JSP International Limited

Filleted accounts

Registered number 2894670

31 December 2018

Balance Sheet
At 31 December 2018

	Note	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	6	1,571,387		224,106	
Tangible assets	7	1,009,101		3,205,539	
			2,580,488		3,429,645
Current assets					
Debtors	8	807,195		433,790	
Cash at bank and in hand		237,497		440,180	
		1,044,692		873,970	
Creditors: amounts falling due within one year	9	(2,359,937)		(3,162,591)	
Net current liabilities			(1,315,245)		(2,288,621)
Total assets less current liabilities			1,265,243		1,141,024
Provisions for liabilities					
Deferred tax liability	10		(185,061)		(186,066)
Net assets			1,080,182		954,958
Capital and reserves					
Called up share capital	12		10,000		10,000
Profit and loss account			1,070,182		944,958
Shareholders' funds			1,080,182		954,958

These financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies. As such the directors of the company have elected not to include a copy of the income statement within the financial statements.

The auditor's report on the full financial statements was unqualified with no emphasis of matters and was signed by Teri Coughlan (Senior Statutory Auditor) for and on behalf of KPMG LLP, Statutory Auditor.

These financial statements were approved by the board of directors on the 11th of July 2019 and were signed on its behalf by:

M L Bart	**H Usui**	**Y Oikawa**	**S Takahashi**
Director	*Director*	*Director*	*Director*

Company registered number: 2894670

Notes
(forming part of the financial statements)

1 Accounting policies

JSP International Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland and the Companies Act 2006. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in these accounting policies.

1.1 Measurement convention

The financial statements are prepared on the historical cost.

1.2 Going concern

Notwithstanding net current liabilities of £1,315,245 as at 31 December 2018, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the company will have sufficient funds, through funding from its parent company, JSP Corporation to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the parent company not seeking repayment of the amounts currently due to it. JSP Corporation has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account

Notes *(continued)*

1 Accounting policies *(continued)*

1.4 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.5 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- computer equipment 3-5 years
- Fixtures and fittings 5-10 years
- Motor vehicles 5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Notes *(continued)*

1 Accounting policies *(continued)*

1.7 Intangible assets,

Other intangible assets

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- software 7 years

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that an intangible asset may be impaired.

1.8 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Termination benefits

Termination benefits are recognised as an expense when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probably that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

1.9 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.10 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of management services to other group companies during the year which is recognised when the service has been performed. All services and turnover are derived in the United Kingdom.

Notes *(continued)*

1 Accounting policies *(continued)*

1.11 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.12 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

2 Staff numbers and costs

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

	Number of employees 2018	2017
Administrative	15	15

Notes *(continued)*

3 Intangible assets

	Software	Total
	£	£
Cost		
Balance at 1 January 2018	263,722	263,722
Additions	1,671,309	1,671,309
Balance at 31 December 2018	1,935,031	1,935,031
Amortisation		
Balance at 1 January 2018	39,616	39,616
Amortisation for the year	324,028	324,028
Balance at 31 December 2017	363.644	263,644
Net book value		
At 1 January 2018	224,106	224,106
At 31 December 2018	**1,571,387**	**1,571,387**

Notes *(continued)*

4 Tangible fixed assets

	Computer equipment £	Motor Vehicles £	Fixtures & fittings £	Under construction £	Total £
Cost					
Balance at 1 January 2018	159,039	172,761	1,765,503	1,679,568	3,776,871
Transfer to intangibles				(1,671,309)	(1,671,309)
Other acquisitions	930	90,160	8,412	-	99,502
Disposals	(25,774)	(179,926)	(7,246)	(8,259)	(221,205)
Balance at 31 December 2017	134,195	82,995	1,766,669	-	1,983,859
Depreciation and impairment					
Balance at 1 January 2018	114,249	44,579	412,504	-	571,332
Depreciation charge for the year	28,801	26,722	435,898	-	491,421
Disposals	(22,318)	(58,431)	(7,246)	-	(87,995)
Balance at 31 December 2018	120,732	12,870	841,156	-	974,758
Net book value					
At 1 January 2018	44,790	128,182	1,352,999	1,679,568	3,205,539
At 31 December 2018	**13,463**	**70,124**	**925,513**	-	**1,009,101**

Notes *(continued)*

5 Debtors

	2018 £	2017 £
Amounts owed by group undertakings	**494,858**	225,734
Other debtors	**207,505**	87,219
Prepayments and accrued income	**104,832**	120,837
	807,195	433,790

6 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	**11,948**	30,162
Amounts owed to group undertakings	**2,159,991**	2,952,928
Taxation and social security	**74,671**	-
Accruals and deferred income	**113,327**	179,501
	2,359,937	3,162,591

7 Deferred tax liabilities

Movement in the year

	2018 £	2017 £
Balance at 1 January	**186,066**	131,704
Prior period adjustment	**6,478**	13,836
Origination/ reversal	**(7,483)**	40,526
Balance at 31 December	**185,061**	186,066

Deferred tax liabilities/(assets) are attributable to the following:

	2018 £	2017 £
Accelerated capital allowances	**185,885**	261,589
Provisions	**(825)**	-
Tax losses	-	(75,523)
Net deferred tax liability	**185,061**	186,066

Notes *(continued)*

8 Capital and reserves

Share capital

	2018	2017
	£	£
Allotted, called up and fully paid		
10,000 ordinary shares of £1 each	**10,000**	10,000
Shares classified in shareholders' funds	**10,000**	10,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

9 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of JSP Corporation. The ultimate controlling party is also its parent JSP Corporation.

The largest group in which the results of the Company are consolidated is that headed by JSP Corporation, incorporation in Japan. The consolidated financial statements of these groups are available to the public and may be obtained from 4-2, Marunouchi 3-chome, Chiyoda-Ku, Tokyo, 100-0005, Japan or www.jsp.com.