

Registered number: 04109761



ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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NTT DATA UK CONSULTING AND IT SOLUTIONS LIMITED

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NTT DATA UK CONSULTING AND IT SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	Claire E Webster Mark Baker Britta Doring Simon Williams (appointed 7 June 2017) Ken Tsuchihashi (appointed 20 June 2017) Steve A F Mitchener (resigned 31 May 2017) Tadashi Uhira (resigned 20 June 2017)
Registered number	04109761
Registered office	2 Royal Exchange London United Kingdom EC3V 3DG
Independent auditors	KPMG LLP Chartered Accountant 15 Canada Square London United Kingdom E14 5GL

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

Introduction

The directors present their strategic report of NTT Data UK Consulting and IT Solutions Limited ("the Company") for the year ended 31 March 2018.

Business review

The Company delivered strong revenue growth of 36.7% over the previous year exceeding its budget for the year and achieved gross profit margin of 10.9%, which is 3.7% increase over the previous year. Conversely, operating loss have increased by 3.6% and is due to an increased management charges relative to revenue growth, increase in non-billable salaries costs in sales and administration, internal restructuring costs, acquisition expenses incurred on MagenTys and increased rent costs.

Management remain optimistic for the year ahead with new orders secured at year end from the Telco media sector amounted to £40.6m, in addition to a strong order pipeline. The United Kingdom remains a high-potential market, with the largest share of IT Services spending in Europe and one of the highest growth rates. There is an opportunity to achieve increased scale through organic growth and acquisition. Our organic growth remains focused on protecting our core business and expanding into adjacent markets, such as Manufacturing, Automotive and Services. We will accelerate this process in 2019 by enhancing our Go To Market capability to improve lead generation and open up new routes to market through our partners and sister companies.

The Company continued to invest in the growth of its Digital practice to target the demands from the market. In addition, through the acquisition of differentiated capabilities such as our recent purchase of MagenTys, to also help us to scale in our target and adjacent markets. In order to support these growth, the company is opening up new London offices and an innovation lab in 2018.

We differentiate ourselves by highlighting our Japanese heritage (focus on quality and innovation), and positioning ourselves as a key player in the digital world. This is supported by our brand awareness campaign, "Guiding Greatness", and management's plan to consolidate the operations of the UK companies in the foreseeable future.

We will continue to invest in our internal to enable us to deliver our planned growth.

Finally, we continue to live with uncertainty caused by Brexit. We remain optimistic about the aftermath, but must be prepared to react quickly to risks and to opportunities as they materialise following Brexit in 2019.

NTT DATA UK CONSULTING AND IT SOLUTIONS LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018

Financial key performance indicators

The Company relies on monthly management accounts as key indicators of its performance and from these uses growth in sales, gross margin and operating profit as key measures of performance.

Performance during the year, together with historical trend data, is set out below:

	Year ended 31 March 2018	Year ended 31 March 2017
Revenue (£)	48,723,961	35,637,353
Increase in revenue (£)	13,086,608	8,843,605
Increase in revenue (%)	36.70	33.00

	Year ended 31 March 2018	Year ended 31 March 2017
Gross profit (£)	5,302,423	255,872
Gross profit (%)	10.90	7.16

The Gross profit percentage is the ratio of gross profit to revenue expressed as a percentage

	Year ended 31 March 2018	Year ended 31 March 2017
Operating loss (£)	(1,780,219)	(228,232)
Operating loss (%)	(3.65)	(0.64)

The Operating loss percentage is the ratio of operating loss to revenue expressed as a percentage

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

Principal risks and uncertainties

The management of the business and execution of the Company's strategy are subject to a number of risks. The key business risks affecting the company are set out of below. The directors review the risks and ensure appropriate processes are put in place to monitor and mitigate them. The principal risks identified are:

Economic Environment

Uncertainty in the economic outlook continues due to international risks and this may impact our rate of business growth in the short term as companies consider alternative strategies for retaining their profitability in a competitive market. However, it is expected that these companies will continue to include IT investment, transformation and outsource services as an integral part of their strategy.

Competitive Environment

The Company operates in a highly competitive market in which it competes with both large IT solutions services companies and smaller local or regional IT solutions services companies. A decrease in the number of projects undertaken or fees charged due to competition with other IT solutions services companies, market consolidation or clients undertaking vendor consolidation initiatives could have a material adverse effect on the business, financial condition and results of the Company. The Company manages this risk by providing high quality, value added services to its customers and by maintaining strong relationships with its existing customers, whilst continuing to build a pipeline of new customers.

Brexit

On 23 June 2016, a referendum in the United Kingdom was passed voting in favour of leaving the European Union (commonly referred to as 'Brexit'). Notification under Article 50 of the Lisbon Treaty, which triggered the UK's withdrawal within two years, was given on 29 March 2017. The longer term political and economic effects of the referendum result remains unclear at the date of these financial statements. The Company's management team alongside the EMEA management are monitoring developments in relation to Brexit, and will continue to evaluate the impact of Brexit on the business, both in terms of our own activities and those of our clients.

Employee risk

Employee risk arises given the value placed on human capital of the Company, and the Company's ability to attract, train, and retain employees with the necessary technical expertise. The quality of human resource management and employee commitment is monitored very closely and a number of initiatives and working groups are in place to drive employee engagement.

Technological risk

Technological risk arises as new technologies and new practices inevitably expose the company to new risks. Similarly the risks of cyber criminality could lead to a loss of data, disruption to projects or could impact the reputation of the financial health of the Company. Business continuity procedures are in place and are continually reviewed for further improvements to mitigate the risk of cyber criminality on the Company's main systems.

Where there are newer technologies entering the market, the Company looks to be at the forefront of these changes in order to best serve its customers. The Company manages this risks through working closely with its Japanese parent that runs the research and development for the global businesses with investment of over USD 2 billion annually.

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

GDPR

The new General Data Protections Regulation GDPR came into effect in May 2018 and brings a new era in safeguarding personal data by businesses. The Company takes privacy and the protection of customers, suppliers and employees data very seriously, and started working with the Group, the EMEA Legal and Compliance and the COO functions since a year earlier to make sure that it was ready and compliant. In addition, the Company invested in the market leading privacy management software OneTrust to support with the implementation and compliance of this new legislation.


Exchange rates risk

The majority of the Company's costs and revenue are based in pounds sterling to minimise any exposure to adverse exchange rate fluctuations. However, the Company holds a Euro denominated bank account for transactions invoiced to clients in Euros' and a US dollar bank account for amounts invoiced to clients in US dollars. The existence of the non GBP denominated bank accounts and some non GBP contracts expose the Company to foreign exchange gains and losses. In the event of the business having to transact in large non GBP contracts, the Treasury department will consider appropriate hedging techniques in order to mitigate against exposure to exchange rates fluctuations.

Credit and Liquidity risk

The Company's credit risk is primarily attributed to trade receivables in relation to services rendered to customers. The Company has procedures that require appropriate credit checks on potential customers before services are provided. Trade receivables balances from existing customers are reviewed and monitored regularly by appropriately qualified personnel and management.

This report was approved by the board on 13 December 2018 and signed on its behalf.



Claire E Webster
Director

NTT DATA UK CONSULTING AND IT SOLUTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

DIVIDENDS

No dividends were paid during the year and none were proposed subsequent to the year-end (2017: £250,000)

Research and Development

The Company aims to give its customers innovative offerings and invests in research and development in staff, latest technologies and solutions.

DIRECTORS

The following directors have held office since 1 April 2017 and up to the date of this report:

Claire E Webster
Mark Baker
Britta Doring
Simon Williams (appointed 7 June 2017)
Ken Tsuchihashi (appointed 20 June 2017)
Steve A F Mitchener (resigned 31 May 2017)
Tadashi Uhira (resigned 20 June 2017)

Employees

Management regularly brief employees on the Company's strategy and performance at townhall meetings. The Company is an equal opportunities employer and remains committed to fair and equal treatment of people with disabilities in relation to job applications, training, promotion and career development. As far as disabilities permit, the company will give continued employment to any existing employee who becomes disabled.

Political contributions

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

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the strategic report.

Notwithstanding the loss for the period, the Company is in a net assets position of £1.5m (excluding Pension assets) at the period end. The Company has achieved revenue growth of 36.7% in current year which is significant with increase in gross profit % compared to previous years. The Company has invested in highly skilled resources, sales and support, and also acquired MagenTys UK Limited to support its business growth. It has sufficient cash reserves to finance its working capital requirements for a minimum of the next twelve months from the date of approval of these financial statements. In addition, its immediate parent company NTT Data EMEA Limited will continue to provide financial and other support, should it be necessary, including not seeking repayment of amounts currently made available for at least for the next twelve months from the date of this letter to enable it to meet its financial liabilities as they fall due and continue to trade.

Taking into consideration all of the above, the directors believe that it is appropriate for the Company to continue to adopt the going concern basis in preparing these financial statements

NTT DATA UK CONSULTING AND IT SOLUTIONS LIMITED

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

Directors' Indemnities

The Company's immediate parent company, NTT Data EMEA Limited, maintains liability insurance for the Company's directors and officers. The liability insurance included an indemnity for the Company's directors and officers, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Post balance sheet events

On 31st May 2018 the Company acquired the entire share capital of Magentys Holdings Limited and its subsidiary Magentys Limited. On 1st September 2018 the trade and assets of Magentys Limited were transferred to the Company.

The parent company NTT Data EMEA Limited intends to consolidate its UK operating companies in the foreseeable future to further strengthen its market positioning, leveraging the synergies in its companies capabilities and go to market initiatives for the benefit of clients and partners alike. There is no intention to cease any trading activities as part of this exercise.

In May 2018, the company has entered into a lease agreement for new office at Epworth house for 10 years.

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.

Auditor

The auditor, KPMG LLP, will be proposed for reappointment in accordance with section 487 of the Companies Act 2006.

This report was approved by the board on 13 December 2018 and signed on its behalf.



Claire E Webster
Director

NTT DATA UK CONSULTING AND IT SOLUTIONS LIMITED

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 101 Reduced Disclosure Framework.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NTT DATA UK CONSULTING AND IT SOLUTIONS LIMITED

Opinion

We have audited the financial statements of NTT Data UK Consulting and IT Solutions Limited ("the company") for the year ended 31 March 2018 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the 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 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; 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.

Going concern

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

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; or

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 8, 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

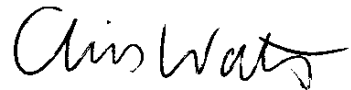
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit 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.

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.

Chris Walters (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London, E14 5GL
United Kingdom



Date: 13/12/18

NTT DATA UK CONSULTING AND IT SOLUTIONS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Turnover		48,723,961	35,637,353
Cost of sales		(43,421,538)	(33,084,481)
Gross profit		5,302,423	2,552,872
Administrative expenses		(7,082,642)	(2,781,104)
Operating loss		(1,780,219)	(228,232)
Interest receivable and similar income	8	191,411	217,708
Interest payable and expenses	9	(73,710)	(81,985)
Loss before tax		(1,662,518)	(92,509)
Tax on loss		124,269	(422,292)
Loss for the financial year		(1,538,249)	(514,801)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial (loss)/gain on defined benefit schemes		731,000	(3,760,000)
Movement of deferred tax relating to pension surplus		(124,270)	664,110
		606,730	(3,095,890)
Total comprehensive income for the year		(931,519)	(3,610,691)

The notes on pages 14 to 32 form part of these financial statements.


The above results were derived from continuing operations.

NTT DATA UK CONSULTING AND IT SOLUTIONS LIMITED
REGISTERED NUMBER: 04109761

BALANCE SHEET
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible fixed assets		1,393,773	1,393,773
Tangible assets	13	153,551	177,934
		<u>1,547,324</u>	<u>1,571,707</u>
Current assets			
Debtors: amounts falling due within one year	14	16,617,360	16,978,795
Cash at bank and in hand		5,199,477	9,765,167
		<u>21,816,837</u>	<u>26,743,962</u>
Creditors: amounts falling due within one year	15	<u>(16,844,923)</u>	<u>(19,225,674)</u>
Net current assets		4,971,914	7,518,288
Total assets less current liabilities		<u>6,519,238</u>	<u>9,089,995</u>
Creditors: amounts falling due after more than one year	16	(5,000,000)	(5,000,000)
		<u>1,519,238</u>	<u>4,089,995</u>
Net assets excluding pension asset		<u>1,519,238</u>	<u>4,089,995</u>
Pension Assets		7,298,000	5,979,000
Net assets		<u><u>8,817,238</u></u>	<u><u>10,068,995</u></u>
Capital and reserves			
Called up share capital		3,740,498	3,740,498
Profit and loss account		5,076,740	6,328,497
		<u><u>8,817,238</u></u>	<u><u>10,068,995</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 December 2018.


Claire E Webster
 Director

The notes on pages 14 to 32 form part of these financial statements.

NTT DATA UK CONSULTING AND IT SOLUTIONS LIMITED

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 2017	3,740,498	6,328,497	10,068,995
Comprehensive income for the year			
Loss for the year	-	(1,538,249)	(1,538,249)
Prior year tax and pension adjustments	-	(320,238)	(320,238)
Other comprehensive income for the year	-	606,730	606,730
At 31 March 2018	3,740,498	5,076,740	8,817,238

The notes on pages 14 to 32 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2016	3,740,498	10,189,188	13,929,686
Comprehensive income for the year			
Loss for the year	-	(514,801)	(514,801)
Other comprehensive income for the year	-	(3,095,890)	(3,095,890)
Dividend	-	(250,000)	(250,000)
At 31 March 2017	3,740,498	6,328,497	10,068,995

The notes on pages 14 to 32 form part of these financial statements.

NTT DATA UK CONSULTING AND IT SOLUTIONS LIMITED

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

1. Accounting policies

1.1 Basis of preparation of financial statements

NTT Data UK Consulting and IT Solutions Limited is a Company incorporated and domiciled in the UK.

The financial statements were prepared in accordance with Financial Reporting Standard 101 ("FRS101") 'Reduced Disclosure Framework'. The amendments to FRS101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS101 disclosure exemptions has been taken.

1.2 Financial reporting standard 101 - reduced disclosure exemptions

In these financial statements, the Company has applied the exemptions available under FRS101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Nippon Telegraph and Telephone Corporation include the equivalent disclosures, the Company has also taken the exemptions under FRS101 available in respect of the following disclosures.

- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financials Instrument Disclosures.

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

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

1. Accounting policies (continued)**1.3 Going concern**

The financial statements are prepared on a going concern basis. With reference to the directors' report, the directors have reviewed the going concern and concluded that the use of the going concern basis of accounting is appropriate. The directors have prepared a cash flow forecast for the period of at least 12 months from the date of approval of these financial statements which include consideration of activities and future plans, and the particular business risks that might arise that could threaten the appropriateness of adopting the going concern basis of accounting. There are no material uncertainties relating to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern.

1.4 Measurement convention

The financial statements are prepared on the historical cost basis.

1.5 Revenue

Revenue comprises the fair value of the consideration received or receivable for services rendered in the ordinary course of the Company's activities. Revenue is shown net of value added tax, rebates and discounts.

The Company recognises revenue when the amount of the revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and when specific criteria have been met for each of the Company's activities described below. The Company bases its estimates on historical results, taking into consideration the type of client, the type of transaction, and the specifics of each arrangement.

Revenue in respect of time and material contracts is recognised as services are rendered and as direct expenses are incurred.

Revenue in respect of fixed price contracts is recognised as services are rendered under the percentage of completion method and as direct expenses are incurred. Under the percentage of completion method, revenue is generally recognised based on the estimate of services performed to date as a percentage of the total services to be performed. If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in income in the period in which the circumstances that give rise to the revision become known to management. The Company regularly reviews profitability and underlying estimates for fixed price contracts. Losses, if any, on fixed price contracts are recorded in the period in which the loss is identified.

Deferred revenue represents the estimated unearned portion of fees received or receivable to the extent they are considered recoverable.

1.6 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Goodwill is capitalised as an intangible asset and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to profit or loss.

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

1. Accounting policies (continued)

1.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property	- Terms of lease
Office furniture, machinery and equipment	- 3-8 years
Computer equipment	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

1.8 Amounts recoverable on contracts

Amounts recoverable on contracts are stated at the proportion of the anticipated revenue earned to date less amounts billed on account. To the extent that fees paid on account exceed the value of work performed, they are included in creditors as payments on account.

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

1. Accounting policies (continued)**1.9 Foreign currency translation****Functional and presentation currency**

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). These financial statements are presented in Sterling, which is the Company's functional and presentational currency.

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.

1.10 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.11 Finance costs

Interest expenses are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

1.12 Operating leases: the Company as lessee

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term. Provision is made when necessary for onerous lease contracts. Provision is made for the cost of the lease together with associated costs.

1.13 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.

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

1. Accounting policies (continued)**1.14 Defined benefit plans**

The Company operates various pension schemes. The schemes are generally funded through payments to insurance companies or trustee administered funds, determined by periodic actuarial calculations. The Company has both defined benefit and defined contribution plans.

The asset or liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation, employee benefit costs, and contributions are calculated by independent, qualified actuaries on the basis of triennial valuations using the projected unit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. The assets of the scheme are held separately from those of the Company. The assets of the scheme are measured using market values. For quoted securities the bid price is taken as market value.

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in the profit and loss account.

Past service costs are recognised immediately in the profit and loss account, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight line basis over the vesting period.

Defined contribution pension plan

For defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1.15 Interest receivable and similar income

Interest income comprises interest receivable on cash deposits and on pension balances. Interest income is recognised in the profit and loss account using the effective interest rate method.

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

1. Accounting policies (continued)**1.16 Other 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 charged as an expense to the Profit and Loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties

When payments are eventually made, they are recorded against to the provision carried in the Balance sheet.

1.17 Current and deferred taxation

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

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date

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

2. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts represented in the financial statements and related disclosures. Use of available information, historical experience and the application of judgment are inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements include:

Revenue

Revenue for projects based on the percentage of completion method, is recognised as a product of the project contract value relative to the percentage of actual project expenses incurred over the estimated total project expenditure. The estimated total project expenditure is based on management's best estimate and is subject to continuous assessment.

Impairment of non financial assets

The recoverable amounts of cash generating units and individual assets have been determined based on the higher of value in use calculations and fair values less costs to sell. These calculations require the use of estimates and the assumptions. It is reasonably possible that the assumptions may change, which may then impact the estimations and may then require a material adjustment to the carrying value of goodwill.

Management reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates of expected future cash flows are prepared for each group of assets. Expected future cash flows used to determine the value in use of goodwill, intangible and tangible assets are inherently uncertain and could materially change over time.

Taxation

Judgment is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Management recognises the net future tax benefit related to deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred tax assets requires management to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Defined benefit scheme assets and liabilities

Certain assumptions are required in order to determine the amount to be recorded for retirement benefit obligations and pension plan assets, in particular for defined benefit plans. These are mainly actuarial

NTT DATA UK CONSULTING AND IT SOLUTIONS LIMITED

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

2. Judgments in applying accounting policies (continued)

assumptions such as expected inflation rates, long term increases in health care costs, employee turnover, expected return on plan assets and discount rates. Substantial changes in the assumed development of any one of these variables may significantly change the Company's defined benefit scheme obligation and plan assets (see note 19).

3. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Rendering of services (IT solutions services)	48,723,961	35,637,353
	<u>48,723,961</u>	<u>35,637,353</u>

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	45,841,481	31,221,600
Rest of Europe	2,871,429	4,410,945
Rest of the world	11,051	4,808
	<u>48,723,961</u>	<u>35,637,353</u>

4. Operating loss

The operating loss is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	78,758	100,295
Other operating leases	356,250	341,774
Foreign exchange losses / (gains)	15,346	187,246
	<u>-</u>	<u>-</u>
	-	-

NTT DATA UK CONSULTING AND IT SOLUTIONS LIMITED

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

5. Auditor's remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	2018 £	2017 £
Fees for the audit of the Company	30,029	30,029
	<u>30,029</u>	<u>30,029</u>

6. Employees

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

	2018 £	2017 £
Wages and salaries	16,061,162	11,903,157
Social security costs	1,906,780	1,418,099
Cost of defined contribution scheme	947,832	773,817
	<u>18,915,774</u>	<u>14,095,073</u>

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

	2018 No.	2017 No.
IT Solutions services and support	155	128
Administration, sales and marketing	6	3
	<u>161</u>	<u>131</u>

NTT DATA UK CONSULTING AND IT SOLUTIONS LIMITED

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

7. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	756,710	-
	<u>756,710</u>	<u>-</u>

The highest paid director received remuneration of £756,710 (2017 - £NIL).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £NIL (2017 - £NIL).

The amounts shown above represent the remuneration paid to the directors for qualifying services to the Company for the year ended 31 March 2018.

8. Interest receivable and similar income

	2018 £	2017 £
Interest income on defined benefit scheme	174,947	212,238
Other interest receivable	16,464	5,470
	<u>191,411</u>	<u>217,708</u>

9. Interest payable and similar expenses

	2018 £	2017 £
Total interest expense on related party financial liabilities measured at amortised cost	73,710	81,985
	<u>73,710</u>	<u>81,985</u>

NTT DATA UK CONSULTING AND IT SOLUTIONS LIMITED

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

10. Taxation

	2018 £	2017 £
Deferred tax		
Current year	(138,890)	463,255
Adjustment in respect of previous periods	-	18,053
Effect of changes in tax rates	14,621	(59,016)
Total deferred tax	(124,269)	422,292
Taxation on (loss)/profit on ordinary activities	(124,269)	422,292

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19 % (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Loss on ordinary activities before tax	(1,662,518)	(92,509)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20 %)	(315,878)	(18,502)
Effects of:		
Expenses not deductible for tax purposes	83,072	31,816
Adjustment to tax charge in respect of prior periods	-	18,053
Adjustment in respect of tax rate reduction	14,621	(59,015)
Movement in unrecognised deferred tax asset	93,916	449,940
Total tax charge for the year	(124,269)	422,292

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. A further reduction to the UK corporation tax rate was announced in the 2016 Budget to further reduce the tax rate to 17% (to be effective from 1 April 2020). This will reduce the company's future current tax charge accordingly. The deferred tax liability at the balance sheet date has been calculated based on the rate of 18% substantively enacted at the balance sheet date.

NTT DATA UK CONSULTING AND IT SOLUTIONS LIMITED

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

11. Dividends

	2018 £	2017 £
Dividends	-	250,000
	<u>-</u>	<u>250,000</u>

12. Goodwill

The goodwill of £1,393,773 (2017 £1,393,773) arose on the acquisition of the trade and net assets of Value Team Limited on 31 March 2013.

The entire goodwill amount is allocated to NTT Data UK Consulting and IT Solutions Limited which is the Company's only cash generating unit. The previous acquisitions made are all included within this cash generating unit. The recoverable amount of this cash generating unit has been determined based on the value in use calculation. The calculation uses pre tax cash flow projections based on financial budgets approved by management covering a three year period. Cash flow beyond the three year budgets are extrapolated using a growth rate of 1.5% for year 4 and year 5, and a terminal growth rate of 2% have been applied beyond the five year period. Changing the key assumptions to reasonably possible alternative assumptions would not give rise to the recognition of any impairment

The key assumptions of the impairment review calculation are shown below:

	2018	2017
Period on which management approved forecast are based	3 years	3 years
Growth rate applied beyond approved forecast period	2%	2%
Discount rate	10%	10%

NTT DATA UK CONSULTING AND IT SOLUTIONS LIMITED

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

13. Tangible fixed assets

	Short-term leasehold property £	Plant and machinery £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2017	388,892	361,422	343,172	1,093,486
Additions	-	2,102	55,361	57,463
Disposals	-	(3,088)	-	(3,088)
At 31 March 2018	388,892	360,436	398,533	1,147,861
Depreciation				
At 1 April 2017	369,144	299,134	247,274	915,552
Charge for the year on owned assets	6,777	17,728	54,253	78,758
At 31 March 2018	375,921	316,862	301,527	994,310
Net book value				
At 31 March 2018	12,971	43,574	97,006	153,551
At 31 March 2017	19,748	62,288	95,898	177,934

14. Debtors

	2018 £	2017 £
Trade debtors	10,553,891	6,028,831
Amounts owed by group undertakings	2,387,818	5,437,589
Other debtors	1,356	8,468
Prepayments and accrued income	1,025,238	861,106
Amounts recoverable on long term contracts	2,649,057	4,642,801
	16,617,360	16,978,795

Amount owed by group undertakings are unsecured, bear no interest and are repayable on demand.

NTT DATA UK CONSULTING AND IT SOLUTIONS LIMITED

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

15. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	4,187,837	3,180,923
Amounts owed to group undertakings	3,952,971	11,706,847
Corporation tax	15,924	-
Taxation and social security	1,775,596	1,340,973
Accruals and deferred income	6,912,595	2,996,931
	<u>16,844,923</u>	<u>19,225,674</u>

Amount owed to group undertakings are unsecured, bear no interest and are repayable on demand.

16. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Amounts owed to group undertakings	5,000,000	5,000,000
	<u>5,000,000</u>	<u>5,000,000</u>

Amount owed to group undertakings are unsecured and bear no interest.

17. Deferred taxation

	2018 £	2017 £
At beginning of year	-	(241,818)
Charged to profit or loss	124,270	(422,292)
Charged to other comprehensive income	(124,270)	664,110
At end of year	<u>-</u>	<u>-</u>

18. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
3,740,498 Ordinary shares of £1 each	<u>3,740,498</u>	<u>3,740,498</u>

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

19. Pension commitments

The Company operates a Defined benefit pension scheme.

The Scheme is subject to the Statutory Funding Objective under the Pensions Act 2004. A valuation of the Scheme is carried out at least once every three years to determine whether the Statutory Funding Objective is met. As part of the process the Company must agree with the Trustees of the Scheme the contributions to be paid to address any shortfall against the Statutory Funding Objective. The Statutory Funding Objective does not currently impact on the recognition of the Scheme in these accounts.

The Scheme is managed by a board of Trustees appointed in part by the Company and part from elections by members of the Scheme. The Trustees have responsibility for obtaining valuations of the fund, administering benefit payments and investing the Scheme's assets. The Trustees delegate some of these functions to their professional advisers where appropriate.

The Scheme exposes the Company to a number of risks:

Investment risk

The Scheme holds investments in asset classes, such as equities, which have volatile market values and while these assets are expected to provide the real returns over the long term the short term volatility can cause additional funding to be required if a deficit emerges.

Interest rate risk

The Scheme's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Scheme holds assets such as equities, the value of the assets and liabilities may not move in the same way.

Inflation risk

A significant proportion of the benefits under the Scheme is linked to inflation. Although, the Scheme's assets are expected to provide a good hedge against inflation over the long term, movements over the short term could lead to deficits emerging.

Mortality risk

In the event that members live longer than assumed a deficit may emerge in the Scheme.

Effect of the Scheme on the Company's future cashflows

The Company is required to agree a Schedule of Contributions with the Trustees of the Scheme following a valuation which must be carried out at least once every three years. The next valuation of the Scheme is due as at 31 March 2019. In the event that the valuation reveals a deficit, the Company will be required to pay contributions above those set out in the existing Schedule of Contributions. In accordance with the current Schedule of Contributions, the Company expects to pay no contributions in the year to 31 March 2019.

NTT DATA UK CONSULTING AND IT SOLUTIONS LIMITED

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

19. Pension commitments (continued)

Reconciliation of present value of plan liabilities:

	2018	2017
	£	£
Reconciliation of present value of plan liabilities		
At the beginning of the year	40,487,000	33,047,000
Interest cost	1,143,000	1,242,000
Actuarial (gains)/losses	(4,519,000)	6,930,000
Benefits paid	(816,000)	(732,000)
At the end of the year	36,295,000	40,487,000

Reconciliation of present value of plan assets:

	2018	2017
	£	£
At the beginning of the year	46,466,000	42,553,000
Administration costs	(10,000)	(126,000)
Interest income	1,320,000	1,601,000
Actuarial (gains)/losses	(3,780,000)	3,170,000
Contributions	413,000	-
Benefits paid	(816,000)	(732,000)
At the end of the year	43,593,000	46,466,000

Composition of plan assets:

	2018	2017
	£	£
Corporate Bonds	40,497,897	43,014,000
Investment Funds	3,051,510	3,269,000
Cash and cash equivalents	43,593	183,000
Total plan assets	43,593,000	46,466,000

NTT DATA UK CONSULTING AND IT SOLUTIONS LIMITED

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

19. Pension commitments (continued)

	2018 £	2017 £
Fair value of plan assets	43,593,000	46,466,000
Present value of plan liabilities	(36,295,000)	(40,487,000)
Net pension scheme assets	7,298,000	5,979,000

The amounts recognised in profit or loss are as follows:

	2018 £	2017 £
Interest on assets	(1,320,000)	(1,601,000)
Administration Costs	2,000	126,000
Interest on liabilities	1,143,000	1,242,000
Total	(175,000)	(233,000)
Loss/(Gain) on plan assets in excess of interest	615,000	(3,170,000)
(Gain)/loss from changes to financial assumptions	(1,346,000)	6,930,000
Total remeasurement for the year	(731,000)	3,760,000

The cumulative amount of actuarial gains and losses recognised in the Statement of comprehensive income was £4,754,000 (2017 - £4,023,000).

The Company expects to contribute £NIL to its Defined benefit pension scheme in 2019.

NTT DATA UK CONSULTING AND IT SOLUTIONS LIMITED

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

19. Pension commitments (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2018 %	2017 %
Discount rate	2.70	2.90
Future salary increases	2.50	2.60
Future pension increases	3.50	3.60
Proportion of employees opting for early retirement	2.10	2.6
Mortality rates		
Life expectancy at age 65 of male aged 65	28.1	28.1
Life expectancy at age 65 of male aged 45	30.9	30.9
Life expectancy at age 65 of female aged 65	30.5	30.5
Life expectancy at age 65 of female aged 45	28.1	28.1

Sensitivity analysis

The following table summarised how the impact on the defined benefit obligation at the end of reporting period would have increased/(decreased) as a result of a change in the respective assumptions by half a percent.

	Approximate effect on liabilities	
	+0.50%	-0.50%
Discount rate	(£3,454,000)	£3,962,000
Inflation rate	£1,609,000	(£1,603,000)
	+1 year	-1 year
Life Expectancy	£820,000	(£722,000)

The weighted average duration of the defined benedit obligation at the end of the reporting is 20 years (2017-20 years). The membership data used for the 31 March 2018 FRS 101 disclosures is based on the data used for the 31 March 2014 funding valuation with an allowance for cashflows up to 31 March 2018(e.g. allowance for members transferring out of the Scheme and actual pensions paid from scheme assets).

NTT DATA UK CONSULTING AND IT SOLUTIONS LIMITED

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

19. Pension commitments (continued)*Defined contribution scheme*

The Company also operated a defined contribution scheme in the year. The total amount charged to the profit and loss account in respect of this scheme was £947,832 (2017: £773,817). As at 31 March 2018 there were no prepaid or accrued contributions (2017: NIL).

20. Commitments under operating leases

At 31 March 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	359,230	319,150
Later than 1 year and not later than 5 years	462,021	835,921
	<u>821,251</u>	<u>1,155,071</u>

21. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The Company is a wholly owned subsidiary of NTT Data EMEA Limited, a company incorporated in the United Kingdom.

The smallest group in which the results of the company are consolidated is the one headed by NTT Data Corporation. The consolidated accounts of NTT Data Corporation are available at www.nttdata.com. NTT Data Corporation is the controlling party.

The ultimate parent of the Company is Nippon Telegraph and Telephone Corporation, registered in Japan, which is also the largest group in which the results of the company are consolidated. The consolidated accounts of Nippon Telegraph and Telephone Corporation are available at www.ntt.co.jp/ir/library_e/annual/index.html.