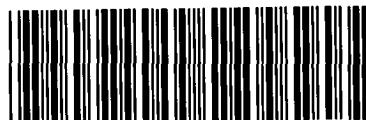


Registered number: 07769021

MKI(U.K.), LTD

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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MKI(U.K.), LTD

COMPANY INFORMATION

Directors	T Cho N Iwasato (appointed 28 May 2018) M Imai (appointed 1 April 2018)
Registered number	07769021
Registered office	8th & 9th Floors, 1 St.Martin's Le Grand London EC1A 4AS
Independent auditor	Deloitte LLP Statutory Auditor 2 New Street Square London United Kingdom EC4A 3BZ

MKI(U.K.), LTD

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MKI(U.K.), LTD

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

The directors present their annual report and the audited financial statements of MKI(U.K.), LTD for the year ended 31 March 2018.

Results and dividends

The profit for the year, after taxation, amounted to £116,707 (2017 - £294,335).

A dividend of £84,000 (2017: £326,000) was approved by the board of directors and paid after the year end.

Directors

The directors who served during the year were:

T Cho
M Mori (resigned 31 March 2018)
T Kunikata (resigned 27 May 2018)

Director's indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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 auditor is aware of that information.

Post balance sheet events

Details of significant events since the balance sheet date are contained in note 7 to the financial statements.

Auditor

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

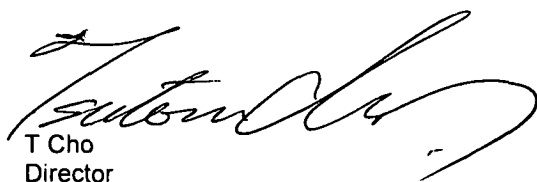
MKI(U.K.), LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

Small Companies Exemption

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

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



T Cho
Director

Date: 5 November 2018

MKI(U.K.), LTD

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

The directors are responsible for preparing the Directors' report and the audited financial statements of MKI(U.K.), LTD in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements of MKI(U.K.), LTD for each financial year. Under that law the directors have elected to prepare the audited financial statements of MKI(U.K.), LTD in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the audited financial statements of MKI(U.K.), LTD 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 audited financial statements of MKI(U.K.), LTD, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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 AUDITOR'S REPORT TO THE MEMBERS OF MKI(U.K.), LTD

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of MKI(U.K.), LTD (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies and
- the related notes 1 to 8.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MKI(U.K.), LTD

our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: . This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

MKI(U.K.), LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MKI(U.K.), LTD

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.



Alan Chaudhuri (Senior Statutory Auditor)
for and on behalf of Deloitte LLP

Statutory Auditor
2 New Street Square
London
United Kingdom
EC4A 3BZ
Date: 5 November 2018

MKI(U.K.), LTD

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 £	2017 £
Turnover		1,112,462	1,441,050
Cost of sales		(767,962)	(889,413)
Gross profit		<u>344,500</u>	<u>551,637</u>
Administrative expenses		(199,493)	(182,402)
Operating profit		<u>145,007</u>	<u>369,235</u>
Tax on profit		(28,300)	(74,900)
Profit for the financial year attributable to the equity shareholders of the company		<u><u>116,707</u></u>	<u><u>294,335</u></u>

There was no other comprehensive income for 2018 (2017:£NIL) and as such, there is no separate statement of comprehensive income.

**BALANCE SHEET
AS AT 31 MARCH 2018**

	Note	2018 £	2017 £
Current assets			
Debtors: amounts falling due within one year	3	124,567	301,184
Cash at bank and in hand	4	452,186	592,864
		<u>576,753</u>	<u>894,048</u>
Creditors: amounts falling due within one year	5	(228,970)	(336,972)
Net current assets		<u>347,783</u>	<u>557,076</u>
Total assets less current liabilities		<u>347,783</u>	<u>557,076</u>
Net assets		<u><u>347,783</u></u>	<u><u>557,076</u></u>
Capital and reserves			
Called up share capital	6	200,000	200,000
Profit and loss account		147,783	357,076
		<u>347,783</u>	<u>557,076</u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 November 2018.



T Cho
Director

The notes on pages 10 to 14 form part of these financial statements.

MKI(U.K.), LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2016	200,000	381,741	581,741
Comprehensive income for the year			
Profit for the year	-	294,335	294,335
Total comprehensive income for the year	-	294,335	294,335
Dividends: Equity capital	-	(319,000)	(319,000)
Total transactions with owners	-	(319,000)	(319,000)
At 1 April 2017	200,000	357,076	557,076
Comprehensive income for the year			
Profit for the year	-	116,707	116,707
Total comprehensive income for the year	-	116,707	116,707
Dividends: Equity capital	-	(326,000)	(326,000)
Total transactions with owners	-	(326,000)	(326,000)
At 31 March 2018	200,000	147,783	347,783

The notes on pages 10 to 14 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. Accounting policies

1.1 General Information and principal activities

MKI (U.K.), Ltd is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office is 8th & 9th Floors, 1 St. Martin's Le Grand, London EC1A 4AS.

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

1.2 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

1.3 Going concern

The company is in profit for the year and has 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. Accounting policies (continued)

1.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

1.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. Accounting policies (continued)

1.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

1.7 Taxation

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

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

1.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.11 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. Accounting policies (continued)

1.11 Financial instruments (continued)

instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

1.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2. Employees

The average monthly number of employees, including directors, during the year was 5 (2017 - 7).

3. Debtors

	2018 £	2017 £
Trade debtors	95,200	277,155
Other debtors	-	449
Prepayments and accrued income	23,555	23,580
VAT recoverable	5,812	-
	<u>124,567</u>	<u>301,184</u>

4. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	452,186	592,864
	<u>452,186</u>	<u>592,864</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

5. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	42,338	28,301
Amounts owed to group undertakings	75,390	80,844
Corporation tax	28,300	74,900
Other taxation and social security	61,887	135,517
Accruals and deferred income	21,055	17,410
	<u>228,970</u>	<u>336,972</u>

	2018	2017
	£	£
Other taxation and social security		
PAYE/NI control	61,887	110,884
VAT control	-	24,633
	<u>61,887</u>	<u>135,517</u>

6. Share capital

	2018	2017
	£	£
Authorised, allotted, called up and fully paid		
200,000 Ordinary Shares shares of £1 each	<u>200,000</u>	<u>200,000</u>

7. Post balance sheet events - Dividend on equity shares

The Company proposed final dividends for the year ended 31 March 2018 of £84,000 (£0.42 per ordinary share, 2017: £1.63 per ordinary share) on 22 June 2018.

The proposed final dividend was paid to shareholders on 29 June 2018.

8. 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 1-3, Marunouchi 1 -chome, Chiyoda-ku, Tokyo 100-8631, Japan, Nippon Life Marunouchi Garden Tower.