

MB Commodities Limited
Annual report and financial statements
for the year ended 31 March 2021

Registered number: 02561614

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MB Commodities Limited

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Directors

Stuart Aitken
Kengo Iwamoto
Kota Uno

Secretary

Stuart Aitken

Registered office

6th Floor
1 St. Martin's Le Grand
London
EC1A 4BB

Bankers

Sumitomo Mitsui Banking Corporation Europe Limited

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

MB Commodities Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2021.

This report has been prepared in accordance with the provisions applicable to companies subject to section 415A of the small companies' regime. Accordingly, the Company has taken the exemption from preparing the strategic report.

Principal activities and future developments

MB Commodities Limited (the "Company") ceased trading on 1 April 2015 and management intends to liquidate the Company in the near future.

Business review

The profit and loss of the business is mainly due to interest earned on bank balances and on-going administration costs until the company is liquidated. The Company has pre-tax profit of \$1k (2020: \$4k) and net assets of \$552k (2020: \$621k).

As the Company has ceased trading, it has no principal risks and monitors no KPI.

Dividend

The directors have not recommended the payment of an ordinary dividend for the year ended 31 March 2021 (2020: \$nil).

Directors

The directors who served during the year are listed below, all of whom have served throughout the year:

Stuart Aitken	
Ryutaro Takeuchi	Resigned 23 April 2021
Kengo Iwamoto	
Kota Uno	Appointed 23 April 2021

Directors' indemnities

The Company has granted an indemnity to all of its directors against liability in respect of proceedings brought by third parties as outlined in section 21 of the Company's Articles of Association. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

Political contributions

No political donations were made to any political organisation by the Company.

Capital structure

The capital structure of the Company consists of equity from Mitsui Bussan Commodities Ltd, comprising issued capital, reserves and retained earnings as disclosed in the Company's statement of changes in equity.

Going concern

The Company ceased trading on 1 April 2015 and the directors intend to liquidate the Company in the near future, and as a result, the directors believe that a going concern basis is not appropriate and have decided to prepare the financial statements on a basis other than going concern. The Directors believe that current book values as disclosed on the Balance sheet equal net realisable value and therefore no adjustments are required to apply the going concern basis.

There have been no subsequent events.

MB Commodities Limited

Directors' report (continued)

Auditor

Each of the persons who is a director at the date of approval of this report confirms 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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Deloitte LLP has expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming board of directors meeting.

Approved by the board of directors and signed on its behalf by:



Stuart Aitken

Director

MB Commodities Limited

6th Floor, 1 St. Martin's Le Grand

London

EC1A 4BB

Date: 01/02/2022

MB Commodities Limited

Directors' responsibilities statement

The directors are responsible for preparing the annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 on a going concern basis.

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

MB Commodities Limited

Independent auditor's report to the members of MB Commodities Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of MB Commodities Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Profit and loss account;
- the Statement of comprehensive income;
- the Balance sheet;
- the Statement of changes in equity;
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – financial statements prepared other than on a going concern basis

We draw attention to note 1 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in respect of these matters.

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Independent auditor's report to the members of MB Commodities Limited

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty, including the regulatory solvency and capital requirements.

We discussed among the audit engagement team including relevant internal specialists such as tax specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

MB Commodities Limited

Independent auditor's report to the members of MB Commodities Limited

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, and reviewing internal audit reports, and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

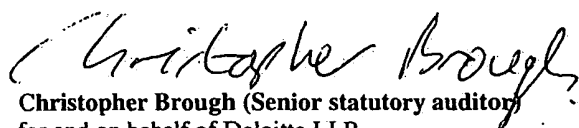
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

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.



Christopher Brough (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

Date: 1 February 2022

MB Commodities Limited

Profit and loss account

For the year ended 31 March 2021

	Note	2021 US\$'000	Restated 2020 US\$'000
Turnover	3	-	-
FX gain/(loss)		1	(4)
Operating profit/(loss)		1	(4)
Interest receivable and similar income	5	-	8
Profit before taxation		1	4
Tax (charge)/credit on profit	6	(16)	18
(Loss)/profit for the financial year		(15)	22

Statement of comprehensive income

For the year ended 31 March 2021

	Note	2021 US\$'000	Restated 2020 US\$'000
(Loss)/profit for the financial year		(15)	22
Total comprehensive (expense)/income		(15)	22

All items of income and expenditure are derived from discontinued operations

MB Commodities Limited

Balance sheet

As at 31 March 2021

	Note	2021 US\$'000	Restated 2020 US\$'000
Current assets			
Cash and cash equivalents		2,001	1,856
Other debtors	7	-	18
		<u>2,001</u>	<u>1,874</u>
Creditors: amounts falling due within one year			
Other creditors	8	<u>(1,449)</u>	<u>(1,307)</u>
Net current assets		<u>552</u>	<u>567</u>
Net assets		<u>552</u>	<u>567</u>
Capital and reserves			
Issued share capital (14k ordinary and fully paid \$7 shares)		98	98
Profit and loss account		<u>454</u>	<u>469</u>
Shareholder's funds		<u>552</u>	<u>567</u>

The financial statements of MB Commodities Limited were approved by the board of directors and authorised for issue

on 01/02/2022

on They were signed on its behalf by:



Stuart Aitken
Director

Registered number: 02561614

MB Commodities Limited

Statement of changes in equity

For the year ended 31 March 2021

	Issued share capital US\$'000	Profit and loss account US\$'000	Total US\$'000
At 1 April 2020 (restated)	98	469	567
Total comprehensive loss for the year	-	(15)	(15)
At 31 March 2021	98	454	552

	Issued share capital US\$'000	Restated Profit and loss account US\$'000	Restated Total US\$'000
At 1 April 2019	98	447	545
Total comprehensive profit for the year (restated)	-	22	22
At 31 March 2020	98	469	567

MB Commodities Limited

Notes to the financial statements

For the year ended 31 March 2021

1. Statement of accounting policies

The principal accounting policies are set out below and have all been applied consistently throughout the current and preceding year.

General information and basis of accounting

MB Commodities Limited is a company incorporated in the United Kingdom under the Companies Act.

The Company is a private Company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1 and its principal activity is stated on page 2.

The Company ceased trading on 1 April 2015 and management intends to liquidate the Company in the near future.

The Company has restated its 2020 financial statements to align the tax charge to the tax calculation, as a result tax credit has decreased from \$72k to \$18k and profit after tax has decreased from \$76k to \$22k. In addition other debtors have decreased from \$72k to \$18k. The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be US dollars because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Going concern

The Company ceased trading on 1 April 2015 and will be liquidated in the near future. This has been set out in the Directors' report on page 2. As a result, the directors believe that a going concern basis is not appropriate and have decided to prepare the financial statements on a basis other than going concern. No adjustments have been required as a result of ceasing to prepare on a going concern basis.

Turnover

The Company presents revenue on a net basis. Turnover comprises profits and losses on dealing operations, being:

- net gains and losses on financial instruments designated as held for trading and movements in fair value adjustments on such instruments;
- gross commissions earned from investment business; and
- commissions expenses incurred in generating business.

Interest receivable/interest payable

Interest receivable and payable are recognised in the profit and loss account over the term of such instruments at an effective interest rate on the carrying amount of the underlying investment.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

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Notes to the financial statements (continued)

For the year ended 31 March 2021

1. Statement of accounting policies (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Timing differences arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment is measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Cash and cash equivalents

Cash balances comprise demand deposits with banks together with short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The directors do not consider there to be any significant judgements and estimations in the financial statements at year end.

There are no critical judgement areas that had a significant effect on the amounts recognised in financial statements nor any significant sources of estimation uncertainty.

3. Turnover

There is no turnover for year ended 31 March 2021 and 2020.

4. Profit before taxation

The profit before taxation are stated after:

	2021 US\$'000	2020 US\$'000
Foreign exchange gain/(loss)	1	(4)

The auditor's remuneration for the years ended 31 March 2021 and 2020 were settled by Company's parent entity Mitsui Bussan Commodities Ltd and not recharged.

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Notes to the financial statements (continued)

For the year ended 31 March 2021

5. Interest receivable and similar income

	2021 US\$'000	2020 US\$'000
Non-group interest receivable and similar income	-	8

6. Tax on profit

The tax charge comprises:

	2021 US\$'000	Restated 2020 US\$'000
Current tax on profit		
Corporation tax – UK	(28)	-
Adjustment in respect of prior years	12	18
Total current tax	(26)	18
Deferred tax		
Timing differences, origination and reversal	-	-
Total tax on profit	(16)	18

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2021 US\$'000	Restated 2020 US\$'000
Profit before tax	1	4
Tax on profit at standard UK corporation tax rate of 19% (2020: 19%)		(1)
Tax effects of		
Income and expenses not deductible for tax purposes	(28)	1
Adjustments to tax charge in respect of previous periods	12	18
Total tax (charge)/credit for the year	(16)	18

The adjustment in respect of a previous period is the result of a prior year revaluation loss against which group relief was obtained during the year ended March 2021. Please refer to note 1 for details of restatement.

7. Other debtors

	2021 US\$'000	Restated 2020 US\$'000
UK corporation tax and group relief	-	18

MB Commodities Limited

Notes to the financial statements (continued)

For the year ended 31 March 2021

8. Other creditors

	2021 US\$'000	2020 US\$'000
UK corporation tax and group relief	<u>(1,449)</u>	<u>(1,307)</u>

9. Related party transactions

As a member of a group of companies whose consolidated accounts are publicly available, the Company is exempt from the disclosure requirements of FRS 102 relating to transactions with other group companies. The Company is a wholly owned subsidiary of the Mitsui group. Consolidated financial statements of Mitsui & Co., Ltd in which MB Commodities Limited is included are publicly available from the address below. There were no other related party transactions with non-group companies.

10. Parent company

The Company's immediate parent undertaking and the parent of the smallest group which includes the Company, is Mitsui Bussan Commodities Ltd, address 6th Floor, 1 St. Martin's Le Grand, London, EC1A 4BB, which is incorporated in England and Wales. The Company's ultimate parent undertaking is Mitsui & Co., Ltd which is incorporated in Japan. A copy of the consolidated financial statements of Mitsui & Co., Ltd can be obtained from that company's registered office at 2-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8631 Japan.