

# **Celerant Consulting Investments Limited**

## **Report and Financial Statements**

31 March 2019

Registered No: 05804397



# Celerant Consulting Investments Limited

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**Directors**

D Brindle

**Secretary**

S Goodman

**Auditor**

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

**Registered Office**

Fifth Floor  
Forum  
St Paul's Gutter Lane  
London EC2V 8AS

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## Strategic report

The directors of Celerant Consulting Investments Limited ("the company") present their strategic report of the company for the year ended 31 March 2019, with comparative figures for the year ended 31 March 2018.

### Principal activity and review of the business

The company's principal activity is that of an investment holding company.

The company's immediate parent undertaking is Hitachi Consulting UK Limited, a company incorporated in the UK. The company's ultimate parent undertaking is Hitachi, Ltd. Hitachi Consulting UK Limited, a subsidiary of Hitachi, Ltd acquired the entire share capital of Celerant Consulting Investments Limited on 21 March 2019.

On 15 March 2019, the company contributed by way of assignment to Celerant Consulting Acquisitions Limited, a receivable loan of £29,558,686.63, in exchange for the issue of one share of £1 in the share capital of the subsidiary, at a premium of £29,558,685.63.

### Principal risks and uncertainties

The principal risks and uncertainties facing the company are broadly grouped as – competitive, legislative and financial instrument risk.

#### Competitive risks

The group operates within a competitive marketplace. However, the group benefits from a number of competitive advantages, not least the strong investment in innovative products from the parent company, and the convergence of different offerings within the Hitachi group into a combined service for clients. Competitive risk has been further mitigated by refining the group's management information and business intelligence tools, to have better and faster visibility of a variety of relevant metrics.

#### Legislative risks

The group operates within a global marketplace. Therefore it is subject to the risk of changes in government regulations, both foreign and domestic, which might impede or greatly increase the cost of providing services across the globe. The level of legislative risk is not considered significant at the current time, but continues to be monitored closely.

#### Exposure to liquidity and cash flow risk

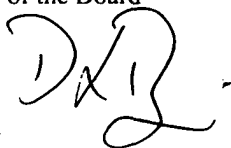
The company is exposed to a variety of financial risks that include the effects of liquidity risk and interest rate risk. The company seeks to limit the adverse effects on the financial performance of the company by monitoring these risks.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the directors are implemented by the company's financial department.

#### Interest rate cash flow risk

The company has from time to time interest bearing assets. Interest bearing assets are loans to group companies. Interest rate contracts are utilised where appropriate to minimise any perceived risk. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

On behalf of the Board



D Brindle  
Director  
Date: 23/12/2019

Registered No: 05804397

## Directors' report

The directors of Celerant Consulting Investments Limited ("the company") present their report and financial statements of the company for the year ended 31 March 2019, with comparative figures for the year ended 31 March 2018.

### Results and dividends

The loss for the year after taxation amounted to £22,386,000 (year ended 31 March 2018 – nil) and is dealt with as shown in the profit and loss account. The directors do not propose the payment of a dividend (year ended 31 March 2018 – nil).

### Future development

The directors are satisfied with the results for the year. It is proposed to continue with the existing corporate structure for the foreseeable future.

### Events since the balance sheet date

On 29 August 2019, Hitachi Consulting UK Limited, immediate parent undertaking, contributed by way of assignment to the company, a receivable loan of £2,700,000, in exchange for the issue of one share of £0.10 in the share capital of the company, at a premium of £2,699,999.90.

On 29 August 2019, Hitachi Consulting UK Limited, immediate parent undertaking, contributed by way of assignment to the company, a receivable loan of £31,732,832.58, in exchange for the issue of one share of £0.10 in the share capital of the company, at a premium of £31,732,832.48.

On 29 August 2019 the company reduced its share capital from £64,222,032.83 to £1, under Sections 642 to 644 of the Companies Act 2006.

On 29 August 2019, the company contributed by way of assignment to Celerant Consulting Acquisitions Limited, a receivable loan of £2,700,000, in exchange for the issue of one share of £1 in the share capital of the subsidiary, at a premium of £2,699,999.

On 29 August 2019, the company agreed to release Celerant Consulting Acquisitions Limited from its payable loan of £31,732,832.58, in exchange for the issue of one share of £1 in the share capital of the subsidiary, at a premium of £31,732,831.58.

On 12 December 2019, the company received a dividend in specie of £29,558,686.63 from Celerant Consulting Acquisitions Limited, in exchange for the immediate assignment of a receivable loan of the same value.

On 13 December 2019, the company declared a dividend in specie of £29,558,686.63 to Hitachi Consulting UK Limited, in exchange for the assignment of a receivable loan of the same value, owing from the parent company, which was then extinguished.

### Going concern

The financial statements of the company have been prepared on a going concern basis, which the directors believe to be appropriate for the following reasons. Hitachi Consulting Corporation, intermediate parent undertaking, has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, they will continue to make available such funds as are needed by the company. This should enable the company to continue in existence for the foreseeable future by meeting its liabilities as and when they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this undertaking, the directors believe it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

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## Directors' report (continued)

### Directors

The directors who served during the year and subsequently are as follows:

J M O'Brien (resigned 4 May 2018)

D Brindle (appointed 4 May 2018)

Company secretary:

S Goodman

### Directors' indemnities

Hitachi Consulting Corporation, intermediate parent undertaking, maintains liability insurance for the company's directors and officers.

### Auditor

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

### Disclosure of information to the auditor

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditor, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information (that is, information needed by the Company's auditor in connection with preparing their report) of which the Company's auditor is unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

On behalf of the Board



D Brindle  
Director

Date: 23/12/2019

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## **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic report, 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 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 FRS101 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 accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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 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.

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## **Independent auditor's report**

to the members of Celerant Consulting Investments Limited

### **Opinion**

We have audited the financial statements of Celerant Consulting Investments Limited for the year ended 31 March 2019 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and the related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2019 and of its loss 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.

### **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 below. 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 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.

### **Conclusions relating to going concern**

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

- 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.

### **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.

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Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

### **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 in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

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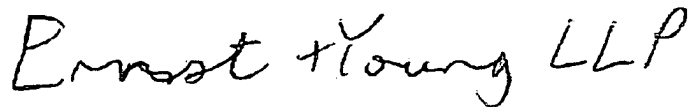
### **Auditor's responsibilities for the audit of the financial statements**

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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **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

A handwritten signature in black ink that reads "Ernst + Young LLP". The signature is written in a cursive, flowing style.

Louise Pennell (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
23 December 2019

## Income statement

for the year ended 31 March 2019

		2019	2018
	Notes	£'000	£'000
Impairment of investments	6	(22,386)	–
<b>Loss on ordinary activities before taxation</b>		<b>(22,386)</b>	<b>–</b>
Tax		–	–
<b>Loss for the financial year</b>		<b>(22,386)</b>	<b>–</b>

All amounts in the year relate to continued activities.

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## Statement of comprehensive income

For the year ended 31 March 2019

	<i>2019</i>	<i>2018</i>
	<i>£000</i>	<i>£000</i>
<b><i>Loss for the financial year</i></b>	<b>(22,386)</b>	<b>–</b>
<b><i>Other comprehensive income for the year</i></b>	<b>–</b>	<b>–</b>
<b><i>Total comprehensive income for the year</i></b>	<b><u>(22,386)</u></b>	<b><u>–</u></b>

## Statement of changes in equity

for the year ended 31 March 2019

	<i>Share capital</i>	<i>Retained losses</i>	<i>Total equity</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
<b>At 1 April 2017</b>	29,789	(230)	29,559
Profit / (loss) for the financial year	—	—	—
Total comprehensive income for the year	—	—	—
<b>At 31 March 2018</b>	29,789	(230)	29,559
Loss for the financial year	—	(22,386)	(22,386)
Other comprehensive income	—	—	—
Total comprehensive income for the year	—	(22,386)	(22,386)
<b>At 31 March 2019</b>	29,789	(22,616)	7,173

## Balance Sheet

at 31 March 2019

Company number: 05804397

	Notes	2019 £'000	2018 £'000
<b>Fixed assets</b>			
Investments	6	7,173	–
<b>Long term assets</b>			
Amounts owed by group undertakings		–	29,559
<b>Net assets</b>		<u>7,173</u>	<u>29,559</u>
<b>Capital and Reserves</b>			
Share capital	7	1,543	1,543
Share premium account		28,190	28,190
Capital redemption reserve		56	56
Retained losses		(22,616)	(230)
<b>Total equity</b>		<u>7,173</u>	<u>29,559</u>

The financial statements were authorised by the board of directors and were signed on its behalf by:



D Brindle

Director

Date 23/12/2019

## Notes to the financial statements

at 31 March 2019

### 1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Celerant Consulting Investments Limited (the “Company”) for the year ended 31 March 2019 were authorised for issue by the board of directors on 20 December 2019 and the balance sheet was signed on the board’s behalf by D Brindle.

The company is a limited liability company incorporated and domiciled in England and Wales. These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare group financial statements as its subsidiary undertakings are included by full consolidation in the group financial statements of its parent, Hitachi Limited, a company incorporated in Japan. Copies of its group financial statements, which include the company and those of Hitachi Limited, are available from 6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo, 100-8280, Japan.

The principal accounting policies adopted by the Company are set out in note 2.

### 2. Accounting policies

#### 2.1 Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2019.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) The requirements of IFRS 7 Financial Instruments: Disclosures;
  - (b) The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
  - (c) The requirement in paragraph 38 of IAS 1 ‘Presentation of Financial Statements’ to present comparative information in respect of:
    - (i) paragraph 79 (a) (iv) of IAS 1
    - (ii) paragraph 73 (c) of IAS 16 Property, Plant and Equipment
    - (iii) paragraph 118 (c) of IAS 38 Intangible Assets
    - (iv) paragraphs 76 and 79 (d) of IAS 40 Investment Property;
  - (d) The requirements of paragraphs 10 (d), 10 (f), 39 (c), and 134 – 136 of IAS 1 Presentation of Financial Statements;
  - (e) The requirements of IAS 7 Statement of Cash Flows;
  - (f) The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
  - (g) The requirements of paragraph 17 of IAS 24 Related Party Disclosures;
  - (h) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
  - (i) The requirements of paragraphs 130 (f) (ii), 130 (f) (iii), 134 (d) – 134 (f), and 135 (c) – 135 (e) of IAS 36 Impairment of Assets.
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## Notes to the financial statements

at 31 March 2019

### 2. Accounting policies (continued)

#### **2.2 Judgements and key sources of estimation uncertainty**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

##### ***Impairment of non-financial assets***

Where there are indicators of impairment of non-financial assets, the Company performs impairment tests based on a value in use calculation. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet permitted to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

#### **2.3 Significant accounting policies**

##### ***(a) Foreign currency translation***

The Company's financial statements are presented in sterling, which is also the Company's functional currency.

##### **Transactions and balances**

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

##### ***(b) Investments***

Investments in subsidiaries, associates and joint ventures are held at historical cost less any applicable provision for impairment.

##### ***(c) Impairment of non-financial assets***

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less cost of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

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## Notes to the financial statements

at 31 March 2019

### 2. Accounting policies (continued)

#### *(d) Financial Instruments*

##### **i) Financial assets**

###### **Initial recognition and measurement**

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus directly attributable transaction costs.

The Company's financial assets include other receivables.

###### **Subsequent measurement**

The subsequent measurement of financial assets depends on their classification as follows:

###### ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance revenue in the income statement. Losses arising from impairment are recognised in the income statement in other operating expenses.

###### **Derecognition of financial assets**

A financial asset is derecognised when (a) the rights to receive cash flows from the asset have expired or (b) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass through' arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

###### **Impairment of financial assets**

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate (ie, the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced, with the amount of the loss recognised in administration costs.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the income statement, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

##### **ii) Financial liabilities**

###### **Initial recognition and measurement**

All of the Company's financial liabilities are classified as loans and borrowings. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

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## Notes to the financial statements

at 31 March 2019

### 2. Accounting policies (continued)

#### Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

##### *Interest bearing loans and borrowings*

Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

#### Derecognition of financial liabilities

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

#### iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### iv) Fair values

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

#### (e) Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

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## Notes to the financial statements

at 31 March 2019

### 2. Accounting policies (continued)

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

#### (f) Going concern

The financial statements of the company have been prepared on a going concern basis, which the directors believe to be appropriate for the following reasons. Hitachi Consulting Corporation, the intermediate parent undertaking, has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, they will continue to make available such funds as are needed by the company. This should enable the company to continue in existence for the foreseeable future by meeting its liabilities as and when they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this undertaking, the directors believe it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from this basis of preparation being inappropriate.

### 3. Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting):

	2019 £'000	2018 £'000
Auditor's remuneration*	—	—

\*The audit fees were borne by another group undertaking.

### 4. Directors and employees

	2019 £000	2018 £000
<i>Directors' emoluments:</i>		
Aggregate emoluments (excluding pension contributions)	—	64

Three directors (2018: two) of the UK companies were paid by Hitachi Consulting UK Limited, and are disclosed in that company's financial statements for the current year. For disclosure purposes in the prior year, their remuneration was split based on a proportion of total assets of the UK companies.

## Notes to the financial statements

at 31 March 2019

### 4. Directors and employees (continued)

2019	2018
£000	£000

#### *Pension entitlements:*

Pension contributions in respect of directors	—	1
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During the year, two directors (2018: one) participated in the company's defined contribution pension scheme. The pension scheme is managed by another UK group company, and has been disclosed in that company's financial statements for the current year.

The company has no employees.

### 5. Taxation

#### (a) Tax on (loss)/profit on ordinary activities

2019	2018
£'000	£'000

#### *The tax charge is made up as follows:*

UK Corporation tax at 19% (2018 – 19%)	—	—
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#### (b) Factors affecting tax charge for the year

The tax assessed on the profit on ordinary activities for the year differs to the standard rate of corporation tax in the UK of 19% (2018 – 19%). The differences are reconciled as follows:

2019	2018
£'000	£'000

Loss on ordinary activities before tax	(22,386)	—
Loss on ordinary activities at standard rate of corporation tax in the UK of 19% (2018 – 19%)	(4,253)	—
Non deductible items	4,253	—
	—	—

#### (c) Deferred tax

No deferred tax has been provided in either 2019 or 2018. Unprovided deferred tax assets at 31 March 2019 amount to £nil (31 March 2018 – £nil).

#### (d) Factors affecting future tax charge

The main rate of corporation tax has been reduced to 19% from April 2017 to 17% from 1 April 2020. The deferred tax assets have been calculated at 17% in line with when the company anticipates temporary differences to unwind.

## Notes to the financial statements

at 31 March 2019

### 6. Investments

*Interest in  
subsidiary  
undertakings  
£'000*

Cost and carrying amount:

At 1 April 2018

—

Additions

29,559

Provision for impairment during the year

(22,386)

At 31 March 2019

7,173

On 15 March 2019, the company contributed by way of assignment to Celerant Consulting Acquisitions Limited, a receivable loan of £29,558,686.63, in exchange for the issue of one share of £1 in the share capital of the subsidiary, at a premium of £29,558,685.63.

Investments in subsidiary undertakings are stated at cost less any impairment required.

The company holds the equity share capital of the following principal subsidiaries:

<i>Name of company</i>	<i>Country of registration (or incorporation) and operation</i>	<i>Holdings</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
<b>Directly owned subsidiaries:</b>				
Celerant Consulting Acquisitions Limited	England	Ordinary	100%	Holding Company
<b>Indirectly owned subsidiary through Celerant Consulting Acquisitions Limited:</b>				
Celerant Consulting Holdings Limited	England	Ordinary	100%	Holding Company
<b>Indirectly owned subsidiaries through Celerant Consulting Holdings Limited:</b>				
Celerant Consulting (Canada) Limited	Canada	Ordinary	100%	Management consultancy
Hitachi Consulting (UAE) Limited	England	Ordinary	100%	Management consultancy
Celerant Consulting Netherlands Holdings BV	Netherlands	Ordinary	100%	Intermediate parent undertaking
Celerant Consulting Russia Limited	England	Ordinary	100%	Intermediate parent undertaking
Celerant Unlimited	England	Ordinary	100%	Financing activities

## Notes to the financial statements

at 31 March 2019

### 6. Investments (continued)

<i>Name of company</i>	<i>Country of registration (or incorporation) and operation</i>	<i>Holdings</i>	<i>Proportion of voting rights and shares held</i>	<i>Nature of business</i>
<b>Indirectly owned subsidiaries through Celerant Consulting Netherlands Holdings BV:</b>				
Celerant Consulting GmbH	Germany	Ordinary	100%	Management consultancy
Celerant Consulting SAS	France	Ordinary	100%	Management consultancy
Celerant Consulting Nordic AS	Norway	Ordinary	100%	Management consultancy
Celerant Consulting BVBA	Belgium	Ordinary	100%	Management consultancy
Celerant Consulting AB	Sweden	Ordinary	100%	Management consultancy
<b>Indirectly owned subsidiaries through Celerant Consulting Russia Limited:</b>				
Celerant Netherlands BV	Netherlands	Ordinary	100%	Intermediate parent undertaking
<b>Indirectly owned subsidiary through Celerant Netherlands BV:</b>				
Celerant Brasil Servicos de Consultoria em Gestao Empresarial Ltda	Brazil	Ordinary	100%	Management consultancy
<b>Indirectly owned subsidiary through Hitachi Consulting (UAE) Limited:</b>				
Celerant Management Consultancy LLC	Oman	Ordinary	70%	Management consultancy

The directors believe that the carrying value of the investments is supported by their underlying net assets.

## Notes to the financial statements

at 31 March 2019

### 7. Share capital

	2019		2018	
	No.		No.	
<i>Authorised share capital:</i>				
Ordinary shares of £0.10 each	<u>16,067,000</u>		<u>16,067,000</u>	
	2019		2018	
	No.	£ '000	No.	£ '000
<i>Allotted, called up and fully paid:</i>				
	£0.10 each		£0.10 each	
Balance at beginning of year	15,427,000	1,543	15,427,000	1,543
Shares issued during the year	—	—	—	—
Balance at end of year	15,427,000	1,543	15,427,000	1,543

### 8. Related party transactions

The company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries.

### 9. Post balance sheet events

On 29 August 2019, Hitachi Consulting UK Limited, immediate parent undertaking, contributed by way of assignment to the company, a receivable loan of £2,700,000, in exchange for the issue of one share of £0.10 in the share capital of the company, at a premium of £2,699,999.90.

On 29 August 2019, Hitachi Consulting UK Limited, immediate parent undertaking, contributed by way of assignment to the company, a receivable loan of £31,732,832.58, in exchange for the issue of one share of £0.10 in the share capital of the company, at a premium of £31,732,832.48.

On 29 August 2019 the company reduced its share capital from £64,222,032.83 to £1, under Sections 642 to 644 of the Companies Act 2006.

On 29 August 2019, the company contributed by way of assignment to Celerant Consulting Acquisitions Limited, a receivable loan of £2,700,000, in exchange for the issue of one share of £1 in the share capital of the subsidiary, at a premium of £2,699,999.

On 29 August 2019, the company agreed to release Celerant Consulting Acquisitions Limited from its payable loan of £31,732,832.58, in exchange for the issue of one share of £1 in the share capital of the subsidiary, at a premium of £31,732,831.58.

On 12 December 2019, the company received a dividend in specie of £29,558,686.63 from Celerant Consulting Acquisitions Limited, in exchange for the immediate assignment of a receivable loan of the same value.

On 13 December 2019, the company declared a dividend in specie of £29,558,686.63 to Hitachi Consulting UK Limited, in exchange for the assignment of a receivable loan of the same value, from the parent company, which was then extinguished.

## Notes to the financial statements

at 31 March 2019

### 10. Capital commitments

The company had no capital commitment at 31 March 2019 and 31 March 2018.

### 11. Contingent liabilities

The company had no contingent liabilities at 31 March 2019 and 31 March 2018.

### 12. Immediate and ultimate parent undertaking

The company's immediate parent undertaking is Hitachi Consulting UK Limited, a company incorporated in the UK. The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare group financial statements as its subsidiary undertakings are included by full consolidation in the group financial statements of its parent, Hitachi Limited, a company incorporated in Japan.

The ultimate parent undertaking and controlling party of the company, and largest in whose financial statements the company is consolidated as at 31 March 2019 is Hitachi Limited. Copies of its group financial statements, which include the company and those of Hitachi Limited, are available from 6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo, 100-8280, Japan.