Company Registered No.: 07769021 (England and Wales)

MKI (U.K.), LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2014

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COMPANIES HOUSE

MKI (U.K.), LTD

COMPANY INFORMATION

Directors	M Tobe K Nakatani A Sano S Suzuki E Furuya T Nakajima T Shimizu
Company number	07769021
Registered office	24 King William Street London EC4R 9AJ
Business address	24 King William Street London EC4R 9AJ
Independent auditors	Deloitte LLP London
Bankers	Sumitomo Mitsui Banking Corporation Europe Limited 99 Queen Victoria Street London EC4V 4EH

MKI (U.K.), LTD

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MKI (U.K.), LTD

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2014

The directors present their report and the financial statements for the year ended 31 March 2014.

This directors' report has been prepared in accordance with the provision applicable to companies entitled to the small companies' exemption.

The directors have not prepared a Strategic Report in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Principal activities

The principal activity of the company was that of the provision of services, being IT consulting and technical support to Group companies.

Directors

The directors who served during the year were:

M Tobe
K Nakatani (resigned 18 June 2014)
A Sano (resigned 19 June 2013)
S Suzuki
E Furuya (appointed 21 June 2013)

Going concern assessment

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they adopt the going concern basis in preparing the financial statements.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

  This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditors

The auditors, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006. A resolution proposing that they be re-appointed will be put forward at the next General Meeting.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

(continued)

This report was approved by the board and signed on its behalf.

Masayuki Tobe

M Tobe
Director
Date: 1 October 2014

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2014

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 period. 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 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 judgments 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 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 SHAREHOLDERS OF MKI (U.K.), LTD

We have audited the financial statements of MKI (U.K.), Ltd for the year ended 31 March 2014, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. 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 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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, 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 Ethical Standards for Auditors.

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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 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.

Opinion on other matter prescribed by the Companies Act 2006

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MKI (U.K.), LTD

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

Manbhinder Rana F.C.A. (Senior statutory auditor)
for and on behalf of
Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

1 October 2014

MKI (U.K.), LTD

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2014

	Note	2014 £	2013 £
Turnover	2	1,200,000	1,200,000
Cost of sales		(718,007)	(660,708)
Gross profit		481,993	539,292
Administrative expenses		(177,333)	(232,873)
Operating profit	3	304,660	306,419
Interest receivable and similar income		85	-
Interest payable and similar charges	7	(241)	(446)
Profit on ordinary activities before taxation		304,504	305,973
Tax on profit on ordinary activities	8	(71,371)	(75,200)
Profit for the financial year	12	233,133	230,773

All items in the profit and loss account disclosed above are derived from continuing operations.

There are no recognised gains and losses for the current financial period, other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses has been prepared.

All losses are attributable to the owners of the Company, as there is no non-controlling interest.

The notes on pages 8 to 13 form part of these financial statements.

MKI (U.K.), LTD
REGISTERED NUMBER: 07769021

BALANCE SHEET
AS AT 31 MARCH 2014

	Note	£	2014 £	£	2013 £
Current assets					
Debtors	9	209,173		110,320	
Cash at bank		398,259		649,415	
		607,432		759,735	
Creditors: amounts falling due within one year	10	(180,336)		(165,772)	
Net current assets			427,096		593,963
Net assets			427,096		593,963
Capital and reserves					
Called up share capital	11		200,000		200,000
Profit and loss account	12		227,096		393,963
Shareholders' funds	13		427,096		593,963

All equity attributable to the owners of the Company, as there is no non-controlling interest.

The financial statements of the Company were approved by the Board of Directors and authorised for issue on 1 October 2014.

Masayuki Tobe

M Tobe
Director
Date: 1 October 2014

The notes on pages 8 to 13 form part of these financial statements.

1. Accounting policies

MKI (UK) Ltd is a limited company incorporated in the United Kingdom. The financial statements cover the year to 31 March 2014. Significant accounting policies, which have been adopted consistently in the current year and prior period, are described below.

Include the following:

1.1 Accounting convention

The company's financial statements are prepared on the historical cost basis. The company's financial statements are presented in Pound Sterling which is the currency of the primary economic environment in which the entity operates.

1.2 Going concern

The company is in profit for the year and has substantial net current assets, mostly in the form of cash at bank, as at the balance sheet date. Accordingly, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis in preparing the financial statements.

1.3 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business.

This comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax.

1.5 Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing difference arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

1.6 Policy for administrative expenses and interest income/expenses and similar income/charges

Administrative expenses and interest income/expenses and similar income/charges are recognised on an accrual basis.

1. Accounting policies (continued)

1.7 Foreign currency transactions

In preparing the financial statements, transactions in currencies other than GBP (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting year, monetary items 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 retranslated 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 on monetary items are recognised in profit or loss in the year in which they arise.

2. Turnover

The total turnover of the company for the year has been derived from IT consulting and technical support to group companies wholly undertaken in the United Kingdom.

All turnover arose within the United Kingdom.

3. Operating profit

The operating profit is stated after charging/(crediting):

	2014 £	2013 £
Operating lease rentals:		
- other operating leases	40,500	49,854
Difference on foreign exchange	(70)	4

4. Auditors' remuneration

	2014 £	2013 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	10,500	10,500
Fees payable to the company's auditor and its associates in respect of:		
Taxation compliance services	5,000	5,000

5. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2014 £	2013 £
Wages and salaries	718,007	660,708

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

	2014 No.	2013 No.
Management	1	1
Technical	5	3
	6	4

6. Directors' remuneration

	2014 £	2013 £
Remuneration	266,142	253,180

The highest paid director received remuneration of £266,142 (2013 - £253,180).

7. Interest payable

	2014 £	2013 £
Other interest payable	241	446

8. Taxation

	2014 £	2013 £
UK corporation tax charge on profit for the year	71,371	75,200

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 23% (2013 - 24%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	304,504	305,973
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 24%)	70,036	73,434
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,335	1,766
Current tax charge for the year (see note above)	71,371	75,200

Factors that may affect future tax charges

The standard rate of corporation tax was reduced to 21% on 1 April 2014. The standard rate of corporation tax will be reduced to 20% on 1 April 2015.

There are no deferred tax balances in the year or the previous year.

9. Debtors

	2014 £	2013 £
Amounts owed by group undertakings	152,763	82,854
Other debtors	25,090	4,149
Prepayments and accrued income	31,320	23,317
	209,173	110,320

10. Creditors:
Amounts falling due within one year

	2014 £	2013 £
Trade creditors	3,556	2,175
Amounts owed to group undertakings	21,462	25,122
Corporation tax	29,141	33,700
Other taxation and social security	110,677	81,156
Accruals and deferred income	15,500	23,619
	180,336	165,772

11. Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
200,000 Ordinary shares of £1 each	200,000	200,000

12. Reserves

	Profit and loss account £
At 1 April 2013	393,963
Profit for the financial year	233,133
Dividends: Equity capital	(400,000)
At 31 March 2014	227,096

13. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	593,963	363,190
Profit for the financial year	233,133	230,773
Dividends (Note 14)	(400,000)	-
Closing shareholders' funds	427,096	593,963

14. Dividends

	2014 £	2013 £
Dividends paid on equity capital	400,000	-

15. Related party relationships and transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

16. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Mitsui Knowledge Industry Co., Ltd, a company registered and incorporated in Japan, and ultimate parent undertaking is Mitsui & Co., Ltd, a company registered and incorporated in Japan.

A copy of the Group financial statements can be obtained from the Company's registered office at 2-1 Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-0004, Japan