

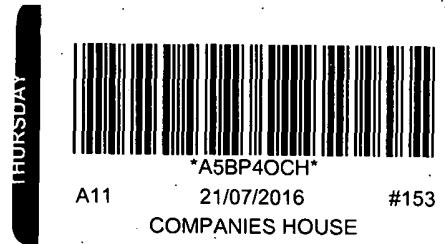
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Registration number: 01240558

# Japan Centre Group Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2015



Sobell Rhodes LLP  
Chartered Accountants & Statutory Auditor  
Ground Floor  
Unit 501 Centennial Park  
Centennial Avenue  
Elstree, Borehamwood  
Hertfordshire  
WD6 3FG

# Japan Centre Group Limited

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# Japan Centre Group Limited

## Company Information

<b>Directors</b>	K Tokumine K Furukawa H Tokumine
<b>Company secretary</b>	H Tokumine
<b>Registered office</b>	8a Kingly Street Soho London W1B 5PQ
<b>Bankers</b>	Barclays Bank plc
<b>Auditors</b>	Sobell Rhodes LLP Chartered Accountants & Statutory Auditor Ground Floor Unit 501 Centennial Park Centennial Avenue Elstree, Borehamwood Hertfordshire WD6 3FG

## Japan Centre Group Limited

### Strategic Report for the Year Ended 31 December 2015

The Directors present their strategic report for the year ended 31 December 2015.

#### Principal activity

The principal activity of the group continued to be that of import and sale of Japanese merchandise, recruitment services, Japanese foods and Japanese takeaway, retail outlets, operation of restaurants and web design.

#### Fair review of the business

During the year ended 31 December 2015 the Group made a profit after tax of £1,337,596 (2014 - £1,413,619) and increased its turnover from £17,875,819 to £21,580,631.

The directors are pleased to report that all the group companies continue to trade profitably.

Japan Centre (On-Line) Limited started trading successfully as a separate company from 1 January 2015.

Shoryu Liverpool Street, opened in April 2015, faced challenging trading conditions in the year due to low customer footfall at weekends in the City. With our continuous efforts to improve our menus and service, coupled with in-house promotions, as well as the Landlord's on-going special events to attract more visitors to Broadgate Circle, it is now trading profitably.

The directors are confident regarding the group's long term prospects and profitability.

The Group's key financial and other performance indicators during the year were as follows:

	Unit	2015	2014
Turnover	£	21,580,631	17,875,819
Gross Profit	£	11,943,637	9,566,482
Gross Margin	%	55	54
Net Profit	£	1,337,596	1,413,619

#### Principal risks and uncertainties

The directors recognise that within the businesses there are a number of risks which may affect the performance of the group. These risks are subject to regular review and where appropriate processes established to minimise the level of exposure.

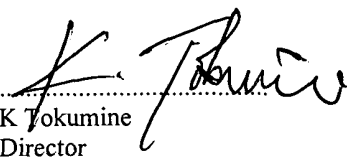
##### -Market

The group could be exposed to adverse economic conditions and a decline in consumer confidence and spend in the UK, and increased competition from new arrivals. The directors believe that the group is able to trade through any downturn and challenges due to the strategic locations of the trading outlets, its reputation with customers and clients, and by regular monitoring of performances and appropriate action plans.

##### -Financial risk

The group is exposed to financial risk through its financial assets and liabilities. The most important component of financial risk affecting the group is liquidity risk. Tight working capital control together with detailed cash flow monitoring mitigate the liquidity risk.

Approved by the Board on *11/7/2016* and signed on its behalf by:

  
K Tokumine  
Director

## Japan Centre Group Limited

### Directors' Report for the Year Ended 31 December 2015

The Directors present their report and the consolidated financial statements for the year ended 31 December 2015.

#### Directors of the Group

The directors who held office during the year were as follows:

K Tokumine

K Furukawa (appointed 8 January 2015)

H Tokumine (appointed 8 January 2015)

#### Dividends

The directors recommend a final dividend payment of £Nil be made in respect of the financial year ended 31 December 2015. This dividend has not been recognised as a liability in the financial statements.

#### Financial instruments

##### *Objectives and policies*

The group holds or issues financial instruments in order to achieve three main objectives, being:

(a) to finance its operations;

(b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and

(c) for trading purposes.

#### Employment of disabled persons

The group gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the group's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.


#### Disclosure of information to the auditor

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### Reappointment of auditors

The auditors Sobell Rhodes LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 11/7/2016 and signed on its behalf by:

  
.....  
K Tokumine  
Director

## **Japan Centre Group Limited**

### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Annual Report 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Japan Centre Group Limited**

### **Independent Auditor's Report**

We have audited the financial statements of Japan Centre Group Limited for the year ended 31 December 2015, set out on pages 7 to 40. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditor's 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.

#### **Respective responsibilities of Directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the Company's affairs as at 31 December 2015 and of the Group's 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Japan Centre Group Limited

### Independent Auditor's Report

#### Matters on which we are required to report by exception

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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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

.....  
Nicholas Posnansky (Senior Statutory Auditor)  
For and on behalf of Sobell Rhodes LLP, Statutory Auditor

Ground Floor  
Unit 501 Centennial Park  
Centennial Avenue  
Elstree, Borehamwood  
Hertfordshire  
WD6 3FG

Date:.....11.7.2016

## Japan Centre Group Limited

### Consolidated Profit and Loss Account for the Year Ended 31 December 2015

	Note	2015 £	2014 £
Turnover	3	21,580,631	17,875,819
Cost of sales		<u>(9,636,994)</u>	<u>(8,309,337)</u>
Gross profit		11,943,637	9,566,482
Administrative expenses		<u>(10,244,015)</u>	<u>(7,785,717)</u>
Operating profit	5	<u>1,699,622</u>	<u>1,780,765</u>
Other interest receivable and similar income	6	1,195	-
Interest payable and similar charges	7	<u>(97,957)</u>	<u>(121,464)</u>
		<u>(96,762)</u>	<u>(121,464)</u>
Profit before tax		1,602,860	1,659,301
Taxation	11	<u>(265,264)</u>	<u>(245,682)</u>
Profit for the financial year		<u>1,337,596</u>	<u>1,413,619</u>
<b>Profit/(loss) attributable to:</b>			
Owners of the company		844,396	1,284,505
Minority interests		<u>493,200</u>	<u>129,114</u>
		<u>1,337,596</u>	<u>1,413,619</u>

The group has no recognised gains or losses for the year other than the results above.

The notes on pages 16 to 40 form an integral part of these financial statements.

## Japan Centre Group Limited

### Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2015

	Note	2015 £	2014 £
Profit for the year		<u>1,337,596</u>	<u>1,413,619</u>
Total comprehensive income for the year		<u>1,337,596</u>	<u>1,413,619</u>
<b>Total comprehensive income attributable to:</b>			
Owners of the company		844,396	1,284,505
Minority interests		<u>493,200</u>	<u>129,114</u>
		<u>1,337,596</u>	<u>1,413,619</u>

The notes on pages 16 to 40 form an integral part of these financial statements.

## Japan Centre Group Limited

### (Registration number: 01240558) Consolidated Balance Sheet as at 31 December 2015

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Intangible assets	12	275,426	183,502
Tangible assets	13	<u>3,273,133</u>	<u>1,947,983</u>
		<u>3,548,559</u>	<u>2,131,485</u>
<b>Current assets</b>			
Stocks	15	1,219,032	911,941
Debtors	16	2,414,375	1,495,800
Cash at bank and in hand		<u>1,348,190</u>	<u>759,353</u>
		4,981,597	3,167,094
Creditors: Amounts falling due within one year	18	<u>(4,368,380)</u>	<u>(3,155,733)</u>
<b>Net current assets</b>		<u>613,217</u>	<u>11,361</u>
<b>Total assets less current liabilities</b>		4,161,776	2,142,846
Creditors: Amounts falling due after more than one year	18	(867,445)	(446,566)
<b>Provisions for liabilities</b>		<u>(196,570)</u>	<u>(122,185)</u>
<b>Net assets</b>		<u>3,097,761</u>	<u>1,574,095</u>
<b>Capital and reserves</b>			
Called up share capital	20	5,000	5,000
Share premium reserve		1,809	1,809
Capital redemption reserve		7,474	7,474
Profit and loss account		<u>1,892,397</u>	<u>1,094,332</u>
Equity attributable to owners of the company		1,906,680	1,108,615
Minority interests		<u>1,191,081</u>	<u>465,480</u>
<b>Total equity</b>		<u>3,097,761</u>	<u>1,574,095</u>

Approved and authorised by the Board on 21/7/2016 and signed on its behalf by:

  
.....

K Tokumine  
Director

The notes on pages 16 to 40 form an integral part of these financial statements.

**Japan Centre Group Limited**

(Registration number: 01240558)

**Balance Sheet as at 31 December 2015**

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	13	943,330	790,792
Investments	14	381,134	406,696
		<u>1,324,464</u>	<u>1,197,488</u>
<b>Current assets</b>			
Stocks	15	1,060,082	862,240
Debtors	16	1,618,495	611,878
Cash at bank and in hand		710,411	296,735
		<u>3,388,988</u>	<u>1,770,853</u>
<b>Creditors: Amounts falling due within one year</b>	18	<u>(2,819,605)</u>	<u>(2,052,916)</u>
<b>Net current assets/(liabilities)</b>		<u>569,383</u>	<u>(282,063)</u>
<b>Total assets less current liabilities</b>		1,893,847	915,425
<b>Creditors: Amounts falling due after more than one year</b>	18	(415,924)	(134,352)
<b>Provisions for liabilities</b>		<u>(70,956)</u>	<u>(70,623)</u>
<b>Net assets</b>		<u>1,406,967</u>	<u>710,450</u>
<b>Capital and reserves</b>			
Called up share capital		5,000	5,000
Profit and loss account		<u>1,401,967</u>	<u>705,450</u>
<b>Total equity</b>		<u>1,406,967</u>	<u>710,450</u>

Approved and authorised by the Board on 11/7/2016 and signed on its behalf by:



K Tokumine  
Director

The notes on pages 16 to 40 form an integral part of these financial statements.

**Japan Centre Group Limited**

**Consolidated Statement of Changes in Equity for the Year Ended 31 December 2015**

	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total £	Non- controlling interests £	Total equity £
At 1 January 2015	5,000	1,809	7,474	1,094,332	1,108,615	465,480	1,574,095
Profit for the year	-	-	-	844,396	844,396	493,200	1,337,596
Total comprehensive income	-	-	-	844,396	844,396	493,200	1,337,596
Dividends	-	-	-	(46,331)	(46,331)	-	(46,331)
Decrease in non-controlling interest in subsidiaries	-	-	-	-	-	(45,090)	(45,090)
Acquisition of subsidiaries, increase/(decrease) in equity	-	-	-	-	-	277,491	277,491
At 31 December 2015	5,000	1,809	7,474	1,892,397	1,906,680	1,191,081	3,097,761
	Share capital £	Share premium £	Capital redemption reserve £	Profit and loss account £	Total £	Non- controlling interests £	Total equity £
At 1 January 2014	5,000	1,809	7,474	(98,842)	(84,559)	27	(84,532)
Profit for the year	-	-	-	1,284,505	1,284,505	129,114	1,413,619
Total comprehensive income	-	-	-	1,284,505	1,284,505	129,114	1,413,619
Dividends	-	-	-	(91,331)	(91,331)	-	(91,331)
Acquisition of subsidiaries, increase/(decrease) in equity	-	-	-	-	-	336,339	336,339
At 31 December 2014	5,000	1,809	7,474	1,094,332	1,108,615	465,480	1,574,095

The notes on pages 16 to 40 form an integral part of these financial statements.

**Japan Centre Group Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2015**

	<b>Share capital</b>	<b>Profit and loss</b>	<b>Total</b>
	<b>£</b>	<b>account</b>	<b>£</b>
		<b>£</b>	
At 1 January 2015	<u>5,000</u>	<u>705,450</u>	<u>710,450</u>
Profit for the year	-	<u>696,517</u>	<u>696,517</u>
Total comprehensive income	-	<u>696,517</u>	<u>696,517</u>
At 31 December 2015	<u>5,000</u>	<u>1,401,967</u>	<u>1,406,967</u>

The notes on pages 16 to 40 form an integral part of these financial statements.  
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**Japan Centre Group Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2015**

	<b>Share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 January 2014	<u>5,000</u>	<u>(66,871)</u>	<u>(61,871)</u>
Profit for the year	-	817,321	817,321
Total comprehensive income	-	817,321	817,321
Dividends	-	<u>(45,000)</u>	<u>(45,000)</u>
At 31 December 2014	<u>5,000</u>	<u>705,450</u>	<u>710,450</u>

The notes on pages 16 to 40 form an integral part of these financial statements.

## Japan Centre Group Limited

### Consolidated Statement of Cash Flows for the Year Ended 31 December 2015

	Note	2015 £	2014 £
<b>Cash flows from operating activities</b>			
Profit for the year		1,337,596	1,413,619
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	522,865	378,954
(Profit)/loss on disposal of tangible assets	4	(60,204)	80,860
Profit from disposals of investments	4	(315,032)	(958,711)
Finance income	6	(1,195)	-
Finance costs	7	97,957	121,464
Income tax expense	11	265,264	245,682
		<u>1,847,251</u>	<u>1,281,868</u>
Working capital adjustments			
Increase in stocks	15	(307,091)	(237,119)
Increase in trade debtors	16	(918,575)	(226,264)
Increase/(decrease) in trade creditors	18	1,062,456	(1,144,233)
Cash generated from operations		1,684,041	(325,748)
Income taxes paid	11	(133,681)	-
Net cash flow from operating activities		<u>1,550,360</u>	<u>(325,748)</u>
<b>Cash flows from investing activities</b>			
Interest received		1,195	-
Acquisitions of tangible assets		(1,846,173)	(1,180,151)
Proceeds from sale of tangible assets		90,001	413,144
Acquisition of intangible assets	12	(123,562)	-
(Profit)/loss on disposal of fixed asset Investments		315,032	958,711
Net cash flows from investing activities		<u>(1,563,507)</u>	<u>191,704</u>
<b>Cash flows from financing activities</b>			
Interest paid	7	(97,957)	(121,464)
Repayment of bank borrowing		391,572	(28,845)
Repayment of other borrowing		114,905	163,239
Minority interest adjustments		232,401	336,339
Dividends paid		(46,331)	(91,331)
Effect of exchange rate fluctuations on cash held		7,394	(15,291)
Net cash flows from financing activities		<u>601,984</u>	<u>242,647</u>
Net increase in cash and cash equivalents		588,837	108,603
Cash and cash equivalents at 1 January		<u>759,353</u>	<u>650,750</u>
Cash and cash equivalents at 31 December		<u>1,348,190</u>	<u>759,353</u>

The notes on pages 16 to 40 form an integral part of these financial statements.

## Japan Centre Group Limited

### Statement of Cash Flows for the Year Ended 31 December 2015

	Note	2015 £	2014 £
<b>Cash flows from operating activities</b>			
Profit for the year		696,517	817,321
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	218,652	239,857
Loss on disposal of tangible assets	4	-	80,942
Profit from disposals of investments	4	(315,032)	(958,711)
Finance income		(153,669)	(153,669)
Finance costs		36,418	120,629
Income tax expense	11	33,082	70,623
		<u>515,968</u>	<u>216,992</u>
Working capital adjustments			
Increase in stocks	15	(197,842)	(239,416)
(Increase)/decrease in trade debtors	16	(1,006,618)	116,243
Increase/(decrease) in trade creditors	18	708,491	(1,307,660)
Net cash flow from operating activities		<u>19,999</u>	<u>(1,213,841)</u>
<b>Cash flows from investing activities</b>			
Interest received		153,669	153,669
Acquisition of subsidiaries	14	(8,078)	(200,001)
Proceeds from sale of subsidiaries		348,671	1,050,000
Acquisitions of tangible assets		(371,191)	(362,723)
Proceeds from sale of tangible assets		-	408,194
Effect of exchange rate fluctuations on cash held		7,478	(15,291)
Net cash flows from investing activities		<u>130,549</u>	<u>1,033,848</u>
<b>Cash flows from financing activities</b>			
Interest paid	7	(43,896)	(105,338)
Repayment of bank borrowing		339,297	153,430
Repayment of other borrowing		(32,273)	144,019
Dividends paid		-	(45,000)
Net cash flows from financing activities		<u>263,128</u>	<u>147,111</u>
Net increase/(decrease) in cash and cash equivalents		413,676	(32,882)
Cash and cash equivalents at 1 January		<u>296,735</u>	<u>329,617</u>
Cash and cash equivalents at 31 December		<u><u>710,411</u></u>	<u><u>296,735</u></u>

The notes on pages 16 to 40 form an integral part of these financial statements.

## Japan Centre Group Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

8a Kingly Street  
Soho  
London  
W1B 5PQ

The principal place of business is:

Unit 18, Victoria Industrial Estate  
Victoria Road  
North Acton  
London  
W3 6UU

Authorised for issue date

#### 2 Accounting policies

##### Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

##### Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

This is the first year in which the financial statements have been prepared under FRS 102.

The financial statements are presented in Sterling (£).

##### Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December 2015.

No Profit and Loss Account is presented for the Company as permitted by section 408 of the Companies Act 2006. The company made a profit after tax for the financial year of £696,517 (2014 - profit of £817,321).

## Japan Centre Group Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

A subsidiary is an entity controlled by the Company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

#### Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods, food and drinks and provision of services in the ordinary course of the Group's activities. Turnover is shown net of sales value added tax, returns and discounts and after eliminating sales within the group.

#### Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the Group. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

## Japan Centre Group Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### Property, plant and equipment

Tangible assets is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold property	Over the remaining period of the lease
Fixtures, fittings and equipment	25% reducing balance
Motor vehicles	25% reducing balance

#### Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the Group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

#### Goodwill

Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

#### Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered.

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

## Japan Centre Group Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill on consolidation	Over 10 years
Patents, trademarks and licences	Over 10 years

#### Investments

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Trade receivables

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

#### Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress 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. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### Trade payables

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

## Japan Centre Group Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### **3 Revenue**

The analysis of the group's revenue for the year from continuing operations is as follows:

	2015	2014
	£	£
Sale of goods, food and drinks and provision of services	<u>21,580,631</u>	<u>17,875,819</u>

## Japan Centre Group Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 4 Other gains and losses

The analysis of the group's other gains and losses for the year is as follows:

	2015	2014
	£	£
Gain (loss) on disposal of property, plant and equipment	60,204	(80,860)
Gain (loss) from disposals of investments	315,032	958,711
	375,236	877,851

#### 5 Operating profit

Arrived at after charging/(crediting)

	2015	2014
	£	£
Depreciation expense	491,227	368,760
Amortisation expense	31,638	10,194
Operating lease expense - other	1,601,998	1,157,105
(Profit)/loss on disposal of property, plant and equipment	(60,204)	80,860
	(60,204)	80,860

#### 6 Other interest receivable and similar income

	2015
	£
Other finance income	1,195
	1,195

#### 7 Interest payable and similar charges

	2015	2014
	£	£
Interest on bank overdrafts and borrowings	28,955	6,421
Interest on obligations under finance leases and hire purchase contracts	63,820	25,735
Interest expense on other finance liabilities	5,182	89,308
	97,957	121,464

#### 8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2015	2014
	£	£
Wages and salaries	8,075,107	6,862,483
Social security costs	640,929	577,356
Pension costs, defined contribution scheme	88,589	57,641
Other employee expense	35,945	16,813
	8,840,570	7,514,293

## Japan Centre Group Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2015 No.	2014 No.
Administrative staff	32	26
Full time and part time sales staff	388	285
	420	311

#### 9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2015 £	2014 £
Remuneration	273,027	61,677
Contributions paid to money purchase schemes	5,700	-
	278,727	61,677

#### 10 Auditors' remuneration

	2015 £	2014 £
Audit of these financial statements	44,130	39,526

#### 11 Taxation

Tax charged/(credited) in the income statement

	2015 £	2014 £
<b>Current taxation</b>		
UK corporation tax	182,208	125,011
UK corporation tax adjustment to prior periods	8,671	-
	190,879	125,011
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	74,385	120,671
Tax expense in the income statement	265,264	245,682

## Japan Centre Group Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2014 - the same as the standard rate of corporation tax in the UK) of 20% (2014 - 21%).

The differences are reconciled below:

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Profit before tax	<u>1,602,860</u>	<u>1,659,301</u>
Corporation tax at standard rate	320,572	348,453
Increase (decrease) from effect of different UK tax rates on some earnings	829	943
Effect of revenues exempt from taxation	(63,006)	(201,329)
Effect of expense not deductible in determining taxable profit (tax loss)	27,013	35,881
Increase (decrease) in UK and foreign current tax from adjustment for prior periods	8,671	-
Tax increase (decrease) from effect of capital allowances and depreciation	(77,692)	(38,657)
Tax increase (decrease) from other short-term timing differences	74,385	120,671
Tax increase (decrease) arising from group relief	<u>(25,508)</u>	<u>(20,280)</u>
Total tax charge	<u>265,264</u>	<u>245,682</u>
<b>Deferred tax</b>		
<b>Group</b>		
Deferred tax assets and liabilities		<b>Liability</b>
<b>2015</b>		<b>£</b>
Excess of taxation allowances over depreciation on fixed assets		<u>196,570</u>
<b>2014</b>		<b>Liability</b>
		<b>£</b>
Excess of taxation allowances over depreciation on fixed assets		<u>122,185</u>
<b>Company</b>		
Deferred tax assets and liabilities		<b>Liability</b>
<b>2015</b>		<b>£</b>
Excess of taxation allowances over depreciation on fixed assets		<u>70,956</u>
<b>2014</b>		<b>Liability</b>
		<b>£</b>
Excess of taxation allowances over depreciation on fixed assets		<u>70,623</u>

## Japan Centre Group Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 12 Intangible assets

##### Group

	Goodwill on consolidation £	Trademarks, patents and licenses £	Total £
<b>Cost or valuation</b>			
At 1 January 2015	203,890	-	203,890
Additions acquired separately	98,655	24,907	123,562
At 31 December 2015	302,545	24,907	327,452
<b>Amortisation</b>			
At 1 January 2015	20,388	-	20,388
Amortisation charge	30,255	1,383	31,638
At 31 December 2015	50,643	1,383	52,026
<b>Carrying amount</b>			
At 31 December 2015	251,902	23,524	275,426
At 31 December 2014	183,502	-	183,502

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2014 - £Nil).

## Japan Centre Group Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 13 Property, plant and equipment

##### Group

	Leasehold Property £	Furniture, fittings and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 January 2015	1,370,669	1,397,826	105,287	2,873,782
Additions	1,156,592	586,598	102,983	1,846,173
Disposals	<u>(42,181)</u>	<u>(97,239)</u>	<u>-</u>	<u>(139,420)</u>
At 31 December 2015	<u>2,485,080</u>	<u>1,887,185</u>	<u>208,270</u>	<u>4,580,535</u>
<b>Depreciation</b>				
At 1 January 2015	274,314	598,805	52,680	925,799
Charge for the year	173,547	286,021	31,658	491,226
Eliminated on disposal	<u>(33,801)</u>	<u>(75,822)</u>	<u>-</u>	<u>(109,623)</u>
At 31 December 2015	<u>414,060</u>	<u>809,004</u>	<u>84,338</u>	<u>1,307,402</u>
<b>Carrying amount</b>				
At 31 December 2015	<u>2,071,020</u>	<u>1,078,181</u>	<u>123,932</u>	<u>3,273,133</u>
At 31 December 2014	<u>1,096,355</u>	<u>799,021</u>	<u>52,607</u>	<u>1,947,983</u>

##### Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2015 £	2014 £
Furniture, fittings and equipment	318,938	245,343
Motor vehicles	<u>106,900</u>	<u>37,601</u>
	<u>425,838</u>	<u>282,944</u>

## Japan Centre Group Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### Company

	Leasehold Property £	Furniture, fittings and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 January 2015	433,875	863,521	101,259	1,398,655
Additions	<u>167,568</u>	<u>154,178</u>	<u>49,445</u>	<u>371,191</u>
At 31 December 2015	<u>601,443</u>	<u>1,017,699</u>	<u>150,704</u>	<u>1,769,846</u>
<b>Depreciation</b>				
At 1 January 2015	138,949	416,486	52,428	607,863
Charge for the year	<u>65,228</u>	<u>131,634</u>	<u>21,791</u>	<u>218,653</u>
At 31 December 2015	<u>204,177</u>	<u>548,120</u>	<u>74,219</u>	<u>826,516</u>
<b>Carrying amount</b>				
At 31 December 2015	<u>397,266</u>	<u>469,579</u>	<u>76,485</u>	<u>943,330</u>
At 31 December 2014	<u>294,926</u>	<u>447,035</u>	<u>48,831</u>	<u>790,792</u>

#### Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2015 £	2014 £
Furniture, fittings and equipment	160,301	213,835
Motor vehicles	<u>68,645</u>	<u>46,081</u>
	<u>228,946</u>	<u>259,916</u>

#### 14 Investments

##### Company

	2015 £	2014 £
Investments in subsidiaries	<u>381,134</u>	<u>406,696</u>
<b>Subsidiaries</b>		£
<b>Cost or valuation</b>		
At 1 January 2015		406,696
Additions		8,077
Disposals		<u>(33,639)</u>
At 31 December 2015		<u>381,134</u>
<b>Provision</b>		
<b>Carrying amount</b>		
At 31 December 2015		<u>381,134</u>
At 31 December 2014		<u>406,696</u>

## Japan Centre Group Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2015	2014
<b>Subsidiary undertakings</b>				
Centre People Appointments Ltd	England and Wales	Ordinary shares	76.83%	76.83%
Rosinter-Umai UK Limited	England and Wales	Ordinary shares	50%	50%
Rosinter-Umai CK Limited	England and Wales	Ordinary shares	50%	50%
Umai Limited	England and Wales	Ordinary shares	100%	100%
Shoryu Holdings Limited (Group)	England and Wales	England and Wales	40.98%	100%
Japan Centre (On-Line) Limited	England nad Wales	Ordinary shares	100%	100%
Centre Creative Limited	England and Wales	Ordinary shares	93%	93%
Ichiryu Udon Limited	England and Wales	Ordinary shares	100%	0%
Japan Centre Paris S.A.R.L	France	Ordinary shares	100%	0%
Sakagura Co Limited	England and Wales	Ordinary shares	100%	0%
Sakegura Co Limited	England and Wales	Ordinary Shares	100%	0%

## Japan Centre Group Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

The principal activity of Centre People Appointments Ltd is staff recruitment agency

The principal activity of Rosinter-Umai UK Limited is Japanese food takeaway and retail outlets

The principal activity of Rosinter-Umai CK Limited is dormant company

The principal activity of Umai Limited is dormant company

The principal activity of Shoryu Holdings Limited (Group) is operation of restaurants

The principal activity of Japan Centre (On-Line) Limited is online sales

The principal activity of Centre Creative Limited is web design

The principal activity of Ichiryu Udon Limited is dormant company

The principal activity of Japan Centre Paris S.A.R.L is dormant company

The principal activity of Sakagura Co Limited is dormant company

The principal activity of Sakegura Co Limited is dormant company

#### 15 Inventories

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Finished goods	1,219,032	911,941	1,060,082	862,240

#### 16 Debtors

	Note	Group		Company	
		2015 £	2014 £	2015 £	2014 £
Trade debtors		261,657	287,713	82,549	61,567
Amounts owed by related parties	25	-	-	286,613	-
Other debtors		1,514,108	822,982	958,817	363,907
Prepayments		638,610	385,105	290,516	186,404
Total current trade and other debtors		2,414,375	1,495,800	1,618,495	611,878

#### 17 Cash and cash equivalents

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
Cash on hand	9,909	12,936	7,021	10,431
Cash at bank	1,338,281	746,417	703,390	286,304
	1,348,190	759,353	710,411	296,735

## Japan Centre Group Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 18 Creditors

	Note	Group		Company	
		2015 £	2014 £	2015 £	2014 £
<b>Due within one year</b>					
Loans and borrowings	21	462,929	374,863	398,054	370,132
Trade creditors		1,589,659	1,235,976	1,136,713	992,234
Amounts due to related parties	25	-	-	551,066	258,476
Social security and other taxes		635,379	378,367	73,594	67,233
Outstanding defined contribution pension costs		26,656	10,174	12,985	8,411
Other payables		639,002	273,796	290,249	8,257
Accrued expenses		832,547	757,547	324,195	348,173
Income tax liability	11	182,208	125,010	32,749	-
		<u>4,368,380</u>	<u>3,155,733</u>	<u>2,819,605</u>	<u>2,052,916</u>
<b>Due after one year</b>					
Loans and borrowings	21	<u>867,445</u>	<u>446,566</u>	<u>415,924</u>	<u>134,352</u>

## **Japan Centre Group Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **19 Pension and other schemes**

##### **Defined contribution pension scheme**

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £88,589 (2014 - £57,641).

Contributions totalling £(26,656) (2014 - £(10,174)) were payable to the scheme at the end of the year and are included in creditors.

## Japan Centre Group Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 20 Share capital

##### Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>

#### 21 Loans and borrowings

	Group		Company	
	2015 £	2014 £	2015 £	2014 £
<b>Non-current loans and borrowings</b>				
Bank borrowings	687,500	-	337,500	-
Finance lease liabilities	179,945	134,021	78,424	119,533
Other borrowings	-	312,545	-	14,819
	<u>867,445</u>	<u>446,566</u>	<u>415,924</u>	<u>134,352</u>
	Group		Company	
	2015 £	2014 £	2015 £	2014 £
<b>Current loans and borrowings</b>				
Bank borrowings	303,927	285,963	303,927	285,963
Finance lease liabilities	137,007	68,029	72,132	63,298
Other borrowings	21,995	20,871	21,995	20,871
	<u>462,929</u>	<u>374,863</u>	<u>398,054</u>	<u>370,132</u>

#### Group

##### Bank borrowings

Barclays Bank loan is denominated in Sterling with a nominal interest rate of 3.80%, and the final instalment is due on 19 August 2020. The carrying amount at year end is £400,000 (2014 - £Nil).

The group was party to a multilateral cross guarantee and debenture dated 8 December 2005 given by associated companies of Japan Centre Group Limited to secure group borrowings. A limited guarantee has been given by Mr K Tokumine.

Barclays Bank loan is denominated in Sterling with a nominal interest rate of 4.25%, and the final instalment is due on 1 September 2019. The carrying amount at year end is £350,000 (2014 - £Nil).

The group was party to a multilateral cross guarantee and debenture dated 3 June 2015 given by associated companies of Shoryu Holdings Limited to secure group borrowings. A limited guarantee has been given by Mr K Tokumine and Mr R Ordovsky-Tanaevsky Blanco.

## Japan Centre Group Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### Company

##### Bank borrowings

Barclays Bank loan is denominated in Sterling with a nominal interest rate of 3.80%, and the final instalment is due on 19 August 2020. The carrying amount at year end is £400,000 (2014 - £Nil).

The company was party to a multilateral cross guarantee and debenture dated 8 December 2005 given by associated companies of Japan Centre Group Limited to secure group borrowings. A limited guarantee has been given by Mr K Tokumine.

#### 22 Obligations under leases and hire purchase contracts

##### Group

##### Finance leases

The total of future minimum lease payments is as follows:

	2015 £	2014 £
Not later than one year	137,008	68,029
Later than one year and not later than five years	179,945	134,021
	<u>316,953</u>	<u>202,050</u>

##### Operating leases

The total of future minimum lease payments is as follows:

	2015 £	2014 £
Not later than one year	46,765	78,601
Later than one year and not later than five years	1,019,709	632,801
Later than five years	12,196,511	9,204,857
	<u>13,262,985</u>	<u>9,916,259</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £1,601,998 (2014 - £1,157,105).

#### Company

##### Finance leases

The total of future minimum lease payments is as follows:

	2015 £	2014 £
Not later than one year	72,132	63,297
Later than one year and not later than five years	78,424	119,532
	<u>150,556</u>	<u>182,829</u>

## Japan Centre Group Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### Operating leases

The total of future minimum lease payments is as follows:

	2015 £	2014 £
Not later than one year	29,370	-
Later than one year and not later than five years	785,744	594,212
Later than five years	<u>5,745,236</u>	<u>4,189,419</u>
	<u>6,560,350</u>	<u>4,783,631</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £435,915 (2014 - £468,929).

#### 23 Dividends

2015 £	2014 £
-----------	-----------

The directors are proposing a final dividend of £Nil (2014 - £Nil) per share totalling £Nil (2014 - £Nil). This dividend has not been accrued in the Balance Sheet.

#### 24 Commitments

##### Group

##### Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2014 - £Nil).

##### Company

##### Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2014 - £Nil).

## Japan Centre Group Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 25 Related party transactions

##### Group

##### Key management personnel

##### Key management compensation

	2015	2014
	£	£
Salaries and other short term employee benefits	<u>273,027</u>	<u>61,677</u>

##### Company

##### Key management personnel

##### Key management compensation

	2015	2014
	£	£
Salaries and other short term employee benefits	<u>152,797</u>	<u>61,677</u>

##### Income and receivables from related parties

##### 2015

		Subsidiary
		£
Sale of goods		1,996,098
Management charge receivable		<u>358,629</u>
		<u>2,354,727</u>
Dividends receivable from related party		<u>153,699</u>

##### 2014

		Subsidiary
		£
Sale of goods		1,293,299
Management charge receivable		<u>355,714</u>
		<u>1,649,013</u>
Dividends receivable from related party		<u>153,699</u>

##### Expenditure with and payables to related parties

##### 2015

		Subsidiary
		£
Purchase of goods		<u>19,366</u>

##### 2014

		Subsidiary
		£
Purchase of goods		<u>10,582</u>

##### Loans from related parties

##### 2015

		Subsidiary
		£
At start of period		258,476
Advanced		<u>5,977</u>
At end of period		<u>264,453</u>

## Japan Centre Group Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

2014	Subsidiary £
At start of period	129,456
Advanced	<u>129,020</u>
At end of period	<u><u>258,476</u></u>

#### 26 Parent and ultimate parent undertaking

The ultimate controlling party is Mr K Tokumine.

#### 27 Transition to FRS 102

##### Consolidated Balance Sheet at 1 January 2014

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
<b>Fixed assets</b>				
Intangible assets	193,696	-	-	193,696
Tangible assets	<u>1,630,595</u>	<u>-</u>	<u>-</u>	<u>1,630,595</u>
	<u>1,824,291</u>	<u>-</u>	<u>-</u>	<u>1,824,291</u>
<b>Current assets</b>				
Stocks	674,821	-	-	674,821
Debtors	1,215,268	-	-	1,215,268
Cash at bank and in hand	<u>687,059</u>	<u>-</u>	<u>-</u>	<u>687,059</u>
	2,577,148	-	-	2,577,148
Creditors: Amounts falling due within one year	<u>(2,611,551)</u>	<u>-</u>	<u>-</u>	<u>(2,611,551)</u>
Net current liabilities	<u>(34,403)</u>	<u>-</u>	<u>-</u>	<u>(34,403)</u>
Total assets less current liabilities	1,789,888	-	-	1,789,888
Creditors: Amounts falling due after more than one year	(1,872,906)	-	-	(1,872,906)
Provisions for liabilities	<u>(1,514)</u>	<u>-</u>	<u>-</u>	<u>(1,514)</u>
Net liabilities	<u>(84,532)</u>	<u>-</u>	<u>-</u>	<u>(84,532)</u>
<b>Capital and reserves</b>				
Called up share capital	(5,000)	-	-	(5,000)
Share premium reserve	(1,809)	-	-	(1,809)
Capital redemption reserve	(7,474)	-	-	(7,474)
Profit and loss account	<u>98,815</u>	<u>-</u>	<u>-</u>	<u>98,815</u>
Total equity	<u><u>84,532</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>84,532</u></u>

## Japan Centre Group Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### Consolidated Balance Sheet at 31 December 2014

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
<b>Fixed assets</b>				
Intangible assets	183,502	-	-	183,502
Tangible assets	<u>1,947,983</u>	-	-	<u>1,947,983</u>
	<u>2,131,485</u>	-	-	<u>2,131,485</u>
<b>Current assets</b>				
Stocks	911,941	-	-	911,941
Debtors	1,495,800	-	-	1,495,800
Cash at bank and in hand	<u>759,353</u>	-	-	<u>759,353</u>
	3,167,094	-	-	3,167,094
Creditors: Amounts falling due within one year	<u>(3,155,733)</u>	-	-	<u>(3,155,733)</u>
Net current assets	<u>11,361</u>	-	-	<u>11,361</u>
Total assets less current liabilities	2,142,846	-	-	2,142,846
Creditors: Amounts falling due after more than one year	(446,566)	-	-	(446,566)
Provisions for liabilities	<u>(122,185)</u>	-	-	<u>(122,185)</u>
Net assets	<u>1,574,095</u>	-	-	<u>1,574,095</u>
<b>Capital and reserves</b>				
Called up share capital	(5,000)	-	-	(5,000)
Share premium reserve	(1,809)	-	-	(1,809)
Capital redemption reserve	(7,474)	-	-	(7,474)
Profit and loss account	<u>(1,559,812)</u>	-	-	<u>(1,559,812)</u>
Total equity	<u>(1,574,095)</u>	-	-	<u>(1,574,095)</u>

## Japan Centre Group Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### Consolidated Profit and Loss Account for the year ended 31 December 2014

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Turnover		17,875,819	-	-	17,875,819
Cost of sales		<u>(8,309,337)</u>	<u>-</u>	<u>-</u>	<u>(8,309,337)</u>
Gross profit		9,566,482	-	-	9,566,482
Administrative expenses		<u>(7,785,717)</u>	<u>-</u>	<u>-</u>	<u>(7,785,717)</u>
Operating profit		<u>1,780,765</u>	<u>-</u>	<u>-</u>	<u>1,780,765</u>
Interest payable and similar charges		<u>(121,464)</u>	<u>-</u>	<u>-</u>	<u>(121,464)</u>
		<u>(121,464)</u>	<u>-</u>	<u>-</u>	<u>(121,464)</u>
Profit before tax		1,659,301	-	-	1,659,301
Taxation		<u>(245,682)</u>	<u>-</u>	<u>-</u>	<u>(245,682)</u>
Profit for the financial year		<u><u>1,413,619</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,413,619</u></u>

## Japan Centre Group Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### Balance Sheet at 1 January 2014

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
<b>Fixed assets</b>					
Tangible assets		1,157,063	-	-	1,157,063
Investments		297,984	-	-	297,984
		<u>1,455,047</u>	<u>-</u>	<u>-</u>	<u>1,455,047</u>
<b>Current assets</b>					
Stocks		622,824	-	-	622,824
Debtors		874,110	-	-	874,110
Cash at bank and in hand		329,617	-	-	329,617
		<u>1,826,551</u>	<u>-</u>	<u>-</u>	<u>1,826,551</u>
Creditors: Amounts falling due within one year		<u>(1,950,563)</u>	<u>-</u>	<u>-</u>	<u>(1,950,563)</u>
Net current liabilities		<u>(124,012)</u>	<u>-</u>	<u>-</u>	<u>(124,012)</u>
Total assets less current liabilities		1,331,035	-	-	1,331,035
Creditors: Amounts falling due after more than one year		<u>(1,392,906)</u>	<u>-</u>	<u>-</u>	<u>(1,392,906)</u>
Net liabilities		<u>(61,871)</u>	<u>-</u>	<u>-</u>	<u>(61,871)</u>
<b>Capital and reserves</b>					
Called up share capital		(5,000)	-	-	(5,000)
Profit and loss account		66,871	-	-	66,871
Total equity		<u>61,871</u>	<u>-</u>	<u>-</u>	<u>61,871</u>

## Japan Centre Group Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### Balance Sheet at 31 December 2014

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
<b>Fixed assets</b>					
Tangible assets		790,792	-	-	790,792
Investments		406,696	-	-	406,696
		<u>1,197,488</u>	<u>-</u>	<u>-</u>	<u>1,197,488</u>
<b>Current assets</b>					
Stocks		862,240	-	-	862,240
Debtors		611,878	-	-	611,878
Cash at bank and in hand		296,735	-	-	296,735
		<u>1,770,853</u>	<u>-</u>	<u>-</u>	<u>1,770,853</u>
Creditors: Amounts falling due within one year		<u>(2,052,916)</u>	<u>-</u>	<u>-</u>	<u>(2,052,916)</u>
Net current liabilities		<u>(282,063)</u>	<u>-</u>	<u>-</u>	<u>(282,063)</u>
Total assets less current liabilities		915,425	-	-	915,425
Creditors: Amounts falling due after more than one year		(134,352)	-	-	(134,352)
Provisions for liabilities		<u>(70,623)</u>	<u>-</u>	<u>-</u>	<u>(70,623)</u>
Net assets		<u>710,450</u>	<u>-</u>	<u>-</u>	<u>710,450</u>
<b>Capital and reserves</b>					
Called up share capital		(5,000)	-	-	(5,000)
Profit and loss account		<u>(705,450)</u>	<u>-</u>	<u>-</u>	<u>(705,450)</u>
Total equity		<u>(710,450)</u>	<u>-</u>	<u>-</u>	<u>(710,450)</u>

## Japan Centre Group Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### Profit and Loss Account for the year ended 31 December 2014

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Turnover		9,946,995	-	-	9,946,995
Cost of sales		<u>(4,995,737)</u>	<u>-</u>	<u>-</u>	<u>(4,995,737)</u>
Gross profit		4,951,258	-	-	4,951,258
Administrative expenses		(5,344,985)	-	-	(5,344,985)
Other operating income		<u>1,233,341</u>	<u>-</u>	<u>-</u>	<u>1,233,341</u>
Operating profit		<u>839,614</u>	<u>-</u>	<u>-</u>	<u>839,614</u>
Income from shares in group undertakings		153,669	-	-	153,669
Interest payable and similar charges		<u>(105,339)</u>	<u>-</u>	<u>-</u>	<u>(105,339)</u>
		<u>48,330</u>	<u>-</u>	<u>-</u>	<u>48,330</u>
Profit before tax		887,944	-	-	887,944
Taxation		<u>(70,623)</u>	<u>-</u>	<u>-</u>	<u>(70,623)</u>
Profit for the financial year		<u><u>817,321</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>817,321</u></u>