

Registered number: 8958360

MBC Europe Limited

Director's report and financial statements
for the year ended 31 March 2016



MBC Europe Limited

Director's report and financial statements for the period ended 31 March 2016

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MBC Europe Limited

Company information

Director

Toshiya Yamaoka

Registered office

95 Gresham Street
London
EC2V 7AB

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Harefield Road
Uxbridge
Middlesex
UB8 1EX

MBC Europe Limited

Director's report

For the period ended 31 March 2016

The director presents his report and the audited financial statements of the company for the year ended 31 March 2016.

The Director's report has been prepared in accordance with the special provisions related to small companies within part 15 of the Companies Act 2006.

Principal activities

The company's principal activity is to serve as a holding company for a group of entities.

Company formation

The company was incorporated on 25 March 2014. As such the comparative financial information relates to the period from incorporation to 31 March 2015.

Going concern

The director believes that preparing the financial statements on the going concern basis is appropriate due to the continued support of the company's ultimate parent, Marubeni Corporation. The director has received confirmation that Marubeni Corporation intends to support the Company for a period of at least one year after the date of approval of these financial statements.

Director

The director, who served during the year and up to the date of signing the financial statements, unless otherwise stated, was as follows:

Hideki Yamada	Appointed: 1st April, 2015, Resigned: 31 March, 2016
Toshiya Yamaoka	Appointed: 1st April, 2016

Statement of director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 the group and enable them to ensure that the financial statements comply with the Companies Act 2006. The director is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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MBC Europe Limited

Director's report (continued)

For the period ended 31 March 2016

Statement of director's responsibilities (continued)

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

Statement of disclosure of information to auditors

The director who held office at the date of approval of this Director's Report confirms that so far as he is aware, there is no relevant audit information of which the company's auditors are unaware and he 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 auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have expressed their willingness to continue in office.

On behalf of the Board


Toshiya Yamaoka
Director

Date:

11/11/2016

MBC Europe Limited

Independent auditors' report to the members of MBC Europe Limited

Report on the financial statements

Our opinion

In our opinion, MBC Europe Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Statement of comprehensive income for the year ended 31 March 2016;
- the Balance sheet as at 31 March 2016;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS101 "Reduced Disclosure Framework".

In applying the financial reporting framework, the director has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Director's remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of director's remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the director was not entitled to: take advantage of the small companies exemption in preparing the Director's report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

MBC Europe Limited

Independent auditors' report to the members of MBC Europe Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the director

As explained more fully in the Statement of director's responsibilities set out on pages 2 and 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

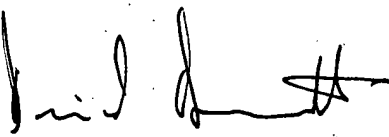
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the director; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the director's judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Director's report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Daniel Dennett (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Uxbridge

11 November 2016

MBC Europe Limited

Statement of comprehensive income For the year ended 31 March 2016

	Note	Year ended 31 March 2016 million JPY	25 March 2014 to 31 March 2015 million JPY
Administrative expenses		-	(72)
Other operating income		31	-
Operating profit/(loss)	3	31	(72)
Interest payable and similar charges	4	-	(27)
Profit/(loss) on ordinary activities before taxation		31	(99)
Tax on profit/(loss) on ordinary activities	5	-	-
Profit/(loss) for the financial year/period		31	(99)
Other comprehensive income		-	-
Total comprehensive income (expense) for the year/period		31	(99)

The notes on pages 9 to 15 are an integral part of these financial statements.

MBC Europe Limited

Balance sheet as at 31 March 2016

	Note	31 March 2016 million JPY	31 March 2015 million JPY
Fixed assets			
Investments	6	26,872	26,872
Current assets			
Cash at bank and in hand		-	-
Creditors – amounts falling due within one year	7	(6)	(58)
Net current liabilities		(6)	(58)
Total assets less current liabilities		26,866	26,814
Creditors: falling due after more than one year	8	(21)	-
Net assets		26,845	26,814
Equity			
Called up share capital	9	26,913	26,913
Retained earnings - deficit		(68)	(99)
Total shareholders' funds		26,845	26,814

The notes on pages 9 to 15 are an integral part of these financial statements.

The financial statements on pages 6 to 15 were approved and authorised for issue by the Board of director on 11th November 2016 and were signed on its behalf by:

Director: Toshiya Yamaguchi
Company Registration number: 8958360

11/11/2016.

MBC Europe Limited

Statement of changes in equity For the year ended 31 March 2016

	Called up share capital	Retained earnings	Total shareholders' funds
	Million JPY	Million JPY	Million JPY
Balance as at 25 March 2014			
(Incorporation)	-	-	-
Proceeds from shares issued	26,913	-	26,913
Loss for the period and total comprehensive income	-	(99)	(99)
Balance as at 31 March 2015	26,913	(99)	26,814
Profit for the year and total comprehensive income	-	31	31
Balance as at 31 March 2016	26,913	(68)	26,845

The notes on pages 9 to 15 are an integral part of these financial statements.

MBC Europe Limited

Notes to the financial statements (continued)

for the period ended 31 March 2016

1 Accounting policies

General information

MBC Europe Limited is a private company limited by shares and is incorporated in the United Kingdom. The address of its registered office is 95 Gresham Street, London, EC2V 7AB.

The principal activity of the company continues to be that of a holding company for group entities.

Basis of preparation

The financial statements of the company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

These financial statements are presented in Japanese Yen. The directors believe this to be the functional currency of the company as this is its primary trading currency. Japanese Yen/Sterling exchange rate at 31 March 2016 was 161.70 (2015: JPY/GBP = 178.08).

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1.

The current accounting period is for the year ended 31 March 2016. The company was incorporated on 25 March 2014 and prepared its first set of financial statements as at 31 March 2015. As such the comparative amounts presented in these financial statements reflect the period from 25 March 2014 to 31 March 2015 and are therefore not directly comparable.

Exemptions for qualifying entities under FRS 101

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined)
- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in paragraph respect of:
 - i) 79(a)(iv) of IAS 1;
 - ii) paragraph 73(e) of IAS 16 Property, plant and equipment;
 - iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows)
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - 16 (statement of compliance with all IFRS)
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 40A-D (requirements for a third statement of financial position
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)

MBC Europe Limited

Notes to the financial statements (continued) for the period ended 31 March 2016

1 Accounting policies (continued)

Exemptions for qualifying entities under FRS 101 (continued)

- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Going concern

The director believes that preparing the financial statements on the going concern basis is appropriate due to the continued support of the company's ultimate parent, Marubeni Corporation. The director has received confirmation that Marubeni Corporation intends to support the Company for a period of at least one year after the date of approval of these financial statements.

Group financial statements

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare group financial statements as it is a wholly owned subsidiary of Marubeni Corporation (see note 10) and the results of the company are included in the consolidated financial statements of Marubeni Corporation which are publicly available at http://www.marubeni.com/ir/finance/financial_statements/index.html.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are held at cost less accumulated impairment losses.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into Japanese Yen at the rate of exchange ruling at the 31 March 2016. Transactions in currencies other than Japanese Yen are recorded at the rate ruling at the date of the transaction, with any gain or loss being charged to the profit and loss account.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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MBC Europe Limited

Notes to the financial statements (continued)

for the period ended 31 March 2016

1 Accounting policies (continued)

Current and deferred income tax (continued)

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a) *Impairment of investments*

The company assesses at the end of each reporting period whether there is an indication that investments are impaired. Investments are impaired and impairment losses are incurred only if there is an indication of impairment which includes the following:

- Greater than expected declines in investment market values;
- Significant adverse changes in the technological, market, economic or legal environment impacting the investment or the market to which the investment is dedicated;
- Significant adverse changes impacting the investee;
- Internal reporting indicating the economic performance of an investment is, or will be, worse than expected; and
- The investor recognises a dividend from the investment and evidence is available that:
 - i) the carrying amount of the investment in the separate financial statements exceeds the carrying amounts in the consolidated financial statements of the investee's net assets, including associated goodwill; or
 - ii) the dividend exceeds the total comprehensive income of the subsidiary, associate or joint venture in the period the dividend is declared.

MBC Europe Limited
Notes to the financial statements (continued)
for the period ended 31 March 2016

2 Directors' remuneration and employee information

	Year ended 31 March 2016 No.	25 March 2014 to 31 March 2015. No.
Average monthly number of persons employed (including director)		
Administration	1	1
	1	1

The director is remunerated by other companies within the parent company group (see note 10). The director has responsibilities across a number of group companies and it is not practical to accurately estimate the proportion of the directors' remuneration that is attributable to the company. As such no further disclosure is given.

The company does not operate any share option or long-term incentive schemes for the director and no pension contributions are made on his behalf.

3 Operating profit/(loss)

As the audit of the company was conducted after 31 March 2016 the audit fees of £9,000 will be charged in the profit and loss account for the year ending 31 March 2017.

The company does not incur any wages and salary costs in respect of its employee.

4 Interest payable and similar charges

	Year ended 31 March 2016 million JPY	25 March 2014 to 31 March 2015 million JPY
Interest payable on intercompany loan	-	27

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MBC Europe Limited
Notes to the financial statements (continued)
for the period ended 31 March 2016

5 Tax on profit/(loss) on ordinary activities

	Year ended 31 March 2016 million JPY	25 March 2014 to 31 March 2015 million JPY
UK corporation tax on profit for the year/period	-	-

The tax charge for the year/(period) is lower/(higher) than the profit/(loss) on ordinary activities multiplied by the standard rate of tax of 20% (2015: 21%).

	Year ended 31 March 2016 million JPY	25 March 2014 to 31 March 2015 million JPY
Profit/(loss) on ordinary activities before taxation	31	(99)
Profit/(loss) on ordinary activities multiplied by standard rate of 20% (March 2015: 21%)	6	(20)
Losses (utilised)/carried forward	(6)	20
Tax charge for the year/period	-	-

The company has carried forward tax losses of c.14 million JPY (2015:c.20 million JPY). The associated deferred tax asset has not been recognised given uncertainty with regards to the timing of future taxable profits.

MBC Europe Limited
Notes to the financial statements (continued)
for the period ended 31 March 2016

6 Investments

Cost and net book value	Shares in subsidiaries million JPY
At 31 March 2015 and 31 March 2016	26,872

Details of the subsidiary undertakings are as follows:

Undertaking	Country of incorporation or registration	Class of holding	Proportion held	Nature of business
Cia. Iguacu de Café Soluvel	Brazil	Ordinary	97.74%	Manufacturing

The director believes that the carrying value of the investment is supported by their underlying net assets.

7 Creditors – Amounts falling due within one year

	31 March 2016 million JPY	31 March 2015 million JPY
Amounts owed to group undertaking	-	58
Other creditors	6	-
	6	58

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

8 Creditors – Amounts falling due after more than one year

	31 March 2016 million JPY	31 March 2015 million JPY
Amounts owed to group undertaking	21	-
	21	-

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

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MBC Europe Limited
Notes to the financial statements (continued)
for the period ended 31 March 2016

9 Called up share capital

	31 March 2016	31 March 2015
Allotted called up		
Issued ordinary share capital at JPY391 per share		
Number	68,831,848	68,831,848
Million JPY	26,913	26,913

10 Ultimate parent and controlling party

The immediate parent company is Marubeni Corporation, a company incorporated in Japan. The ultimate parent company and ultimate controlling party is the same company. Copies of Marubeni Corporation consolidated financial statements, which is the smallest and largest group in which the results of this company are consolidated, can be obtained from Marubeni Corporation at http://www.marubeni.com/ir/finance/financial_statements/index.html.

11 Transition to FRS101

This is the first year that the company has presented its results under FRS 101. The last financial statements under UK GAAP were for the year ended 31 March 2015. The date of transition to FRS 101 was 25 March 2014. As part of the review process no changes have been applied to the financial statements that affect the net equity or income statement brought forward prior to transition.