 90% (2021 - 90%) owned by the Company's immediate parent company, NTC Wismettac Europe B.V. At the year end, £344,200 (2021 - £223,809) was outstanding and included within debtors.

No disclosure is required for transactions with SSP Konsumguter Trade & Consult GmbH which is wholly (2021 - 100%) owned by the Company's immediate parent company, NTC Wismettac Europe B.V.

The balances are unsecured and no guarantees have been received or granted.

24. ULTIMATE CONTROLLING PARTY

In the opinion of the directors, the Company's ultimate parent company and ultimate controlling party is Nishimoto Co., Ltd., a company incorporated in Japan. The parent undertaking of the smallest and largest group which includes the Company and for which group accounts are prepared is Nishimoto Co., Ltd., a company incorporated in Japan. Copies of the group financial statements of Nishimoto Co., Ltd. are available from 15th Floor, Nihonbashi Muromachi Mitsui Tower, 3-2-1, Nihonbashi Muromachi, Chuo-ku, Tokyo 103-0022 Japan. The Company's immediate controlling party is NTC Wismettac Europe B.V., a company incorporated in the Netherlands.