

**DOCOMO Europe Limited**

**Directors' Report and Financial  
Statements**

**Registered number 4071751**

**31 December 2014**

TUESDAY



LD4 \*L4GYOG9F\* #131  
29/09/2015  
COMPANIES HOUSE

## Contents

|   |   |
|---|---|
| Strategic Report  | 1 |
| Directors' Report   | 2 |
| Statement of Directors' Responsibilities in Respect of the Strategic Report, Directors' Report and the Financial Statements | 3 |
| Independent Auditor's Report to the Members of DOCOMO Europe Limited  | 4 |
| Profit and Loss Account   | 5 |
| Balance Sheet   | 6 |
| Reconciliation of Movements in Shareholders' Funds  | 7 |
| Notes   | 8 |

## Strategic Report

The directors present the Strategic Report of DOCOMO Europe Limited ("the Company"), for the year ended 31 December 2014.

### Business review

The results for the year are shown on page 5. The Company's profit for the year on ordinary activities after taxation was £1,682,131 (2013: £1,605,428), which has been transferred to reserves.

The directors expect the current level of activity to continue in the forthcoming year. The Company has met the requirements in the Companies Act 2006 to obtain an exemption provided from the presentation of an Enhanced Business Review.

### Principal activity

The principal activity of the Company is the management of a European subsidiary, whose activities are research into mobile telecommunication network infrastructure, support in the set-up and operation of wireless services, research regarding regulatory and market issues and resultant public and investor relations brought on by these activities

This activity further includes supporting the further development of the NTT DOCOMO group within Europe, and gathering information regarding mobile telecommunications.

### Principal risks and uncertainties

#### *Financial risks*

The management considers the company to be operating in a relatively low-risk environment in terms of finance, as the company is financed through share capital and has no loan liability, and the liquidity ratio is reasonable. Nevertheless, the management strives for more effective internal control.

#### *Regulatory risks*

The environment in which the company conducts its business is not heavily regulated. However, the management seeks the help of external advisors and the parent company to monitor any risk factors that may affect the company.

#### *Operational risks*

The company may be at risk of failing to comply with the global group strategy; therefore the management holds regular meetings with the parent company in order to evaluate the position of each project and to implement effective systems to manage these.

By order of the board



**H. Takeuchi**  
Director

1<sup>st</sup> Floor, Devon House  
58-60 St. Katharine's Way,  
London E1W 1LB

18 August 2015

## **Directors' Report**

The directors present their Directors' Report and the financial statements of DOCOMO Europe Limited ("the Company") for the year ended 31 December 2014.

### **Dividends**

Ordinary dividends amounting to £1,605,428 were declared and paid during the year (2013: £2,778,435).

### **Directors**

The directors who held office during the year and up to the date of this report were as follows:

Hiroyuki Takeuchi

Junichi Igarashi (appointed 1<sup>st</sup> July 2014)

Takahiro Tokumo (appointed 1<sup>st</sup> July 2014)

Moriya Kumasaki (resigned 1<sup>st</sup> July 2014)

Satoru Kinoshita (resigned 1<sup>st</sup> July 2014)

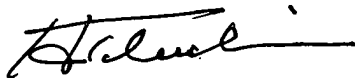
### **Disclosure of information to auditor**

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Auditor**

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



**H. Takeuchi**  
*Director*

1<sup>st</sup> Floor, Devon House  
58-60 St. Katharine's Way,  
London E1W 1LB

18 August 2015

## **Statement of Directors' Responsibilities in Respect of the Strategic Report, Directors' Report and the Financial Statements**

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 then apply them consistently;
- make judgments and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent Auditor's Report to the Members of DOCOMO Europe Limited**

We have audited the financial statements of DOCOMO Europe Limited for the year ended 31 December 2014 set out on pages 5 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 Directors' Responsibilities Statement set out on page 3, 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **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 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK 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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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.



Simon Baxter (Senior Statutory Auditor)  
For and on behalf of KPMG LLP, Statutory Auditor  
KPMG LLP  
Chartered Accountants  
15 Canada Square  
London E14 5GL

19 August 2015

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

|  | <i>Note</i> | <b>2014</b><br><b>£000</b> | 2013<br>£000 |
|--|-------------|----------------------------|--------------|
| <b>Turnover</b>                                      | <i>1</i>    | <b>2,587</b>               | 3,814        |
| Cost of sales  |             | <b>(2,330)</b>             | (3,524)      |
| <b>Operating profit</b>                              | <i>2</i>    | <b>257</b>                 | 290          |
| Dividend receivable and other income                 |             | <b>1,545</b>               | 1,381        |
| Interest receivable and similar income               | <i>5</i>    | -                          | 27           |
| Interest payable and similar charges                 | <i>5</i>    | <b>(73)</b>                | -            |
| <b>Profit on ordinary activities before taxation</b> | <i>2</i>    | <b>1,729</b>               | 1,698        |
| Tax on profit on ordinary activities                 | <i>6</i>    | <b>(47)</b>                | (92)         |
| <b>Profit for the financial year</b>                 |             | <b>1,682</b>               | 1,606        |

There are no recognised gains or losses for the current and prior year other than those presented. Accordingly, no statement of recognised gains or losses has been prepared.

The results for the current and prior years are derived from continuing operations.

The accounting policies and the notes on pages 8 to 16 form part of these financial statements.

**Balance Sheet**  
*at 31 December 2014*

|   | <i>Note</i> | <b>2014</b><br><b>£000</b> | <b>2014</b><br><b>£000</b> | <b>2013</b><br><b>£000</b> | <b>2013</b><br><b>£000</b> |
|---|-------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>Fixed assets</b>                                   |             |                            |                            |                            |                            |
| Tangible assets                                       | 7           |                            | 53                         |                            | 80                         |
| Investments   | 8           |                            | 4,804                      |                            | 4,804                      |
|   |             |                            | <u>4,857</u>               |                            | <u>4,884</u>               |
| <b>Current assets</b>                                 |             |                            |                            |                            |                            |
| Debtors   | 9           | 785                        |                            | 1,261                      |                            |
| Deferred tax asset                                    | 10          | 41                         |                            | 42                         |                            |
| Cash at bank and in hand                              |             | 6,052                      |                            | 5,615                      |                            |
|   |             | <u>6,878</u>               |                            | <u>6,918</u>               |                            |
| <b>Creditors: amounts falling due within one year</b> | 11          | <u>(164)</u>               |                            | <u>(307)</u>               |                            |
| <b>Net current assets</b>                             |             |                            | <u>6,714</u>               |                            | <u>6,611</u>               |
| <b>Net assets</b>                                     |             |                            | <u>11,571</u>              |                            | <u>11,495</u>              |
| <b>Capital and reserves</b>                           |             |                            |                            |                            |                            |
| Called up share capital                               | 12          | 9,889                      |                            | 9,889                      |                            |
| Profit and loss account                               | 13          | 1,682                      |                            | 1,606                      |                            |
| <b>Shareholders' funds</b>                            |             |                            | <u>11,571</u>              |                            | <u>11,495</u>              |

The accounting policies and the notes on pages 8 to 16 form part of these financial statements.

These financial statements on pages 5 to 16 were approved by the board of directors on 18 August 2015 and were signed on its behalf by:



**H. Takeuchi**  
*Director*



**Reconciliation of Movements in Shareholders' Funds**  
*for the year ended 31 December 2014*

|   | 2014<br>£000  | 2013<br>£000   |
|---|---------------|----------------|
| <b>Profit for the financial year</b>                    | <b>1,682</b>  | <b>1,606</b>   |
| Dividends on shares classified in shareholders' funds   | (1,606)       | (2,778)        |
| <b>Net (decrease) / increase in shareholders' funds</b> | <b>76</b>     | <b>(1,172)</b> |
| Opening shareholders' funds                             | <b>11,495</b> | <b>12,667</b>  |
| <b>Closing shareholders' funds</b>                      | <b>11,571</b> | <b>11,495</b>  |

The accounting policies and the notes on pages 8 to 16 form part of these financial statements.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and on the historical cost accounting rules.

The Company has taken advantage of the exemption to prepare consolidated financial statements under Section 401 of the Companies Act 2006, on the grounds that it is a wholly owned subsidiary undertaking of NTT DOCOMO, Inc., a company registered in Japan. These financial statements present information about the Company as an individual undertaking and not about its group.

#### *Going concern*

After making enquiries, the directors have a reasonable expectation that the business has adequate resources to continue in operational existence for the foreseeable future, and accordingly, the going concern basis continues to be adopted in the preparation of these financial statements.

#### *Investments*

Fixed asset investments are stated at cost less amounts written off in respect of any impairment.

#### *Fixed assets and depreciation*

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

|                                     |   |                               |
|-------------------------------------|---|-------------------------------|
| Improvements on leasehold buildings | - | life of lease                 |
| Tools, furniture, fixture           | - | 4 years                       |
| Note book PC                        | - | 3 years                       |
| Project related fixed assets        | - | Over agency contracted period |

#### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the Profit and Loss Account.

#### *Leases*

Operating lease rentals are charged to the Profit and Loss Account on a straight line basis over the period of the lease. Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax assets are recognised to the extent that they are regarded as recoverable. Deferred tax assets are regarded as recoverable 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.

Except where otherwise required by accounting standards, full provision without discounting is made for all timing differences that have arisen but not reversed at the balance sheet date.

#### *Turnover*

The Company's turnover is principally derived from costs recharged to the parent company at a mark-up of 10 percent and is recognised when the related services are rendered.

### 2 Profit on ordinary activities

|  | 2014<br>£000      | 2013<br>£000      |
|--|-------------------|-------------------|
| <i>Profit on ordinary activities before taxation is stated after charging:</i> |                   |                   |
| Depreciation and other amounts written off tangible fixed assets               | 53                | 60                |
| Hire of other assets - operating leases  | 235               | 360               |
| Auditor's remuneration:  |                   |                   |
| Audit of these financial statements  | 32                | 36                |
| Other services   | 20                | 23                |
|  | <u>          </u> | <u>          </u> |

## Notes (continued)

### 3 Remuneration of directors

|                       | 2014<br>£000 | 2013<br>£000 |
|-----------------------|--------------|--------------|
| Directors' emoluments | 512          | 713          |
|                       | <u>512</u>   | <u>713</u>   |

The aggregate of emoluments of the highest paid director was £276,587 (2013: £275,363).

### 4 Staff numbers and costs

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

|                | Number of employees |           |
|----------------|---------------------|-----------|
|                | 2014                | 2013      |
| Operations     | 9                   | 10        |
| Administration | 6                   | 5         |
|                | <u>15</u>           | <u>15</u> |

The aggregate payroll costs of these persons were as follows:

|                       | 2014<br>£000 | 2013<br>£000 |
|-----------------------|--------------|--------------|
| Wages and salaries    | 1,380        | 1,773        |
| Social security costs | 20           | 28           |
| Other pension costs   | 6            | 8            |
|                       | <u>1,406</u> | <u>1,809</u> |

### 5 Interest receivable and payable and similar income and charges

|                               | 2014<br>£000 | 2013<br>£000 |
|-------------------------------|--------------|--------------|
| Interest receivable           | -            | -            |
| Net exchange gains / (losses) | (73)         | 27           |
|                               | <u>(73)</u>  | <u>27</u>    |

## Notes (continued)

### 6 Taxation

#### Analysis of charge in period

|  | 2014<br>£000 | 2013<br>£000 |
|--|--------------|--------------|
| UK corporation tax                                     |              |              |
| Current tax on income for the period                   | 45           | 89           |
| Adjustments in respect of prior periods                | 2            | -            |
| Total current tax                                      | 47           | 89           |
| Deferred tax   |              |              |
| Origination / Reversal of timing differences (note 10) | 1            | 4            |
| Adjustment in respect of previous period (note 10)     | -            | (1)          |
| Effect of changes in tax rate on opening liability     | 1            | 3            |
| Tax on profit on ordinary activities                   | 48           | 92           |

#### Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2013: lower) than the standard rate of corporation tax in the UK 21.49 % (2013: 23.25 %). The differences are explained below.

|  | 2014<br>£000 | 2013<br>£000 |
|--|--------------|--------------|
| <i>Current tax reconciliation</i>                        |              |              |
| Profit on ordinary activities before tax                 | 1,729        | 1,698        |
| Current tax at 21.49% (2013: 23.25%)                     | 371          | 395          |
| <i>Effects of:</i>                                       |              |              |
| Expenses not deductible for tax purposes                 | 7            | 15           |
| Capital allowances for period in excess of depreciation  | (1)          | -            |
| Adjustments to tax charge in respect of previous periods | 2            | -            |
| Non chargeable gain on liquidation                       | -            | -            |
| Non taxable dividend income                              | (332)        | (321)        |
| Total current tax charge (see above)                     | 47           | 89           |

#### Factors that may affect the current and total tax charge in future periods

A reduction in the UK Corporation tax rate from 23% to 21% effective from 1 April 2014 was substantively enacted on 2 July 2013. The main rate of corporation tax will further reduce to 20% from 1 April 2015. This will reduce the company's future tax charge accordingly.

**Notes (continued)**

**7 Tangible fixed assets**

|                              | <b>Leasehold<br/>improvements<br/>£000</b> | <b>Fixtures,<br/>fittings,<br/>tools and<br/>equipment<br/>£000</b> | <b>Total<br/>£000</b> |
|------------------------------|--|---|-----------------------|
| <b><i>Cost</i></b>           |  |   |                       |
| At beginning of year         | 278  | 418   | 696                   |
| Additions                    | -  | 26  | 26                    |
| Disposals                    | (15)                                       | (117)   | (132)                 |
| <b>At end of year</b>        | <b>263</b>                                 | <b>327</b>  | <b>590</b>            |
| <b><i>Depreciation</i></b>   |  |   |                       |
| At beginning of year         | 247  | 369   | 616                   |
| Charge for year              | 31   | 22  | 53                    |
| On disposals                 | (15)                                       | (117)   | (132)                 |
| <b>At end of year</b>        | <b>263</b>                                 | <b>274</b>  | <b>537</b>            |
| <b><i>Net book value</i></b> |  |   |                       |
| <b>At 31 December 2014</b>   | <b>-</b>                                   | <b>53</b>   | <b>53</b>             |
| <b>At 31 December 2013</b>   | <b>31</b>                                  | <b>49</b>   | <b>80</b>             |

**Notes (continued)**

**8 Fixed asset investments**

|                            | <b>DOCOMO<br/>Communications<br/>Laboratories<br/>Europe GmbH<br/>£000</b> | <b>Total<br/>£000</b> |
|----------------------------|--|-----------------------|
| <i>Cost</i>                |  |                       |
| At beginning of year       | 4,804  | 4,804                 |
| Disposal                   | -  | -                     |
|                            | <hr/>  | <hr/>                 |
| <b>At end of year</b>      | <b>4,804</b>   | <b>4,804</b>          |
|                            | <hr/>  | <hr/>                 |
| <i>Provisions</i>          |  |                       |
| At beginning of year       | -  | -                     |
| At end of year             | -  | -                     |
|                            | <hr/>  | <hr/>                 |
| <i>Net book value</i>      |  |                       |
| <b>At 31 December 2014</b> | <b>4,804</b>   | <b>4,804</b>          |
|                            | <hr/>  | <hr/>                 |
| At 31 December 2013        | 4,804  | 4,804                 |
|                            | <hr/>  | <hr/>                 |

On 10 September 2014, the company received a net dividend of £1,545,675.92 from DOCOMO Communications Laboratories Europe GmbH.

|  | <b>Country of<br/>incorporation</b> | <b>Principal<br/>Activity</b>  | <b>Class and<br/>Percentage<br/>of shares held</b> |
|--|-------------------------------------|--|--|
| <b>Subsidiary undertakings</b>                 |                                     |  |  |
| DOCOMO Communications Laboratories Europe GmbH | Germany                             | Research activities<br>for next-generation<br>platform technology<br>based in Europe | Ordinary<br>100%                                   |

**Notes (continued)**

**9 Debtors**

|                                    | <b>2014</b> | <b>2013</b>  |
|------------------------------------|-------------|--------------|
|                                    | <b>£000</b> | <b>£000</b>  |
| Amounts owed by group undertakings | 568         | 930          |
| Other debtors                      | 159         | 162          |
| Prepayments and accrued income     | 58          | 169          |
|                                    | <u>785</u>  | <u>1,261</u> |

**10 Deferred tax asset**

|   | <b>2014</b> | <b>2013</b> |
|---|-------------|-------------|
|   | <b>£000</b> | <b>£000</b> |
| At beginning of year                                | 42          | 45          |
| Current year charge (note 6)                        | (1)         | (4)         |
| Adjustments in respect of previous periods (note 6) | -           | 1           |
|   | <u>41</u>   | <u>42</u>   |

**11 Creditors: amounts falling due within one year**

|                                    | <b>2014</b> | <b>2013</b> |
|------------------------------------|-------------|-------------|
|                                    | <b>£000</b> | <b>£000</b> |
| Trade creditors                    | 58          | 101         |
| Amounts owed to group undertakings | 9           | 63          |
| Taxation                           | 4           | 33          |
| Other creditors                    | 61          | 62          |
| Accruals and deferred income       | 32          | 48          |
|                                    | <u>164</u>  | <u>307</u>  |



## Notes (continued)

### 12 Called up share capital

|   | 2014<br>£000 | 2013<br>£000 |
|---|--------------|--------------|
| <i>Authorised</i>                         |              |              |
| 10,000,000 ordinary shares of £1 each     | 10,000       | 10,000       |
|   | <hr/>        | <hr/>        |
| <i>Allotted, called up and fully paid</i> |              |              |
| 9,888,694 ordinary shares of £1 each      | 9,889        | 9,889        |
|   | <hr/>        | <hr/>        |

### 13 Profit and loss reserve

|   | Profit<br>and loss<br>account<br>£000 |
|---|---------------------------------------|
| At beginning of year                    | 1,606                                 |
| Profit for the year                     | 1,682                                 |
| Dividend paid on ordinary equity shares | (1,606)                               |
|   | <hr/>                                 |
| At end of year                          | 1,682                                 |
|   | <hr/>                                 |

### 14 Commitments

Annual commitments under non-cancellable operating leases are as follows:

|  | 2014<br>Land and<br>Buildings<br>£000 | 2014<br>Other<br>£000 | 2013<br>Land and<br>buildings<br>£000 | 2013<br>Other<br>£000 |
|--|---------------------------------------|-----------------------|---------------------------------------|-----------------------|
| Operating leases which expire:         |                                       |                       |                                       |                       |
| Within one year                        | 129                                   | -                     | 129                                   | -                     |
| In the second to fifth years inclusive | -                                     | 55                    | -                                     | 1                     |
| Over five years                        | -                                     | -                     | -                                     | 72                    |
|  | <hr/>                                 | <hr/>                 | <hr/>                                 | <hr/>                 |
|  | 129                                   | 55                    | 129                                   | 73                    |
|  | <hr/>                                 | <hr/>                 | <hr/>                                 | <hr/>                 |

## Notes (continued)

### 15 Pension scheme

The Company does not operate an occupational pension scheme but makes a percentage contribution of qualifying salary on behalf of certain employees into the group defined contribution pension scheme. The outstanding contributions to the pension scheme as at 31 December 2014 were £598 (2013: £445).

### 16 Related party disclosures

The Company is controlled by its immediate parent undertaking NTT DOCOMO, Inc. in Japan. The ultimate controlling party is Nippon Telegraph and Telephone Corporation, incorporated in Japan, which is the Company's ultimate parent company.

The Company has entered into an office rental agreement with NTT Europe Limited, which has the same ultimate parent company, Nippon Telegraph and Telephone Corporation.

The rental period is 12 months from 1 August 2014. The fee is £221,794 (2013: £220,741) payable by monthly instalments. There is no outstanding balance in relation to this agreement as at the balance sheet date.

NTT Europe Limited also provided IT maintenance work and IT equipment supply for the Company during the year. The whole year's cost is £168,288 (2013: £286,596), of which £2,787 is outstanding in relation to this transaction at the balance sheet date.

As the Company is a wholly owned subsidiary of NTT DOCOMO, Inc., the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of this group.

### 17 Cash Flow Statement

Under FRS 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

### 18 Ultimate parent company and parent undertaking of larger group of which the Company is a member

The Company is a subsidiary undertaking of Nippon Telegraph and Telephone Corporation, which is the ultimate parent company incorporated in Japan.

The largest group in which the results of the Company are consolidated is that headed by Nippon Telegraph and Telephone Corporation, incorporated in Japan. The smallest group in which they are consolidated is that headed by NTT DOCOMO, Inc. in Japan. No other group financial statements include the results of the Company. The consolidated financial statements of these groups are available to the public and may be obtained from 11-1, Nagatacho 2-chome, Chiyoda-ku, Tokyo 100-6150, Japan.