

# **DOCOMO Europe Limited**

Annual report and financial statements

Registered number 4071751

For the 15 month period ended

31 March 2019



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## Strategic Report

The directors present the Strategic Report of DOCOMO Europe Limited ("the Company"), for the 15 month period ended 31 March 2019. In order to achieve greater alignment with other key stakeholders e.g. NTT DOCOMO, INC. the accounting year has been re-aligned to the 31 March 2019 which results in a one off 15 month accounting period from the 1 January 2018 to the 31 March 2019. Comparative information relates to the year ended 31 December 2017.

### Business review

The results for the year are shown on page 6. The Company's total comprehensive income for the period was £771,113 (2017: Loss of £68,554). As part of group reorganisation, the Company obtained certain assets from the UK establishment of its parent company NTT DOCOMO, INC. The transaction was completed on 1<sup>st</sup> July 2018 also included a Transfer of Undertakings Protection of Employment arrangement.

The directors expect the level of activity to increase slightly in the forthcoming year.

### Principal activity

The principal activity of the Company up to the transfer agreement date was an investment holding company. After the transfer, the principal activities of the Company were the management of a European subsidiary and to promote the NTT DOCOMO group presence in the mobile business community in the UK and Europe through market research, PR activities and networking. The activities further included identification of business opportunities and administrative services for the NTT DOCOMO group within Europe.

### 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.

#### *Brexit risks*

The Company considers the impact of a no-deal Brexit to not be significant, as assets and liabilities of the Company are mainly held in sterling pounds and the Company does not sell or buy a high volume of goods or services to/from the EU, nor is it reliant on the EU for staff whether temporary or permanent. However, a no-deal Brexit may have uncertainties on the value of investment in its European subsidiary as a result of exchange rate risk. The Company's promotion of the parent company in the UK market and Europe may also be affected as the number of potential customers in the UK may decrease. However, the Company assesses the effects of these uncertainties are minimal as the date of this report.

By order of the board



**M. Condon**  
Director

1<sup>st</sup> Floor,  
1 King William Street,  
London EC4N 7AR

25 September 2019

## Directors' Report

The directors present their Directors' Report and the financial statements of DOCOMO Europe Limited ("the Company") for the 15 month period ended 31 March 2019.

### Dividends

The Company did not declare any ordinary dividend during the year in respect of the previous year. (2017: £ nil). The directors do not recommend the payment of a dividend for this year.

### Directors

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

Takahiro Tokumo	(Resigned 1 <sup>st</sup> July 2018)
Kei Tonokura	(Resigned 1 <sup>st</sup> July 2018)
Michael Condon	(Appointed 1 <sup>st</sup> July 2018)
Matsui Masaaki	(Appointed 1 <sup>st</sup> July 2018)
Zaif Siddiqi	(Appointed 1 <sup>st</sup> July 2018)

### Political contributions

The Company made no political donations or incurred any political expenditure during the year.

### 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



**M. Condon**  
*Director*

1<sup>st</sup> Floor,  
1 King William Street,  
London EC4N 7AR

25 September 2019

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE 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), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 judgements 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

### **Opinion**

We have audited the financial statements of DOCOMO Europe Limited ("the company") for the 15 month period ended 31 March 2019 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Other matter**

#### **The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

#### **Directors' responsibilities**

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

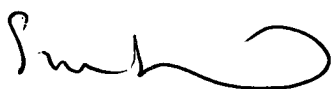
#### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### **The purpose of our audit work and to whom we owe our responsibilities**

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.



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

Date 25 September 2019 .....

**Profit and Loss Account and Other Comprehensive Income**  
*for the 15 month period ended 31 March 2019*

	<i>Note</i>	<b>15 months to 31 March 2019</b>	<b>12 months to 31 December 2017</b>
		<b>£000</b>	<b>£000</b>
<b>Turnover</b>	<i>1</i>	<b>887</b>	<b>-</b>
Cost of sales		<b>(867)</b>	<b>(79)</b>
<b>Operating Profit/(Loss)</b>		<b>20</b>	<b>(79)</b>
Dividend receivable and other income		<b>774</b>	<b>-</b>
Interest (payable) and receivable	<i>5</i>	<b>(18)</b>	<b>7</b>
<b>Profit/(Loss) before taxation</b>		<b>776</b>	<b>(72)</b>
Tax on profit	<i>6</i>	<b>(5)</b>	<b>3</b>
<b>Profit/(Loss) for the financial year</b>		<b>771</b>	<b>(69)</b>
Other comprehensive income for the year, net of income tax		<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss) for the year</b>		<b>771</b>	<b>(69)</b>

The accounting policies and the notes on pages 9 to 17 form part of these financial statements.

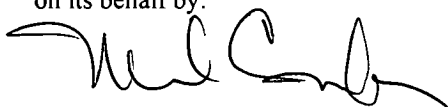


**Balance Sheet**  
*at 31 March 2019*

	<i>Note</i>	<b>31 March 2019</b>	<b>31 March 2019</b>	<b>31 December 2017</b>	<b>31 December 2017</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>					
Tangible assets	7		107		-
Investments	8		4,804		4,804
			<u>4,911</u>		<u>4,804</u>
<b>Current assets</b>					
Debtors	9	584		33	
Cash at bank and in hand		5,460		5,226	
		<u>6,044</u>		<u>5,259</u>	
<b>Creditors: amounts falling due within one year</b>	10	(134)		(27)	
		<u></u>		<u></u>	
<b>Net current assets</b>			<u>5,910</u>		<u>5,232</u>
<b>Total assets less current liabilities</b>			<u>10,821</u>		<u>10,036</u>
<b>Provisions for liabilities</b>					
Other Provision	11	14		-	
		<u>14</u>		<u></u>	
<b>Net assets</b>			<u>10,807</u>		<u>10,036</u>
<b>Capital and reserves</b>					
Called up share capital	12		9,889		9,889
Profit and loss account			918		147
			<u>10,807</u>		<u>10,036</u>
<b>Shareholders' funds</b>			<u>10,807</u>		<u>10,036</u>

The accounting policies and the notes on pages 9 to 17 form part of these financial statements.

These financial statements on pages 6 to 17 were approved by the board of directors on 25 September 2019 and were signed on its behalf by:



**M. Condon**

*Director*

Company registered number: 4071751

## Statement of Changes in Equity

	Called up Share Capital £000	Profit & Loss Account £000	Total Equity £000
Balance at 1 January 2017	9,889	216	10,105
Total comprehensive income for the year			
Loss for the financial year	-	(69)	(69)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	-	(69)	(69)
<b>Balance at 31 December 2017</b>	<b>9,889</b>	<b>147</b>	<b>10,036</b>
	Called up Share Capital £000	Profit & Loss Account £000	Total Equity £000
Balance at 1 January 2018	9,889	147	10,036
Total comprehensive income for the year			
Profit for the financial year	-	771	771
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	771	771
<b>Balance at 31 March 2019</b>	<b>9,889</b>	<b>918</b>	<b>10,807</b>

The accounting policies and the notes on pages 9 to 17 form part of these financial statements.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

DOCOMO Europe Limited is a company limited by shares and incorporated and domiciled in the UK. These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014 and on the historical cost accounting rules. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

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.

The Company's ultimate parent undertaking, Nippon Telegraph and Telephone Corporation, includes the Company in its consolidated financial statements. The consolidated financial statements of Nippon Telegraph and Telephone Corporation are available to the public and may be obtained from 11-1, Nagata-cho 2-chome, Chiyoda-ku, Tokyo 100-6150, Japan. In these financial statements, the Company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of NTT Docomo Japan include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

### *Going concern*

The directors believe that the Company is well placed to manage its business risks successfully due to sufficient financial resources. After making enquires, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and the Company will continue to hold the investment in subsidiary DOCOMO Communications Laboratories Europe GmbH for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

### *Investments*

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

### *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. Turnover is measured at fair value of the consideration received or receivable for the provision of services in the ordinary course of the Company's activities, and shown net of value added tax, rebates and discounts.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Tangible fixed assets and depreciation*

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

Depreciation method, 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.

#### *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.

#### *Taxation*

The charge for taxation is based on the result 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.

#### *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.

### 2 Remuneration of directors

	15 months to 31 March 2019	12 months to 31 December 2017
	£000	£000
Directors' emoluments	403	-

The aggregate of remuneration of the highest paid director was £ 235,249 (2017 :£ nil).

## Notes (continued)

### 3 Expenses and auditor's remuneration

Included in profit/loss are the following:

	15 months to 31 March 2019	12 months to 31 December 2017
	£000	£000
Depreciation of tangible fixed assets	27	5
Operating lease rentals - land and buildings	104	-
Operating lease rentals - others	15	-
Audit of these financial statements	46	22

### 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 15 months to 31 March 2019	12 months to 31 December 2017
Operations	2	-
Administration	2	-
	<hr/> 4	<hr/> -
	<hr/> <hr/>	<hr/> <hr/>

The aggregate payroll costs of these persons were as follows:

	15 months to 31 March 2019	12 months to 31 December 2017
	£000	£000
Wages and salaries	353	-
Social security costs	5	-
Other pension costs	1	-
	<hr/> 359	<hr/> -
	<hr/> <hr/>	<hr/> <hr/>

### 5 Interest (payable) and receivable and similar income and expenses

	15 months to 31 March 2019	12 months to 31 December 2017
	£000	£000
Interest receivable	4	-
Net exchange (loss)/gain	(22)	7
	<hr/> (18)	<hr/> 7
	<hr/> <hr/>	<hr/> <hr/>

## Notes (continued)

### 6 Taxation

#### Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	15 months to 31 March 2019	12 months to 31 December 2017
	£000	£000
<i>Current UK corporation tax</i>		
Current tax on income for the period	6	-
Total current tax	6	-
<i>Deferred tax (see note 10)</i>		
Origination / reversal of timing differences	(1)	(3)
Total deferred tax	(1)	(3)
Total tax	5	(3)

#### Factors affecting total tax expense for the current period

The tax expense for the period is lower (2017: lower) than the standard rate of corporation tax in the UK 19.00% (2017: 19.25%). The expense for the year can be reconciled to the profit per the income statement as follows:

	15 months to 31 March 2019	12 months to 31 December 2017
	£000	£000
<i>Current tax reconciliation</i>		
Profit for the period – continuing operations	776	(72)
Tax on profit at standard UK rate of 19.00% (2017: 19.25%)	147	(14)
Effects of:		
Expenses not deductible for tax purposes	5	1
Non- taxable dividend income	(147)	-
Deferred tax not provided	-	10
Tax expense for the period	5	(3)

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

The UK tax authorities have reduced the UK rate of corporation tax from 1 April 2017 to 19% and by a further 2% to 17% from 1 April 2020. No further UK corporation tax rate reductions have been announced. The UK timing differences are normally recognised at the rate at which the timing differences are expected to unwind.

**Notes (continued)**

**7 Tangible fixed assets**

	<b>Leasehold improvements £000</b>	<b>Fixtures, fittings, tools and equipment £000</b>	<b>Total £000</b>
<b><i>Cost</i></b>			
Balance at 1 January 2018	-	4	4
Additions	128	6	134
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2019	<b>128</b>	<b>10</b>	<b>138</b>
	<hr/>	<hr/>	<hr/>
<b><i>Depreciation</i></b>			
Balance at 1 January 2018	-	4	4
Charge for year	26	1	27
On disposals	-	-	-
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2019	<b>26</b>	<b>5</b>	<b>31</b>
	<hr/>	<hr/>	<hr/>
<b><i>Net book value</i></b>			
At 1 January 2018	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 March 2019	<b>102</b>	<b>5</b>	<b>107</b>
	<hr/>	<hr/>	<hr/>

**Notes (continued)**

**8 Fixed asset investments**

	<b>DOCOMO Communications Laboratories Europe GmbH £000</b>	<b>Total £000</b>
<i>Cost</i>		
Balance at 1 January 2018 and 31 March 2019	4,804	4,804
	<hr/>	<hr/>
<i>Provisions</i>		
Balance at 1 January 2018 and 31 March 2019	-	-
	<hr/>	<hr/>
<i>Net book value</i>		
At 31 December 2018 and 31 March 2019	4,804	4,804
	<hr/>	<hr/>

On 1 October 2018, the Company received a net dividend of £756,937.19 from DOCOMO Communications Laboratories Europe GmbH.

The Company has the following investment in subsidiaries:

	Registered Office	Principal Activity	Class and Percentage of shares held
<b>Subsidiary undertakings</b>			
DOCOMO Communications Laboratories Europe GmbH	Landsberger Strasse 312 80687 Munich, Germany	Research activities for next-generation platform technology based in Europe	Ordinary 100%



## Notes (continued)

### 9 Debtors

	31 March 2019	31 December 2017
	£000	£000
Amounts owed by group undertakings	467	-
Other debtors	50	-
Taxation	7	33
Prepayments and accrued income	60	-
	<u>584</u>	<u>33</u>
Due within one year:	<u>584</u>	<u>33</u>

### 10 Creditors: amounts falling due within one year

	31 March 2019	31 December 2017
	£000	£000
Trade creditors	24	-
Amounts owed to group undertakings	3	-
Other creditors	55	-
Accruals	52	27
	<u>134</u>	<u>27</u>

### 11 Provisions

	Provision £000	Total £000
Balance at 1 January 2018	-	-
Provisions made during the year	14	14
Unwinding of discounted amount	-	-
	<u>14</u>	<u>14</u>
<b>Balance at 31 March 2019</b>	<u>14</u>	<u>14</u>

Dilapidation provision is recognised based on the expected cash flow required to restore a leased property to a fair condition at the end of a lease term, using a reasonable discount rate at the balance sheet date.

## Notes (continued)

### 12 Called up share capital

	31 March 2019	31 December 2017
	£000	£000
<b>Authorised</b>		
10,000,000 ordinary shares of £1 each	<b>10,000</b>	10,000
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
9,888,694 ordinary shares of £1 each	<b>9,889</b>	9,889
	<hr/> <hr/>	<hr/> <hr/>

### 13 Commitments

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

	31 March 2019	31 March 2019	31 December 2017	31 December 2017
	Land and Buildings £000	Other £000	Land and buildings £000	Other £000
Non-cancellable operating lease rentals are payable as follows:				
Less than one year	77	16	-	-
Between one and five years	154	4	-	-
More than five years	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	231	20	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## Notes (continued)

### 14 Related party disclosures

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

The Company entered into various commercial agreements with NTT Europe Limited, which has the same ultimate parent company, Nippon Telegraph and Telephone Corporation.

NTT Europe Limited provided an office, a document storage service, IT maintenance work and IT equipment supply for the Company during the year. The whole year's total cost is £151,439 (2017: £8,040) and there is no outstanding balance in relation to this transaction at the balance sheet date. The rental period it has with the Company is 45 months from 1 July 2018 with the license fee of £77,216 payable by every three months.

There is outstanding creditor balance of £2,739.62 to NTT DATA Corporation which has the same ultimate parent company, Nippon Telegraph and Telephone Corporation as at 31 March 2019.

As the Company is 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.

### 15 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, Nagata-cho 2-chome, Chiyoda-ku, Tokyo 100-6150, Japan