

Registered number: 8958360

MBC Europe Limited

Director's report and financial statements
for the year ended 31 March 2018



MBC Europe Limited

Director's report and financial statements for the year ended 31 March 2018

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MBC Europe Limited

Company information

Director

Yoshito Ishihara

Registered office

95 Gresham Street
London
EC2V 7AB

Independent auditors

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

MBC Europe Limited

Director's report for the year ended 31 March 2018

The director presents his annual report and the audited financial statements of the company for the year ended 31 March 2018.

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.

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:

Toshiya Yamaoka Appointed: 1st April, 2016 Resigned: 31st March, 2018

Yoshito Ishihara Appointed: 1st April, 2018

Statement of director's responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 enable them to ensure that the financial statements comply with the Companies Act 2006

Statement of disclosure of information to auditors

In the case of each director in office at the date the Report of Director is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

MBC Europe Limited

Director's report for the year ended 31 March 2018 (Continued)

Independent auditors

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

On behalf of the Board



Yoshito Ishihara
Director

Date: 5th December, 2018

MBC Europe Limited

Independent auditors' report to the members of MBC Europe Limited

Report on the audit of the financial statements

Opinion

In our opinion, MBC Europe Limited's 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Director's report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 March 2018; the Income statement and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

MBC Europe Limited

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

With respect to the Director's Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Director's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Director's Report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Director's Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of director's responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

MBC Europe Limited

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

Other required reporting

Companies Act 2006 exception reporting

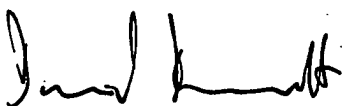
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

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 directors were 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.



Daniel Dennett (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge
5 December 2018

MBC Europe Limited

Income statement for the year ended 31 March 2018

	Note	Year ended 31 March 2018 thousand USD	Year ended 31 March 2017 thousand USD
Administrative expenses		(26)	(51)
Other operating income		-	-
Other gains		-	2
Operating loss	3	(26)	(49)
Interest payable and similar expenses	4	(8)	(3)
Loss before taxation		(34)	(52)
Tax on loss	5	-	-
Loss for the financial year		(34)	(52)

The notes on pages 10 to 15 are an integral part of these financial statements.

MBC Europe Limited

Balance sheet as at 31 March 2018

	Note	31 March 2018 thousand USD	31 March 2017 thousand USD
Fixed assets			
Investments	6	241,003	241,003
Current assets			
Cash at bank and in hand		-	-
Creditors – amounts falling due within one year	7	(8)	(43)
Net current liabilities		(8)	(43)
Total assets less current liabilities		240,995	240,960
Creditors -amounts falling due after more than one	8	(321)	(252)
Net assets		240,674	240,708
Equity			
Called up share capital	9	240,911	240,911
Redenomination reserve		463	463
Accumulated losses		(700)	(666)
Total shareholders' funds		240,674	240,708

The notes on pages 10 to 15 are an integral part of these financial statements.

The financial statements on pages 7 to 15 were approved and authorised for issue by the Board of director on 5 December 2018 and were signed on its behalf by:


 Director: Yoshito Ishihara
 Date: 5th December 2018
 Company Registration number: 8958360

MBC Europe Limited

Statement of changes in equity for the year ended 31 March 2018

	Called up share capital	Accumulated losses	Redenomination reserve	Total shareholders' funds
	thousand USD	thousand USD	thousand USD	thousand USD
Balance as at 31 March 2016	241,374	(614)	-	240,760
Loss for the financial year	-	(52)	-	(52)
Share capital reduction	(463)	-	463	-
Balance as at 31 March 2017	240,911	(666)	463	240,708
Loss for the financial year	-	(34)	-	(34)
Balance as at 31 March 2018	240,911	(700)	463	240,674

The notes on pages 10 to 15 are an integral part of these financial statements.

MBC Europe Limited

Notes to the financial statements for the year ended 31 March 2018

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. The functional and presentational currency of the company is USD\$.

The USD/Sterling exchange rate as at 31 March 2018 was 1.401(31 March 2017 1.255).

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.

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;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - i) 10(d), (statement of cash flows)
 - ii) 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),
 - iii) 16 (statement of compliance with all IFRS)
 - iv) 38A (requirement for minimum of two primary statements, including cash flow statements),
 - v) 38B-D (additional comparative information),
 - vi) 40A-D (requirements for a third statement of financial position)

MBC Europe Limited

Notes to the financial statements for the year ended 31 March 2018(continued)

1 Accounting policies (continued)

Exemptions for qualifying entities under FRS 101 (continued)

- 111 (cash flow statement information), and
- 134-136 (capital management disclosures)
- 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 USD at the rate of exchange ruling at the 31 March 2018. Transactions in currencies other than USD 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.

MBC Europe Limited

Notes to the financial statements for the year ended 31 March 2018(continued)

1 Accounting policies (continued)

Current and deferred income tax (continued)

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.

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.

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 for the year ended 31 March 2018(continued)

2 Director's remuneration and employee information

	Year ended 31 March 2018	Year ended 31 March 2017
Average monthly number of persons employed (including director)	No.	No.
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 director's 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 loss

As the audit of the company was conducted after 31 March 2018 the audit fees of £8,000 (2017; £9,250) will be charged in the profit and loss account for the year ending 31 March 2019.

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

4 Interest payable and similar expenses

	Year ended 31 March 2018	Year ended 31 March 2017
	thousand USD	thousand USD
Interest payable on intercompany loan	(8)	(3)

MBC Europe Limited

Notes to the financial statements for the year ended 31 March 2018(continued)

5 Tax on loss

	Year ended 31 March 2018 thousand USD	Year ended 31 March 2017 thousand USD
UK corporation tax on loss for the year	-	-

The tax charge for the year is higher (2017:lower) than the loss multiplied by the standard rate of tax of 19% (2017: 20%).

	Year ended 31 March 2018 thousand USD	Year ended 31 March 2017 thousand USD
Loss before taxation	(34)	(52)
Loss before taxation multiplied by standard rate of 19%(2017:20%)	(6)	(10)
Losses carried forward	6	10
Tax charge for the year	-	-

The company has carried forward tax losses of c.388 thousand USD (2017:c.354 thousand USD). The associated deferred tax asset has not been recognised given uncertainty with regards to the timing of future taxable profits.

6 Investments

Cost and net book value	Investment in subsidiaries thousand USD
At 31 March 2015 and 31 March 2016 and at 31 March 2017	241,003
At 31 March 2018	241,003

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 the future cash flow of the subsidiary.

MBC Europe Limited

Notes to the financial statements for the year ended 31 March 2018(continued)

7 Creditors – Amounts falling due within one year

	31 March 2018	31 March 2017
	thousand USD	thousand USD
Other creditors	8	43
	8	43

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 2018	31 March 2017
	thousand USD	thousand USD
Amounts owed to group undertaking	321	252
	321	252

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

9 Called up share capital

	31 March 2018	31 March 2017
Allotted called up		
Issued ordinary share capital at USD\$ 3.50 per share (2017: USD 3.50 per share)		
Number	68,831,848	68,831,848
Thousand USD	240,911	240,911

On 7 March 2017 the entire issued share capital of the Company being 68,831,848 ordinary shares of JPY 391 each was re-denominated as 68,831,848 ordinary shares of USD \$3.506726457 each. Following the re-denomination the share capital of the company was then reduced by USD \$462,995 through the reduction in the nominal value of each issued share to \$3.50 each.

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.