

JUNKOSHA UK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

JUNKOSHA UK LIMITED

COMPANY INFORMATION

Directors	A W Himeji M Sogo
Registered number	10847802
Registered office	113 The Promonade Cheltenham England GL50 1NW
Independent auditors	ZEDRA Corporate Reporting Services (UK) Limited

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BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	4	7,756	8,438
		<u>7,756</u>	<u>8,438</u>
Current assets			
Debtors: amounts falling due within one year	5	64,587	29,273
Cash at bank and in hand		318,967	305,878
		<u>383,554</u>	<u>335,151</u>
Creditors: amounts falling due within one year	6	(152,964)	(145,343)
Net current assets		<u>230,590</u>	<u>189,808</u>
Total assets less current liabilities		<u>238,346</u>	<u>198,246</u>
Net assets		<u><u>238,346</u></u>	<u><u>198,246</u></u>
Capital and reserves			
Called up share capital		60,000	60,000
Profit and loss account		178,346	138,246
		<u><u>238,346</u></u>	<u><u>198,246</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

A W Himeji
Director

Date: 2 August 2022

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

1.2 Going concern

Junkosha UK Limited has net assets at the year-end of £238,346, largely due to a significant cash balance. The cost plus arrangement means the Company will always be profit making, though it also causes reliance on the parent company, Junkosha, Inc., and a fellow subsidiary company, Junkosha USA, Inc., in order to continue as a going concern.

Junkosha UK Limited has received written confirmation from its parent company and fellow subsidiary company that they will continue to provide financial support to the Company for a period of at least 12 months from the date of signing these financial statements. For this reason, the directors continue to prepare the financial statements on a going concern basis.

1.3 Turnover

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

Rendering of services

Turnover is recognised on a cost plus 7% basis, in line with the intercompany service agreements with the parent company and a fellow subsidiary company. Intercompany turnover is recognised when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the intercompany service agreement;
- the costs incurred under the intercompany service agreement can be measured reliably.

1.4 Operating leases: the Company as lessee

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

1.5 Government grants

Government grant income represents amounts received under the Small Business Grant Scheme, amounts are recognised in the period in which the income is received.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Accounting policies (continued)

1.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.7 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

1.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Fixtures and fittings	- 7 years
Computer equipment	- 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

1.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Amounts owed by group undertakings are intercompany loans measured at cost. These loans are unsecured, interest free and repayable on demand.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. Accounting policies (continued)

1.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

1.11 Creditors

Short term creditors are measured at the transaction price. Amounts owed to group undertakings are intercompany loans measured at cost. These loans are unsecured, interest free and repayable on demand.

1.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on 2 August 2022 by Nick Whitehead FCCA (Senior Statutory Auditor) on behalf of ZEDRA Corporate Reporting Services (UK) Limited.

3. Employees

The average monthly number of employees, including directors, during the year was 4 (2020 - 4).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2021	15,553	979	16,532
Additions	910	1,152	2,062
	<hr/>	<hr/>	<hr/>
At 31 December 2021	16,463	2,131	18,594
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2021	7,441	653	8,094
Charge for the year on owned assets	2,308	436	2,744
	<hr/>	<hr/>	<hr/>
At 31 December 2021	9,749	1,089	10,838
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2021	<u>6,714</u>	<u>1,042</u>	<u>7,756</u>
<i>At 31 December 2020</i>	<u>8,112</u>	<u>326</u>	<u>8,438</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. Debtors

	2021 £	2020 £
Amounts owed by group undertakings	54,327	27,218
Other debtors	3,547	-
Prepayments and accrued income	6,713	2,055
	<u>64,587</u>	<u>29,273</u>

6. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	3,296	4,507
Amounts owed to group undertakings	-	271
Corporation tax	9,597	12,294
Other taxation and social security	112,883	109,742
Other creditors	13,517	5,022
Accruals and deferred income	13,671	13,507
	<u>152,964</u>	<u>145,343</u>

7. Financial commitments

At the end of the year, the total amount of financial commitments, guarantees and contingencies that are

not included in the balance sheet was £294,840 (2020: £8,167). Of the total balance, £15,120 (2020: £8,167) is payable within one year.

8. Controlling party

Junkosha, Inc., is the parent of the smallest group for which consolidated financial statements are drawn up of which the Company is a member. The registered office of the parent company is 961-20 Fukuda, Kasama-shi, Ibaraki-ken, 309-1603 Japan.

9. Post balance sheet events

There were no adjusting or non-adjusting events occurring between the end of the reporting period and the date these financial statements were approved.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.