

**FINCO CS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 January 2016**

**Registered Number: 4134744**

**SATURDAY**



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## **FINCO CS LIMITED**

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## **FINCO CS LIMITED**

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### **STATUTORY INFORMATION**

**Director**

Helen McCusker

**Secretary**

Robert G Hynd – resigned 26 February 2015

Salim Alam – appointed 26 February 2015

**Registered Office**

Tankerton Works

12 Argyle Walk

London

WC1H 8HA

**Bankers**

Royal Bank of Scotland plc

**Solicitor**

Akin Gump LLP

## **FINCO CS LIMITED**

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### **DIRECTOR'S REPORT**

The director presents her report and the unaudited financial statements of the Company for the year ended 31 January 2016. This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The Company is exempt from preparing a separate strategic report and the Company is also exempt from audit under section 477 of the Companies Act 2006 relating to small companies. Note that the prior year financial statements for the year ended 31 January 2015 are audited.

#### **Business review and principal activities**

The Company provides central support functions to the Finco Group (formerly Damovo Group) and generates turnover by charging other group companies for the provision of these services. In the prior year, the Company provided support services to current and former members of the Damovo Group up to the point of sale and thereafter the Company provided transitional services to those trading businesses for an agreed period of time, until the end of July 2015. The various sale transactions of the Damovo Group's trading subsidiaries completed in July 2014 and January 2015 and the transitional services provided were for the continued access and support of certain of the Group's information technology systems until 31 July 2015. This access and support was provided to all subsidiaries sold during the year ended 31 January 2015, to allow those businesses to continue to trade and migrate onto new systems within an agreed time frame.

Note that an element of expenses are not recharged hence a pre-exceptionals operating loss is incurred. The Company will continue to provide these services in the coming year.

Under the terms of the sale transactions which completed in January 2015, the Company was required to change its trading name and so the Company's name became Finco CS Limited, formerly Damovo Corporate Services Limited, during April 2015.

#### **Results and dividend**

The Company's loss for the year is £1,782,000 (2015 £22,173,000 profit) which is mainly driven by intercompany interest expense and currency exchange losses. The prior year profit is mainly due to a reorganisation of intercompany balances just prior to the sale transaction in January 2015 as well as a settlement being received in connection with a legal case associated with the 2007 restructuring of the Group. The director does not recommend payment of a dividend (2015 £Nil).

#### **Review of business and future developments**

The Company has established in prior years a number of inter-company loans resulting in it being in a net payables position to other group companies at the year end. It is not anticipated that this position will change in the foreseeable future.

At 31 January 2016, the Company had current assets of £3,703,000 (2015 £10,822,000) and current liabilities of £8,701,000 (2015 £39,141,000). At the same date, the Company had amounts owing to other group companies of £49,125,000 (2015 £47,763,000) and amounts due from group companies of £9,135,000 (2015 £9,357,000).

The Damovo Group sold all of its trading subsidiaries in the year ended 31 January 2015. Under the terms of the sale transactions, which completed during January 2015, the Company was required to change its trading name and so the Company's name became Finco CS Limited during April 2015.

#### **Going Concern**

Following the sale of the Group's trading subsidiaries in the prior year, the main purpose of the remaining Group is the collection and distribution of remaining amounts due to it and winding up the remaining Group companies. It is anticipated that this process could take approximately eighteen months to complete from the balance sheet date.

It is therefore the director's intention to cease trading at some point in the future therefore the director has concluded that the adoption of the going concern basis is not appropriate and these accounts have been prepared on a basis other than going concern.

## **FINCO CS LIMITED**

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### **DIRECTOR'S REPORT (continued)**

#### **Key performance indicators ("KPIs")**

Given the straightforward nature of the Company's business, the Company director is of the opinion that an analysis using KPIs is not necessary for an understanding of the development, performance or position of the Company's business

#### **Directors**

The director who held office during the year and the director in place at the date of this report is set out on page 3

#### **Audit exemption**

For the year ending 31 January 2016, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476

The director acknowledges her responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

#### **By order of the board**



**Helen McCusker**  
Director  
15 December 2016

## **FINCO CS LIMITED**

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### **DIRECTOR'S RESPONSIBILITIES STATEMENT**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the director must not approve the financial statements unless she is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors

- Properly select and apply accounting policies,
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- Provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- Make an assessment of the Company's ability to continue as a going concern unless it is inappropriate to presume that the Company will continue in business

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. She 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

## FINCO CS LIMITED

### INCOME STATEMENT

		Unaudited Year ended 31 January 2016 £'000	Audited Year ended 31 January 2015 £'000
	Notes		
<b>Continuing operations</b>			
Revenue	2	295	1,965
Administrative expenses		(592)	(2 453)
Non-recurring administrative income	3	144	4 421
<b>Total administrative expenses</b>		<b>(448)</b>	<b>1,968</b>
<b>Operating (loss) / gain</b>	4	<b>(153)</b>	<b>3,933</b>
Finance costs	6	(1 629)	(1,921)
Finance income	6	-	3,910
Non-recurring finance income	6	-	16,251
<b>Net finance (costs) / income</b>		<b>(1,629)</b>	<b>18,240</b>
<b>(Loss) / Profit before taxation</b>		<b>(1,782)</b>	<b>22,173</b>
Taxation	9	-	-
<b>(Loss) / Profit for the year</b>	18	<b>(1,782)</b>	<b>22,173</b>

All the activities of the Company are classed as continuing

The accompanying notes on pages 11 to 27 form part of these financial statements

## FINCO CS LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Year ended 31 January 2016 £'000	Audited Year ended 31 January 2015 £'000
(Loss) / Profit for the year and total comprehensive (loss) / profit	(1,782)	22,173

### STATEMENT OF CHANGES IN EQUITY

	Note	Ordinary share capital £'000	Retained profit / (loss) £'000	Total equity £'000
At 31 January 2014 (Audited)		687	(60,913)	(60,226)
Profit recognised in the income statement	18	-	22,173	22,173
Total comprehensive profit for the year		-	22,173	22,173
At 31 January 2015 (Audited)		687	(38,740)	(38,053)
Loss recognised in the income statement	18	-	(1,782)	(1,782)
Total comprehensive loss for the year		-	(1,782)	(1,782)
At 31 January 2016 (Unaudited)		687	(40,522)	(39,835)

The accompanying notes on pages 11 to 27 form part of these financial statements

# FINCO CS LIMITED

## BALANCE SHEET

		Unaudited As at 31 January 2016 £'000	Audited As at 31 January 2015 £'000
	Notes		
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	11	-	3
Property, plant and equipment	10	-	12
Investments in subsidiary undertakings	22	-	-
Trade receivables and other debtors	13	5,890	-
		<b>5,890</b>	<b>15</b>
<b>Current assets</b>			
Trade receivables and other debtors	13	3,489	9,999
Cash and cash equivalents		214	823
		<b>3,703</b>	<b>10,822</b>
<b>Total assets</b>		<b>9,593</b>	<b>10,837</b>
<b>Equity</b>			
Share capital	17	687	687
Retained earnings	18	(40,522)	(38,740)
		<b>(39,835)</b>	<b>(38,053)</b>
<b>Current liabilities</b>			
Trade payables and other creditors	14	8,676	38,496
Provisions	16	25	645
		<b>8,701</b>	<b>39,141</b>
<b>Non-current liabilities</b>			
Trade payables and other creditors	14	40,727	9,749
		<b>40,727</b>	<b>9,749</b>
<b>Total liabilities</b>		<b>49,428</b>	<b>48,890</b>
<b>Total equity and liabilities</b>		<b>9,593</b>	<b>10,837</b>

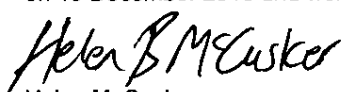
For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements of Finco CS Limited, registered number 4134744, were approved by the Board of Directors on 15 December 2016 and were signed on its behalf by

  
Helen McCusker  
Director

The accompanying notes on pages 11 to 27 form part of these financial statements

## FINCO CS LIMITED

### CASH FLOW STATEMENT

		Unaudited Year ended 31 January 2016 £'000	Audited Year ended 31 January 2015 £'000
	Notes		
<b>Cash flows from operating activities</b>			
Cash used in operations	20	(604)	(1,520)
Interest paid		(5)	(25)
Interest received		-	15
Other financial income		-	4,545
<b>Net cash (used) / generated in operating activities</b>		<b>(609)</b>	<b>3,015</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment and intangible assets	10, 11	-	-
<b>Net cash used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Settlement of group balances	13	-	1,165
Repayment of intercompany borrowings		-	(3,836)
<b>Net cash used in financing activities</b>		<b>-</b>	<b>(2,671)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(609)</b>	<b>344</b>
<b>Movement in cash and cash equivalents</b>			
Opening cash and cash equivalents		823	479
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(609)</b>	<b>344</b>
<b>Cash and cash equivalents at end of year</b>		<b>214</b>	<b>823</b>

The accompanying notes on pages 11 to 27 form part of these financial statements

## **FINCO CS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. Significant accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are applied consistently and are set out below

##### **Basis of accounting**

The financial statements of Finco CS Limited, a limited liability company domiciled in the United Kingdom, have been prepared in accordance with International Financial Reporting Standards (IFRSs) adopted by the European Union (EU). The financial statements have been prepared under the historical cost convention, except for the measurement at fair value of certain financial instruments in accordance with IAS 39 (Financial Instruments Recognition and Measurement) as explained below

Following the sale of the Group's trading subsidiaries in the prior year, the main purpose of the remaining Group is the collection and distribution of remaining amounts due to it and winding up the remaining Group companies. It is anticipated that this process could take approximately eighteen months to complete from the balance sheet date.

It is therefore the director's intention to cease trading at some point in the future. Consequently, the director has concluded that the adoption of the going concern basis is not appropriate and these accounts have been prepared on a basis other than going concern.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

##### **Going concern and financing arrangements**

At 31 January 2016, the Company had current assets of £3,703,000 (2015: £10,822,000) and current liabilities of £8,701,000 (2015: £39,141,000). At the same date, the Company had amounts owing to other group companies of £49,125,000 (2015: £47,763,000) and amounts due from group companies of £9,135,000 (2015: £9,357,000).

As stated above, it is the director's intention to cease trading at some point in the future; therefore the director has concluded that the adoption of the going concern basis is not appropriate and these accounts have been prepared on a basis other than going concern.

##### **Adoption of new and revised Standards**

The Company has not early adopted any standards.

Several new standards and amendments are applicable for the first time during the year, however they do not impact the financial statements of the company.

Standards and amendments to standards that have been issued but are not effective for the year ending 31 January 2016 and have not been early adopted (and in some cases have not yet been adopted by the EU) are:

Amendments to IAS 27: Equity Method in Separate Financial Statements

Amendments to IAS 1: Disclosure Initiative

IFRS 9: Financial Instruments

IFRS 15: Revenue from Contracts with Customers

Annual Improvements to IFRSs – 2012 to 2014 cycle

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Significant accounting policies (continued)

#### Adoption of new and revised Standards (continued)

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations

IFRS 16 Leases

Amendments to IAS 7 Disclosure Initiative

Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The director does not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Company in future periods, except as follows

IFRS 9 will impact both the measurement and disclosures of Financial Instruments

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed

#### Foreign currency translation

British Pounds Sterling (GBP) is the presentation currency of the Company's financial statements. GBP is used by the Company for conducting the majority of its business and also for reporting its results. Where the Company carries out transactions in a different currency to its local one, the foreign currency amounts are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, such as trade receivables, trade payables and foreign currency bank accounts, are retranslated at the rate of exchange ruling at the end of the reporting period. All differences arising on translating these amounts are taken to the Statement of Comprehensive Income in the period in which they occur.

#### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation is charged on a straight-line basis over the estimated useful life of the assets based on the following rates:

IT infrastructure and equipment	20%
Fixtures and fittings	20%

The book values of these assets are reviewed for impairment whenever changes in circumstances indicate those values may not be recoverable. If the book values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The recoverable amount is the greater of the estimated net sales price and the value in use. Value in use is calculated by discounting the estimated future cash flows arising from the asset's use to their present value.

#### Intangible assets

Intangible assets comprise software licences and trademarks and are stated at cost less amortisation. Amortisation is calculated on a straight-line basis over the shorter of the estimated useful life of the assets, or the length of the licences based on the following rates:

Software licences	20 - 33%
Trademarks	5%

The book values of these assets are reviewed for impairment whenever changes in circumstances indicate those values may not be recoverable.

## **FINCO CS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. Significant accounting policies (continued)**

##### **Revenue recognition**

Revenue is the recharging of central support function costs to Group companies. Also, during the prior year certain Group companies were sold to third parties and revenue was recognised in the current and prior year for the provision of transitional services to those companies. These recharges include a profit element and depending upon the nature of the recharge, revenue is taken to the income statement when the service is provided or in equal monthly instalments over the period for which the recharge relates.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise bank balances and short-term deposits with an original maturity of three months or less.

##### **Investments**

Investments in subsidiary undertakings are recorded at cost less any provision for impairment.

##### **Employee benefits**

###### *Pensions and other post-employment benefits*

The Company operates a defined contribution pension scheme for the benefit of all employees. The costs relating to this scheme are charged to the Income Statement as they fall due. The Company provides no other post-retirement benefits to its employees.

##### **Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**NOTES TO THE FINANCIAL STATEMENTS**

**1 Significant accounting policies (continued)**

**Non-recurring items**

Items are classified as non-recurring income or expenses where they are considered by the Company to be material and are different from events or transactions which fall within the ordinary activities of the Company and which individually, or if of a similar type, in aggregate, need to be disclosed by virtue of their size or incidence if the financial statements are to be properly understood. Details of the non-recurring items are provided in note 3 and note 6.

**Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

**Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rentals payable under operating leases are charged to the Income Statement on a straight line basis over the term of the relevant lease.

**Financial risk management**

A discussion of the Company's financial risk management objectives and policies and the exposure of the Company to liquidity, market and credit risk is included within note 12 to the financial statements.

**Critical accounting judgements**

In the application of the Company's accounting policies, which are described in this note, the director is 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 ongoing 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 following are the critical judgements that the director has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

*Group undertakings*

It is assumed that all amounts owed by and to Group undertakings at the Balance Sheet date will be received and paid and therefore no provision has been made for these amounts.

## FINCO CS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 2 Revenue

The Company's revenue and operating (loss) / profit relate entirely to its principal activities in the United Kingdom

#### 3. Non-recurring administrative expenses

Items are classified as non-recurring when they are considered by the Company to be material and are different from events or transactions which fall within ordinary activities of the Company and which individually, or if of similar type, in aggregate, need to be disclosed by virtue of their size or incidence if the financial statements are to be properly understood

Non-recurring items are made up of and have been (charged) / credited to the Income Statement as follows

	Unaudited 2016 £'000	Audited 2015 £'000
Settlement and professional fees associated with 2007 restructuring of the Group	-	3 724
Professional fees associated with the Damovo Czech litigation case	-	(25)
Professional fees associated with sale of subsidiaries	144	(289)
Redundancy cost	-	(599)
Write-off of old accounts payable invoices	-	1,610
<b>Non-recurring items included in operating profit / (loss)</b>	<b>144</b>	<b>4,421</b>

#### 4. Operating profit / (loss)

Operating profit / (loss) is stated after the following charges which require to be disclosed

		Unaudited 2016 £'000	Audited 2015 £'000
	Notes		
Depreciation on assets			
- owned by the Company	10	9	24
Amortisation of intangible assets	11	3	12
Operating lease rentals payable			
- property		-	25
Currency translation losses / (gains)	6	(5)	124

## FINCO CS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 5 Auditor remuneration

	Unaudited 2016 £'000	Audited 2015 £'000
Fees payable to the company's auditor for the audit of company financial statements	-	5
Fees payable to the company's auditor for other services		
- Non-audit services - taxation compliance services	1	1
- Non-audit services - taxation advisory services associated with sale of subsidiaries	-	17
	1	23

#### 6 Finance costs and income

	Unaudited 2016 £'000	Audited 2015 £'000
Bank charges	(5)	(25)
Group undertakings interest	(911)	(1 896)
Currency translation losses	(713)	-
<b>Finance costs</b>	<b>(1,629)</b>	<b>(1,921)</b>
Interest income from other group undertakings	-	24
External interest income	-	15
Currency translation gains	-	3,871
<b>Finance income</b>	<b>-</b>	<b>3,910</b>

#### Currency translation gains / (losses)

	Unaudited 2016 £'000	Audited 2015 £'000
Currency translation gains / (losses) included in		
-Operating (loss) / profit	5	(124)
-Finance (costs) / income	(713)	3,871
<b>Total currency translation (losses) / gains</b>	<b>(708)</b>	<b>3,747</b>

Currency translation gains and losses relate to the translation of the transactions and balances that are not denominated in the Company's functional currency, the GBP. The loss of £708,000 in the year ended 31 January 2016 (2015: £3,747,000 gain) is primarily due to the depreciation (2015: appreciation) of the GBP against the Euro.

#### Non-recurring finance income

Items are classified as non-recurring when they are considered by the Company to be material and are different from events or transactions which fall within ordinary activities of the Company and which individually, or if of similar type, in aggregate, need to be disclosed by virtue of their size or incidence if the financial statements are to be properly understood.

## FINCO CS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 6. Finance costs and income (continued)

##### Non-recurring finance income (continued)

Non-recurring items are made up of and have been (charged) / credited to the Income Statement as follows

	Unaudited 2016 £'000	Audited 2015 £'000
Currency translation gain on inter-company receivable amounts from Damovo Czech held during the year	-	351
Write-off of inter-company liabilities	-	15,900
<b>Non-recurring items included in net finance income / (costs)</b>	<b>-</b>	<b>16,251</b>

#### 7 Staff costs

	Note	Unaudited 2016 £'000	Audited 2015 £'000
Wages and salaries		158	1,106
Social security costs		24	148
Pension costs – defined contribution plans	15	8	28
		<b>190</b>	<b>1,282</b>

The average number of employees in the year was 2 (2015 10)

The total remuneration of the key management during the year was £132,000 (2015 £640,000) including contributions to defined contribution pension plans of £6,000 (2015 £6,000). Emoluments received by key management were for services to all Group companies. Key management is defined as the directors who are listed on page 3 of this report and who served during the whole year or part of the year, as well as the former Group Chief Executive Officer.

#### 8 Directors' remuneration

	Unaudited 2016 £'000	Audited 2015 £'000
<b>Aggregate emoluments</b>		
Aggregate emoluments (including benefits in kind)	82	145
Company pension contributions to money purchase scheme	6	6
	<b>88</b>	<b>151</b>

	Unaudited 2016 £'000	Audited 2015 £'000
<b>Highest paid director</b>		
Aggregate emoluments (including benefits in kind)	82	83
Company pension contributions to money purchase scheme	6	6
	<b>88</b>	<b>89</b>

## FINCO CS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 9 Taxation

	Unaudited	Audited
	2016	2015
	£'000	£'000
Amount receivable from a group subsidiary in respect of group relief	-	-
<b>Total Tax</b>	-	-

#### Reconciliation of income taxes

The tax charge on the Company's loss before tax has been based on the average current year tax rate of 20.17% (2015: 21.33%). The rate of corporation tax in the UK reduced to 20% from 21% from 1 April 2015. Future reductions in the current rate of UK corporation tax of 19% from 1 April 2017 and 18% from 1 April 2020 have been substantively enacted.

A reconciliation of the effective tax rate for the current year tax charge is set out as below:

	Unaudited	Audited
	2016	2015
	£'000	£'000
(Loss) / Profit before tax	(1,782)	22,173
Tax calculated at 20.17% (2015: 21.33%)	(360)	4,730
Expenses not deductible for tax purposes	348	(3,691)
Deferred tax not recognised	12	(1,039)
<b>Tax credit</b>	-	-

#### Deferred tax assets

The Company has an unrecognised deferred tax asset as noted below. It is not probable that taxable profits will be generated in the foreseeable future, against which deductible temporary differences and tax losses carried forward could be utilised.

	Unaudited	Audited
	2016	2015
	£'000	£'000
Depreciation in excess of capital allowances	3,979	3,966
Short term timing differences	2	18
Tax losses carried forward	1,937	1,484
<b>Deferred tax asset not recognised</b>	<b>5,918</b>	<b>5,468</b>

The unrecognised deferred tax asset of the Company has been calculated at 20% (2015: 20%).

## FINCO CS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 10 Property, plant and equipment

	IT infrastructure & equipment £'000	Fixtures & Fittings £'000	Total £'000
<b>Cost</b>			
As at 31 January 2015 (Audited)	9,415	1	9,416
Disposals	(9,415)	(1)	(9,416)
<b>As at 31 January 2016 (Unaudited)</b>	-	-	-
<b>Accumulated depreciation</b>			
As at 31 January 2015 (Audited)	9,403	1	9,404
Depreciation charge for the year	9	-	9
Disposals	(9,412)	(1)	(9,413)
<b>As at 31 January 2016 (Unaudited)</b>	-	-	-
<b>Net book value</b>			
As at 31 January 2015 (Audited)	12	-	12
<b>As at 31 January 2016 (Unaudited)</b>	-	-	-

#### 11 Intangible assets

	Software licences £'000	Other intangibles £'000	Total £'000
<b>Cost</b>			
As at 31 January 2015 (Audited)	24	141	165
Additions in the year	-	-	-
Disposals	(24)	(141)	(165)
<b>As at 31 January 2016 (Unaudited)</b>	-	-	-
<b>Amortisation</b>			
As at 31 January 2015 (Audited)	21	141	162
Amortisation for the year	3	-	3
Disposals	(24)	(141)	(165)
<b>As at 31 January 2016 (Unaudited)</b>	-	-	-
<b>Net book value</b>			
As at 31 January 2015 (Audited)	3	-	3
<b>As at 31 January 2016 (Unaudited)</b>	-	-	-

## FINCO CS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 12. Financial risk management

##### Financial liabilities

Financial liabilities as defined by IAS 39 comprise trade payables and certain other creditors. The combined carrying value as at 31 January 2016 is £49,399,000 (2015 £48,106,000).

Of this a total of £33,648,000 (2015 £32,545,000) is interest bearing and has an interest rate profile as follows

	Fixed	Floating	Total
	£'000	£'000	£'000
<b>As at 31 January 2016 (Unaudited)</b>			
Intercompany loans	33,648	-	33,648
	<b>33,648</b>	<b>-</b>	<b>33,648</b>

	Fixed	Floating	Total
	£'000	£'000	£'000
<b>As at 31 January 2015 (Audited)</b>			
Intercompany loans	32,545	-	32,545
	<b>32,545</b>	<b>-</b>	<b>32,545</b>

The carrying amounts of trade payables, accruals and other liabilities, including intercompany loans, are not materially different from their fair value.

##### Financial assets

Financial assets as defined by IAS 39 comprise cash, trade receivables and certain other debtors. The combined carrying value as at 31 January 2016 is £9,590,000 (2015 £10,669,000). Of this total, cash of £214,000 (2015 £823,000) earns interest at the bank variable rate.

##### Financial risk management

The Company's activities expose it to a variety of financial risks, including market risk (currency risk, cash flow interest rate risk), credit risk and liquidity risk. The overall risk management programme seeks to minimise potential adverse effects on the financial performance of the Company. The Company does not undertake any speculative treasury activities.

##### Market risk

##### Foreign exchange management

The Company operates primarily in the UK, however there is some foreign exchange risk, mainly associated with the Euro as a result of certain inter-company transactions within the Group being undertaken in the Euro.

The risks arising from operational activities are generally short term in nature and the Company's policy is to manage this through matching of cash flows in the relevant currencies. Gains and losses on these activities are fully reflected in the Income Statement of the period in which they arise.

Part of the Company's debt is denominated in Euros and the Company is exposed to foreign exchange translation risk on that debt. For every 10 per cent movement in the Euro, there is an approximate movement in equity of £4,912,000 (2015 £4,754,000).

## FINCO CS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 12. Financial risk management (continued)

##### Interest rate management

Interest rate risk management is governed by the interest rate risk on the Company's inter-company loans

At the Balance Sheet date and prior year Balance Sheet date, no inter-company debt facilities carried variable interest terms

##### Liquidity risk

The Company is financed through a mix of long and short term finance. The liabilities of the Company are primarily amounts owed to group undertakings. Full details are given in note 14. The outstanding payables owed to Group undertakings are not considered to be a significant liquidity risk. The Company's liquidity risk management policy requires that sufficient cash is maintained to meet short term external funding requirements.

The following table summarises the ageing of the liquidity risk

	Amounts owed to group undertakings	Trade payables	Accruals	Social security and other taxes	Total
Due as at 31 January 2016 (Unaudited)	£'000	£'000	£'000	£'000	£'000
Less than 1 month	8,398	258	17	3	8,676
Within 1 year	-	-	-	-	-
Within 2 years	-	-	-	-	-
Within 5 years	40,727	-	-	-	40,727
	49,125	258	17	3	49,403

##### Credit risk

Credit risk arises from cash, cash equivalents, outstanding receivables and committed transactions. The Company holds minimal cash and cash equivalents, and the outstanding receivables are owed by Group undertakings that are not considered to be a significant credit risk.



## FINCO CS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 13. Trade receivables and other debtors (continued)

Impaired receivables are £Nil in the current and prior year

As at 31 January 2016 amounts receivable of £2,479,000 (2015 £313,000) were past due but not impaired. These relate to trading receivable amounts from current Group undertakings. The ageing analysis of these receivables is as follows:

	Unaudited 2016 £'000	Audited 2015 £'000
less than 3 months	190	148
3 to 6 months	49	47
Over 6 months	2,240	118
	<b>2,479</b>	<b>313</b>

The carrying amounts of receivables are denominated in the following currencies:

	Unaudited 2016 £'000	Audited 2015 £'000
GBP	2,222	274
EUR	6,846	9,441
USD	311	284
	<b>9,379</b>	<b>9,999</b>

The other classes within trade and other receivables also do not contain impaired assets.

The maximum exposure to credit risk at the Balance Sheet date is the fair value of each class of receivables mentioned above. The Company does not hold any collateral as security.

## FINCO CS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 14 Trade payables and other creditors

##### Current

	Unaudited 2015 £'000	Audited 2014 £'000
Trade payables	258	279
Amounts owed to group undertakings	8,398	38,014
Accruals	17	64
Social security and other taxes	3	41
Other creditors	-	98
	<b>8,676</b>	<b>38,496</b>

##### Non-current

	Unaudited 2015 £'000	Audited 2014 £'000
Amounts owed to group undertakings	40,727	9,749
	<b>40,727</b>	<b>9,749</b>

£8,398,000 (2015 £35,238,000) of the amounts owed to group undertakings are repayable on demand, £Nil (2015 £2,776,000) is repayable within 1 year, £40,727,000 (2015 £Nil) is repayable within five years and £Nil (2015 £9,749,000) is repayable within 6 years

£22,095,000 (2015 £21,765,000) bears interest at a rate of 0.258% p a , £8,735,000 (2015 £7,106,000) at a rate of 5.258% p a , £Nil (2015 £306,000) at a rate of 12.258% p a and £2,818,000 (2015 £3,368,000) at a rate of 12.4%

All other amounts owed to group undertakings are non-interest bearing

Subsequent to the balance sheet date, a set off agreement was signed between the Company and another group undertaking, Finco II Srl, with an effective date of 6 February 2015. The effect of this set off agreement was to reduce both the Company's receivable and payable amounts, to and from Finco II Srl, by EUR 3,333,000 and this has been reflected in these financial statements for reasons of materiality.

#### 15. Employee benefits

##### Defined contribution plan

The Group operates defined contribution pension plans for eligible employees. Contributions are paid by the member and/or the employer at fixed rates. The benefits secured at retirement or death reflect each employee's accumulated fund and the cost of purchasing benefits at that time.

The charge for the year represents the employer's contribution at the Balance Sheet date. The charge to the Income Statement for defined contribution plans was £8,000 (2015 £28,000).

## FINCO CS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 16. Provisions

Estimated fees associated with a litigation case in relation to Damovo Czech are £25,000 and have been fully provided for in both the current and prior year

In the prior year, costs of £63,000 associated with the sale of the trading subsidiaries were fully provided for. Also, as a result of these disposals, there were staff redundancies at a cost of £557,000 and these were fully provided for in the prior year also

#### 17. Ordinary shares

	Unaudited 2016 £	Audited 2015 £
<b>Authorised</b>		
686,973 Ordinary shares of £1	686,973	686,973
<b>Allotted, called up and fully paid</b>		
686,973 Ordinary shares of £1	686,973	686,973

#### 18 Reserves

The reserves of the Company are shown below and reflect the transactions shown in the Income Statement and Statement of Changes in Equity

	Retained earnings £'000
<b>As at 31 January 2014 (Audited)</b>	<b>(60,913)</b>
Profit for the year	22,173
<b>As at 31 January 2015 (Audited)</b>	<b>(38,740)</b>
Loss for the year	(1,782)
<b>As at 31 January 2016 (Unaudited)</b>	<b>(40,522)</b>

#### 19 Commitments and contingencies

##### Financial commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows

	Unaudited 2016 £'000	Audited 2015 £'000
Within 1 year	-	3
Between 2 and 5 years	-	-
	-	3

The Company's office lease expired at the end of April 2015 and was not renewed

The Company is a joint guarantor, together with fellow Group undertakings, of the €358M senior secured fixed and floating rate notes issued on 22 April 2005 by its previously associated company Damovo III S A. However, these Loan Notes have already matured and nothing more will be paid on them therefore these Notes were cancelled subsequent to the Balance Sheet date. See note 24, Post balance sheet events

## FINCO CS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 19 Commitments and contingencies (continued)

The Company is a joint guarantor, together with fellow Group undertakings, of the €20m Senior Secured Loan Notes due 31 December 2015 and the €10m Convertible Loan Notes due 31 December 2020. The €20 million Senior Secured Loan Notes were repaid in full in February 2015 and €2.5 million of capital and accrued interest was repaid on the €10 million Convertible Loan Notes in the current year. In August 2016, a further €1.1 million of capital and accrued interest was repaid on the €10 million Convertible Loan Notes. See Note 24, Post balance sheet events, for further details.

Except for the guarantees noted above, there are no contingent liabilities at 31 January 2016.

#### 20. Cash (used in) / generated from operations

		Unaudited 2016 £'000	Audited 2015 £'000
	Notes		
<b>Continuing operations</b>			
Profit / (Loss) before tax		(1,782)	22,173
Adjustments for:			
- Depreciation and amortisation	4	12	36
- Currency translation loss / (gain)	4, 6	708	(3,747)
- Loss on intangible asset and investment disposals		-	53
- Interest income	6	-	(39)
- Interest expense	6	916	1,921
Operating cash flows before movement in working capital		(146)	20,397
- (Increase) / decrease in trade receivables and other debtors		750	(6,652)
- (Decrease) / increase in trade payables and other creditors		(588)	(15,605)
- Increase / (decrease) in provisions		(620)	340
<b>Cash used in operations</b>		<b>(604)</b>	<b>(1,520)</b>

#### 21. Related party transactions

	Unaudited 2016 £'000	Audited 2015 £'000
<b>Group companies</b>		
Sales of services to both fellow and former group companies during the period	97	1,814
Amounts receivable from other group undertakings	9,135	9,357
Amounts payable to other group undertakings	(49,125)	(47,763)

The Company charged fellow and former group companies for providing central management services during the year.

Interest income and expense from related party transactions is disclosed at note 6, 'Finance costs and income'.

#### Directors' and key management remuneration

The remuneration of the directors and key management is set out in note 7 'Staff costs' and note 8 'Directors' remuneration'.

## FINCO CS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 22. Investments in subsidiary undertakings

	Country of Incorporation	% owned	Unaudited 31 January 2016 Carrying value £'000	Audited 31 January 2015 Carrying value £'000
Finco UK II Limited	UK	100%	-	-
<b>Total</b>			-	-

The Company investment in Finco UK II Limited (previously known as Damovo UK Finance II Limited) is 2,188,057 ordinary shares of £1 each

The principal activity of Finco UK II Limited is to lend finance to, and borrow finance from, other group companies

In the prior year, on 9 July 2014, the Damovo Group announced that it had sold its shareholdings in Damovo Mexico SA de CV. The consideration amount attributed to the sale of all the shares of Damovo Mexico SA de CV was €1 and so in the year to 31 January 2015 the Company's associated investment was written down to EUR nil. The principal activity of Damovo Mexico SA de CV is installation and servicing of information technology and telecommunication systems.

#### 23. Ultimate parent undertaking

The ultimate parent undertaking at 31 January 2016 was DGHL Limited, a Cayman Islands based company

#### 24. Post balance sheet events

On 5 August 2016, the former Damovo Group made an aggregate cash payment of capital and accrued interest of €1,138,000 to Convertible Loan Note Holders.

The outstanding capital balance of the Convertible Loan Notes at the date of signing these accounts is €8,431,000 and this is payable by 31 December 2020.

The Company is a joint guarantor, together with fellow Group undertakings, of the €358M senior secured fixed and floating rate notes issued on 22 April 2005 by its previously associated company Damovo III S A. These Loan Notes have already matured and nothing more will be paid on them therefore these Notes were cancelled, subsequent to the Balance Sheet date.

Subsequent to the balance sheet date, a set off agreement was signed between the Company and another group undertaking, Finco II Sarl, with an effective date of 6 February 2015. The effect of this set off agreement was to reduce both the Company's receivable and payable amounts, to and from Finco II Sarl, by EUR 3,333,000 and this has been reflected in these financial statements for reasons of materiality.

**FINCO CS LIMITED**

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Appendix

**FINCO CS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 January 2016**

**Registered Number: 4134744**

## **FINCO CS LIMITED**

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## **FINCO CS LIMITED**

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### **STATUTORY INFORMATION**

**Director**

Helen McCusker

**Secretary**

Robert G Hynd – resigned 26 February 2015

Salim Alam – appointed 26 February 2015

**Registered Office**

Tankerton Works

12 Argyle Walk

London

WC1H 8HA

**Bankers**

Royal Bank of Scotland plc

**Solicitor**

Akin Gump LLP

## **FINCO CS LIMITED**

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### **DIRECTOR'S REPORT**

The director presents her report and the unaudited financial statements of the Finco CS Limited Group ("Finco CS") for the year ended 31 January 2016 which consolidates the results of Finco CS Limited and its wholly owned subsidiary Finco UK II Limited. This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies. The Group is exempt from preparing a separate strategic report and the Group is also exempt from audit under section 479 of the Companies Act 2006 relating to small groups. Note that the prior year consolidated financial statements for the year ended 31 January 2015 are audited.

#### **Business review and principal activities**

Finco CS provides central support functions to the Finco Group (formerly Damovo Group) and generates turnover by charging other group companies for the provision of these services. In the prior year, Finco CS provided support services to current and former members of the Damovo Group up to the point of sale and thereafter Finco CS provided transitional services to those trading businesses for an agreed period of time, until the end of July 2015. The various sale transactions of the Damovo Group's trading subsidiaries completed in July 2014 and January 2015 and the transitional services provided were for the continued access and support of certain of the Group's information technology systems until 31 July 2015. This access and support was provided to all subsidiaries sold during the year ended 31 January 2015, to allow those businesses to continue to trade and migrate onto new systems within an agreed time frame.

Note that an element of expenses are not recharged hence a pre-exceptionals operating loss is incurred. Finco CS will continue to provide these services in the coming year.

Under the terms of the sale transactions which completed in January 2015, the Group was required to change its trading name and so the Group's name became Finco CS Limited, formerly Damovo Corporate Services Limited, during April 2015. At the same time, the Group's wholly owned subsidiary was also required to change its trading name and so became Finco UK II Limited, formerly Damovo UK Finance II Limited.

#### **Results and dividend**

Finco CS's loss for the year is £1,793,000 (2015: £21,972,000 profit) which is mainly driven by intercompany interest expense and currency exchange losses. The prior year profit was due to a reorganisation of intercompany balances just prior to the sale transaction in January 2015 as well as a settlement being received in connection with a legal case associated with the 2007 restructuring of the old Damovo Group. The director does not recommend payment of a dividend (2015: £Nil).

#### **Review of business and future developments**

Finco CS has established in prior years a number of inter-company loans resulting in it being in a net payables position to other group companies at the year end. It is not anticipated that this position will change in the foreseeable future.

At 31 January 2016, Finco CS had current assets of £3,695,000 (2015: £5,021,000) and current liabilities of £8,700,000 (2015: £39,141,000). At the same date, Finco CS had amounts owing to other group companies of £49,125,000 (2015: £47,763,000) and amounts due from group companies of £3,236,000 (2015: £3,555,000).

The Damovo Group sold all of its trading subsidiaries in the year ended 31 January 2015. Under the terms of the sale transactions, which completed during January 2015, the Group was required to change its trading name and so the Group's name became Finco CS Limited during April 2015.

#### **Going Concern**

Following the sale of the Group's trading subsidiaries in the prior year, the main purpose of the remaining Group is the collection and distribution of remaining amounts due to it and winding up the remaining Group companies. It is anticipated that this process could take approximately eighteen months to complete from the balance sheet date.

It is therefore the director's intention to cease trading at some point in the future therefore the director has concluded that the adoption of the going concern basis is not appropriate and these accounts have been prepared on a basis other than going concern.

#### **Key performance indicators ("KPIs")**

Given the straightforward nature of Finco CS's business, the director is of the opinion that an analysis using KPIs is not necessary for an understanding of the development, performance or position of Finco CS's business.

## **FINCO CS LIMITED**

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### **DIRECTOR'S REPORT (continued)**

#### **Directors**

The director who held office during the year and the director in place at the date of this report is set out on page 3

#### **Audit exemption**

For the year ending 31 January 2016, the Group was entitled to exemption from audit under section 479 of the Companies Act 2006 relating to small groups

The members have not required Finco CS to obtain an audit of its accounts for the year in question in accordance with section 476

The director acknowledges her responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to groups subject to the small groups regime

#### **By order of the board**



**Helen McCusker**  
Director  
15 December 2016

## **FINCO CS LIMITED**

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### **DIRECTOR'S RESPONSIBILITIES STATEMENT**

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the director must not approve the financial statements unless she is satisfied that they give a true and fair view of the state of affairs of Finco CS and of the profit or loss of Finco CS for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors

- Properly select and apply accounting policies,
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- Provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance, and
- Make an assessment of Finco CS's ability to continue as a going concern unless it is inappropriate to presume that Finco CS will continue in business

The director is responsible for keeping adequate accounting records that are sufficient to show and explain Finco CS's transactions and disclose with reasonable accuracy at any time the financial position of Finco CS and enable them to ensure that the financial statements comply with the Companies Act 2006. She is also responsible for safeguarding the assets of Finco CS and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

## FINCO CS LIMITED

### CONSOLIDATED INCOME STATEMENT

		Year ended 31 January 2016 Unaudited £'000	Year ended 31 January 2015 Audited £'000
	Notes		
Continuing operations			
Revenue	2	295	1,965
Administrative expenses		(603)	(2,453)
Non-recurring administrative expenses	3	144	4,421
Total administrative expenses		(459)	1,968
Operating profit / (loss)	4	(164)	3,933
Finance costs	6	(1,629)	(2,122)
Finance income	6	-	3 910
Non-recurring finance income	6	-	16 251
Net finance income / (costs)		(1,629)	18,039
Profit / (Loss) before taxation		(1,793)	21,972
Taxation	9	-	-
Profit / (Loss) for the year	18	(1,793)	21,972

All the activities of the Group are classed as continuing

The accompanying notes on pages 38 to 53 form part of these financial statements

## FINCO CS LIMITED

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 January 2016 Unaudited £'000	Year ended 31 January 2015 Audited £'000
Profit / (Loss) for the year and total comprehensive profit / (loss)	(1,793)	21,972

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Ordinary share capital £'000	Translation reserve £'000	Retained profit / (loss) £'000	Total equity £'000
At 31 January 2014 (Unaudited)		687	(680)	(66,380)	(66,373)
Exchange movements on translation of Finco UK II Limited results and net assets		-	547	-	547
Profit recognised in the income statement	18	-	-	21,972	21,972
<b>Total comprehensive profit for the year</b>		-	547	21,972	22,519
At 31 January 2015 (Audited)		687	(133)	(44,408)	(43,854)
Exchange movements on translation of Finco UK II Limited results and net assets		-	(85)	-	(85)
Profit recognised in the income statement	18	-	-	(1,793)	(1,793)
<b>Total comprehensive profit for the year</b>		-	(85)	(1,793)	(1,878)
At 31 January 2016 (Unaudited)		687	(218)	(46,201)	(45,732)

The accompanying notes on pages 38 to 53 form part of these financial statements

# FINCO CS LIMITED

## CONSOLIDATED BALANCE SHEET

		As at 31 January 2016 Unaudited £'000	As at 31 January 2015 Audited £'000
	Notes		
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	11	-	3
Property, plant and equipment	10	-	12
Investments in subsidiary undertakings	22	-	-
Trade receivables and other debtors	13	-	-
		-	15
<b>Current assets</b>			
Trade receivables and other debtors	13	3,480	4,197
Cash and cash equivalents		215	824
		<b>3,695</b>	<b>5,021</b>
<b>Total assets</b>		<b>3,695</b>	<b>5,038</b>
<b>Equity</b>			
Share capital	17	687	687
Translation reserve		(218)	(133)
Retained earnings	18	(46,201)	(44,408)
		<b>(45,732)</b>	<b>(43,854)</b>
<b>Current liabilities</b>			
Trade payables and other creditors	14	8,675	38,496
Provisions	16	25	645
		<b>8,700</b>	<b>39,141</b>
<b>Non-current liabilities</b>			
Trade payables and other creditors	14	40,727	9,749
		<b>40,727</b>	<b>9,749</b>
<b>Total liabilities</b>		<b>49,427</b>	<b>48,890</b>
<b>Total equity and liabilities</b>		<b>3,695</b>	<b>5,038</b>

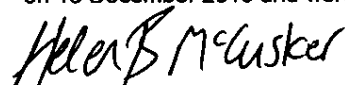
For the financial year in question the group was entitled to exemption under section 479 of the Companies Act 2006 relating to small groups

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small groups regime

The financial statements of Finco CS Limited, registered number 4134744, were approved by the Board of Directors on 15 December 2016 and were signed on its behalf by

  
Helen McCusker  
Director

The accompanying notes on pages 38 to 53 form part of these financial statements

## FINCO CS LIMITED

### CONSOLIDATED CASH FLOW STATEMENT

		Year ended 31 January 2016 Unaudited £'000	Year ended 31 January 2015 Audited £'000
	Notes		
<b>Cash flows from operating activities</b>			
Cash generated / (used in) operations	20	(604)	(1,518)
Interest paid		(5)	(25)
Interest received		-	15
Other financial income		-	4,545
<b>Net cash (used in) / generated from operating activities</b>		<b>(609)</b>	<b>3,017</b>
<b>Cash flows from investing activities</b>			
Purchase of property plant and equipment and Intangible assets	10, 11	-	-
<b>Net cash used in investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Settlement of group balances		-	1,165
Repayment of intercompany borrowings		-	(3,839)
<b>Net cash generated from financing activities</b>		<b>-</b>	<b>(2,674)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(609)</b>	<b>343</b>
<b>Movement in cash and cash equivalents</b>			
Opening cash and cash equivalents		824	481
Net (decrease) / increase in cash and cash equivalents		(609)	343
<b>Cash and cash equivalents at end of year</b>		<b>215</b>	<b>824</b>

The accompanying notes on pages 38 to 53 form part of these financial statements

## **FINCO CS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. Significant Accounting Policies**

The principal accounting policies adopted in the preparation of these financial statements are applied consistently and are set out below

##### **Basis of accounting**

The financial statements of Finco CS Limited, a limited liability company domiciled in the United Kingdom, have been prepared in accordance with International Financial Reporting Standards (IFRSs) adopted by the European Union (EU). The financial statements have been prepared under the historical cost convention, except for the measurement at fair value of certain financial instruments in accordance with IAS 39 (Financial Instruments Recognition and Measurement) as explained below

Following the sale of the Group's trading subsidiaries in the prior year, the main purpose of the remaining Group is the collection and distribution of remaining amounts due to it and winding up the remaining Group companies. It is anticipated that this process could take approximately eighteen months to complete from the balance sheet date.

It is therefore the director's intention to cease trading at some point in the future therefore the director has concluded that the adoption of the going concern basis is not appropriate and these accounts have been prepared on a basis other than going concern.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

##### **Going concern and financing arrangements**

At 31 January 2016, Finco CS had current assets of £3,695,000 (2015: £5,021,000) and current liabilities of £8,700,000 (2015: £39,141,000). At the same date, Finco CS had amounts owing to other group companies of £49,125,000 (2015: £47,763,000) and amounts due from group companies of £3,236,000 (2015: £3,555,000).

As stated above, it is the director's intention to cease trading at some point in the future therefore the director has concluded that the adoption of the going concern basis is not appropriate and these accounts have been prepared on a basis other than going concern.

##### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 January each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

##### **Adoption of new and revised Standards**

Finco CS has not early adopted any standards.

Several new standards and amendments are applicable for the first time during the year, however they do not impact the financial statements of Finco CS.

Standards and amendments to standards that have been issued but are not effective for the year ending 31 January 2016 and have not been early adopted (and in some cases have not yet been adopted by the EU) are:

Amendments to IAS 27: Equity Method in Separate Financial Statements

Amendments to IAS 1: Disclosure Initiative

## **FINCO CS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. Significant Accounting Policies (continued)**

##### **Adoption of new and revised Standards (continued)**

IFRS 9 Financial Instruments

IFRS 15 Revenue from Contracts with Customers

Annual Improvements to IFRSs – 2012 to 2014 cycle

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations

IFRS 16 Leases

Amendments to IAS 7 Disclosure Initiative

Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The director does not expect that the adoption of the standards listed above will have a material impact on the financial statements of Finco CS in future periods, except as follows

IFRS 9 will impact both the measurement and disclosures of Financial Instruments

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed

##### **Foreign currency translation**

British Pounds Sterling (GBP) is the presentation currency of Finco CS's financial statements. GBP is used by Finco CS for conducting the majority of its business and also for reporting its results. Where Finco CS carries out transactions in a different currency to its local one, the foreign currency amounts are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, such as trade receivables, trade payables and foreign currency bank accounts, are retranslated at the rate of exchange ruling at the end of the reporting period. All differences arising on translating these amounts are taken to the Statement of Comprehensive Income in the period in which they occur.

##### **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation is charged on a straight-line basis over the estimated useful life of the assets based on the following rates:

IT infrastructure and equipment	20%
Fixtures and fittings	20%

The book values of these assets are reviewed for impairment whenever changes in circumstances indicate those values may not be recoverable. If the book values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The recoverable amount is the greater of the estimated net sales price and the value in use. Value in use is calculated by discounting the estimated future cash flows arising from the asset's use to their present value.

**NOTES TO THE FINANCIAL STATEMENTS****1 Significant Accounting Policies (continued)****Intangible assets**

Intangible assets comprise software licences and trademarks and are stated at cost less amortisation. Amortisation is calculated on a straight-line basis over the shorter of the estimated useful life of the assets, or the length of the licences based on the following rates

Software licences	20 - 33%
Trademarks	5%

The book values of these assets are reviewed for impairment whenever changes in circumstances indicate those values may not be recoverable

**Revenue recognition**

Revenue is the recharging of central support function costs to Group companies. Also, during the prior year certain Group companies were sold to third parties and revenue was recognised in the current and prior year for the provision of transitional services to those companies. These recharges include a profit element and depending upon the nature of the recharge, revenue is taken to the income statement when the service is provided or in equal monthly instalments over the period for which the recharge relates

**Cash and cash equivalents**

Cash and cash equivalents comprise bank balances and short-term deposits with an original maturity of three months or less

**Investments**

Investments in subsidiary undertakings are recorded at cost less any provision for impairment

**Employee benefits***Pensions and other post-employment benefits*

Finco CS operates a defined contribution pension scheme for the benefit of all employees. The costs relating to this scheme are charged to the Income Statement as they fall due. Finco CS provides no other post-retirement benefits to its employees

**Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Finco CS's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where Finco CS is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future

## **FINCO CS LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS**

#### **1. Significant accounting policies (continued)**

##### **Taxation (continued)**

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the Income Statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and Finco CS intends to settle its current tax assets and liabilities on a net basis

##### **Non-recurring items**

Items are classified as non-recurring income or expenses where they are considered by Finco CS to be material and are different from events or transactions which fall within the ordinary activities of Finco CS and which individually, or if of a similar type, in aggregate, need to be disclosed by virtue of their size or incidence if the financial statements are to be properly understood. Details of the non-recurring items are provided in note 3 and note 6

##### **Provisions**

Provisions are recognised when Finco CS has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation

##### **Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Rentals payable under operating leases are charged to the Income Statement on a straight line basis over the term of the relevant lease

##### **Financial risk management**

A discussion of Finco CS's financial risk management objectives and policies and the exposure of Finco CS to liquidity, market and credit risk is included within note 12 to the financial statements

##### **Critical accounting judgements**

In the application of Finco CS's accounting policies, which are described in this note, the director is 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 ongoing 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 following are the critical judgements that the director has made in the process of applying Finco CS's accounting policies and that have the most significant effect on the amounts recognised in the financial statements

##### **Group undertakings**

It is assumed that all amounts owed by and to Group undertakings at the Balance Sheet date will be received and paid and therefore no provision has been made for these amounts

## FINCO CS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 2. Revenue

Finco CS's revenue and operating profit / (loss) relate entirely to its principal activities in the United Kingdom

#### 3. Non-recurring administrative expenses

Items are classified as non-recurring when they are considered by Finco CS to be material and are different from events or transactions which fall within ordinary activities of Finco CS and which individually, or if of similar type, in aggregate, need to be disclosed by virtue of their size or incidence if the financial statements are to be properly understood

Non-recurring items are made up of and have been (charged) / credited to the Income Statement as follows

	2016	2015
	Unaudited	Audited
	£'000	£'000
Settlement and professional fees associated with 2007 restructuring of the Group	-	3,724
Professional fees associated with the Damovo Czech litigation case	-	(25)
Professional fees associated with sale of subsidiaries	144	(289)
Redundancy cost	-	(599)
Write-off of old accounts payable invoices	-	1,610
<b>Non-recurring items included in operating loss</b>	<b>144</b>	<b>4,421</b>

#### 4. Operating profit / (loss)

Operating profit / (loss) is stated after the following charges which require to be disclosed

		2016	2015
		Unaudited	Audited
	Notes	£'000	£'000
Depreciation on assets			
- owned by the Company	10	9	24
Amortisation of intangible assets	11	3	12
Operating lease rentals payable			
- property		-	25
Currency translation (gains) / losses	6	(5)	124

## FINCO CS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 5. Auditor remuneration

	2016	2015
	Unaudited	Audited
	£'000	£'000
Fees payable to the company's auditor for the audit of company financial statements	-	13
Fees payable to the company's auditor for other services		
- Non-audit services - taxation compliance services	1	2
- Non-audit services - taxation advisory services associated with sale of subsidiaries	-	17
	1	32

#### 6 Finance costs and income

	2016	2015
	Unaudited	Audited
	£'000	£'000
Bank charges	(5)	(25)
Interest expense	-	(199)
Group undertakings interest	(911)	(1 896)
Loss on disposal of investment	-	(2)
Currency translation gains	(713)	-
<b>Finance costs</b>	<b>(1,629)</b>	<b>(2,122)</b>
Interest income from other group undertakings	-	24
External interest income	-	15
Currency translation gains	-	3 871
<b>Finance income</b>	<b>-</b>	<b>3,910</b>

#### Currency translation gains / (losses)

	2016	2015
	Unaudited	Audited
	£'000	£'000
Currency translation gains / (losses) included in		
-Operating (loss) / profit	5	(124)
-Finance costs	(713)	3,871
<b>Total currency translation (losses) / gains</b>	<b>(708)</b>	<b>3,747</b>

Currency translation gains and losses relate to the translation of the transactions and balances that are not denominated in Finco CS's functional currency, the GBP. The loss of £708,000 in the year ended 31 January 2016 (2015: £3,747,000 gain) is primarily due to the depreciation (2015: appreciation) of the GBP against the Euro.

#### Non-recurring finance income

Items are classified as non-recurring when they are considered by Finco CS to be material and are different from events or transactions which fall within ordinary activities of Finco CS and which individually, or if of similar type, in aggregate, need to be disclosed by virtue of their size or incidence if the financial statements are to be properly understood.

Non-recurring items are made up of and have been (charged) / credited to the Income Statement as follows:

## FINCO CS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 6. Finance costs and income (continued)

	2016	2015
	Unaudited	Audited
	£'000	£'000
Currency translation gain on inter-company receivable amounts from Damovo Czech held during the year	-	351
Write-off of inter-company liabilities	-	15 900
<b>Non-recurring items included in net finance income / (costs)</b>	<b>-</b>	<b>16,251</b>

#### 7. Staff costs

	2016	2015
	Unaudited	Audited
	£'000	£'000
	Note	
Wages and salaries	158	1,106
Social security costs	24	148
Pension costs – defined contribution plans	15 8	28
	<b>190</b>	<b>1,282</b>

The average number of employees in the year was 2 (2015 10)

The total remuneration of the key management during the year was £132,000 (2015 £640,000) including contributions to defined contribution pension plans of £6,000 (2015 £6,000). Emoluments received by key management were for services to all Group companies. Key management is defined as the directors who are listed on page 30 of this report and who served during the whole year or part of the year, as well as the former Group Chief Executive Officer.

#### 8. Directors' remuneration

	2016	2015
	Unaudited	Audited
	£'000	£'000
<b>Aggregate emoluments</b>		
Aggregate emoluments (including benefits in kind)	82	145
Company pension contributions to money purchase scheme	6	6
	<b>88</b>	<b>151</b>

	2016	2015
	Unaudited	Audited
	£'000	£'000
<b>Highest paid director</b>		
Aggregate emoluments (including benefits in kind)	82	83
Company pension contributions to money purchase scheme	6	6
	<b>88</b>	<b>89</b>

## FINCO CS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 9. Taxation

	2016	2015
	Unaudited	Audited
	£'000	£'000
Amount receivable from a group subsidiary in respect of group relief	-	-
<b>Total Tax</b>	-	-

#### Reconciliation of income taxes

The tax charge on the Finco CS's loss before tax has been based on the average current year tax rate of 20.17% (2015: 21.33%). The rate of corporation tax in the UK reduced to 20% from 21% from 1 April 2015. Future reductions in the current rate of UK corporation tax of 19% from 1 April 2017 and 18% from 1 April 2020 have been substantively enacted.

A reconciliation of the effective tax rate for the current year tax charge is set out as below:

	2016	2015
	Unaudited	Audited
	£'000	£'000
(Loss) / Profit before tax	(1,793)	21,972
Tax calculated at 20.17% (2015: 21.33%)	(362)	4,687
Expenses not deductible for tax purposes	348	(3,648)
Deferred tax not recognised	14	(1,039)
<b>Tax credit</b>	-	-

#### Deferred tax assets

Finco CS has an unrecognised deferred tax asset as noted below. It is not probable that taxable profits will be generated in the foreseeable future, against which deductible temporary differences and tax losses carried forward could be utilised.

	2016	2015
	Unaudited	Audited
	£'000	£'000
Depreciation in excess of capital allowances	3,979	3,966
Short term timing differences	2	18
Tax losses carried forward	1,959	1,507
<b>Deferred tax asset not recognised</b>	<b>5,940</b>	<b>5,491</b>

The unrecognised deferred tax asset of Finco CS has been calculated at 20% (2015: 20%).

## FINCO CS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 10. Property, plant and equipment

	IT infrastructure & equipment £'000	Fixtures & Fittings £'000	Total £'000
<b>Cost</b>			
As at 31 January 2015 (Audited)	9,415	1	9,416
Disposals	(9,415)	(1)	(9,416)
<b>As at 31 January 2016 (Unaudited)</b>	-	-	-
<b>Accumulated depreciation</b>			
As at 31 January 2015 (Audited)	9,403	1	9,404
Depreciation charge for the year	9	-	9
Disposals	(9,412)	(1)	(9,413)
<b>As at 31 January 2016 (Unaudited)</b>	-	-	-
<b>Net book value</b>			
As at 31 January 2015 (Audited)	12	-	12
<b>As at 31 January 2016 (Unaudited)</b>	-	-	-

#### 11. Intangible assets

	Software licences £'000	Other intangibles £'000	Total £'000
<b>Cost</b>			
As at 31 January 2015 (Audited)	24	141	165
Additions in the year	-	-	-
Disposals	(24)	(141)	(165)
<b>As at 31 January 2016 (Unaudited)</b>	-	-	-
<b>Amortisation</b>			
As at 31 January 2015 (Audited)	21	141	162
Amortisation for the year	3	-	3
Disposals	(24)	(141)	(165)
<b>As at 31 January 2016 (Unaudited)</b>	-	-	-
<b>Net book value</b>			
As at 31 January 2015 (Audited)	3	-	3
<b>As at 31 January 2016 (Unaudited)</b>	-	-	-

## FINCO CS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 12 Financial risk management

##### Financial liabilities

Financial liabilities as defined by IAS 39 comprise trade payables and certain other creditors. The combined carrying value as at 31 January 2016 is £49,399,000 (2015 £48,106,000).

Of this a total of £33,648,000 (2015 £32,545,000) is interest bearing and has an interest rate profile as follows:

	Fixed	Floating	Total
	£'000	£'000	£'000
As at 31 January 2016 (Unaudited)			
Intercompany loans	33,648	-	33,648
	33,648	-	33,648

	Fixed	Floating	Total
	£'000	£'000	£'000
As at 31 January 2015 (Audited)			
Intercompany loans	32,545	-	32,545
	32,545	-	32,545

The carrying amounts of trade payables, accruals and other liabilities, including intercompany loans, are not materially different from their fair value.

##### Financial assets

Financial assets as defined by IAS 39 comprise cash, trade receivables and certain other debtors. The combined carrying value as at 31 January 2016 is £3,692,000 (2015 £4,868,000). Of this total, cash of £215,000 (2015 £824,000) earns interest at the bank variable rate.

##### Financial risk management

Finco CS's activities expose it to a variety of financial risks, including market risk (currency risk, cash flow interest rate risk), credit risk and liquidity risk. The overall risk management programme seeks to minimise potential adverse effects on the financial performance of Finco CS. Finco CS does not undertake any speculative treasury activities.

##### Market risk

##### Foreign exchange management

Finco CS operates primarily in the UK; however, there is some foreign exchange risk mainly associated with the Euro as a result of certain inter-company transactions within the Group being undertaken in the Euro.

The risks arising from operational activities are generally short term in nature, and Finco CS's policy is to manage this through matching of cash flows in the relevant currencies. Gains and losses on these activities are fully reflected in the Income Statement of the period in which they arise.

Part of Finco CS's debt is denominated in Euros and Finco CS is exposed to foreign exchange translation risk on that debt. For every 10 per cent movement in the Euro, there is an approximate movement in equity of £4,912,000 (2015 £4,754,000).

##### Interest rate management

Interest rate risk management is governed by the interest rate risk on Finco CS's inter-company loans.

At the Balance Sheet date, no inter-company debt facilities carried variable interest terms.



## FINCO CS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 13 Trade receivables and other debtors (continued)

All amounts owed by Group undertakings in the current and prior year are repayable on demand. All amounts owed by group undertakings in the current and prior year are non-interest bearing.

Amounts owed by the group undertaking Damovo Czech, which were previously provided for in full, have been fully written off in the year to 31 January 2015. Balances owed by former Group undertakings Enterprise Digital Architects SpA, Damovo Group S A and Damovo III S A were previously fully provided for and were also fully written off in the year to 31 January 2015.

The carrying amounts of trade receivables and other debtors are equal to their fair values.

During the prior year, the Company received payment of £1,165,000 from Damovo Mexico, SA de CV, being the settlement of intercompany balances which were agreed to be paid as part of the sale transaction.

Subsequent to the balance sheet date, a set off agreement was signed between the Company and another group undertaking, Finco II Sarl, with an effective date of 6 February 2015. The effect of this set off agreement was to reduce both the Company's receivable and payable amounts, to and from Finco II Sarl, by EUR 3,333,000 and this has been reflected in these financial statements for reasons of materiality.

Impaired receivables are £Nil in the current and prior year.

As at 31 January 2016 amounts receivable of £2,479,000 (2015: £313,000) were past due but not impaired. These relate to trading receivable amounts from current Group undertakings. The ageing analysis of these receivables is as follows:

	2016	2015
	Unaudited	Audited
	£'000	£'000
less than 3 months	190	148
3 to 6 months	49	47
Over 6 months	2,240	118
	<b>2,479</b>	<b>313</b>

The carrying amounts of receivables are denominated in the following currencies:

	2016	2015
	Unaudited	Audited
	£'000	£'000
GBP	2,224	274
EUR	945	3,639
USD	311	284
	<b>3,480</b>	<b>4,197</b>

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the Balance Sheet date is the fair value of each class of receivables mentioned above. Finco CS does not hold any collateral as security.

## FINCO CS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 14 Trade payables and other creditors

##### Current

	2016	2015
	Unaudited	Audited
	£'000	£'000
Trade payables	258	279
Amounts owed to group undertakings	8,398	38 014
Accruals	16	64
Social security and other taxes	3	41
Other creditors	-	98
	8,675	38,496

##### Non-current

	2016	2015
	Unaudited	Audited
	£'000	£'000
Amounts owed to group undertakings	40,727	9,749
	40,727	9,749

£8,398,000 (2015 £35,238,000) of the amounts owed to group undertakings are repayable on demand, £Nil (2015 £2,776,000) is repayable within 1 year, £40,727,000 (2015 £Nil) is repayable within five years and £Nil (2015 £9,749,000) is repayable within 6 years

£22,095,000 (2015 £21,765,000) bears interest at a rate of 0.258% p a , £8,735,000 (2015 £7,106,000) at a rate of 5.258% p a , £Nil (2015 £306,000) at a rate of 12.258% p a and £2,818,000 (2015 £3,368,000) at a rate of 12.4%

All other amounts owed to group undertakings are non-interest bearing

Subsequent to the balance sheet date, a set off agreement was signed between the Company and another group undertaking, Finco II Sarl, with an effective date of 6 February 2015. The effect of this set off agreement was to reduce both the Company's receivable and payable amounts, to and from Finco II Sarl, by EUR 3,333,000 and this has been reflected in these financial statements for reasons of materiality.

#### 15. Employee benefits

##### Defined contribution plan

The Group operates defined contribution pension plans for eligible employees. Contributions are paid by the member and/or the employer at fixed rates. The benefits secured at retirement or death reflect each employee's accumulated fund and the cost of purchasing benefits at that time.

The charge for the year represents the employer's contribution at the Balance Sheet date. The charge to the Income Statement for defined contribution plans was £8,000 (2015 £28,000).

#### 16. Provisions

Estimated fees associated with a litigation case in relation to Damovo Czech are £25,000 and have been fully provided for in both the current and prior year.

In the prior year, costs of £63,000 associated with the sale of the trading subsidiaries were fully provided for. Also, as a result of these disposals, there were staff redundancies at a cost of £557,000 and these were fully provided for in the prior year also.

## FINCO CS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 17. Ordinary shares

	2016 Unaudited £	2015 Audited £
<b>Authorised</b>		
686 973 Ordinary shares of £1	686,973	686,973
<b>Allotted, called up and fully paid</b>		
686,973 Ordinary shares of £1	686,973	686,973

#### 18. Reserves

The Group's reserves are shown below and reflect the transactions shown in the Income Statement and Statement of Changes in Equity

	Retained earnings £'000
<b>As at 31 January 2014 (Unaudited)</b>	<b>(66,380)</b>
Loss for the year	21,972
<b>As at 31 January 2015 (Audited)</b>	<b>(44,408)</b>
Loss for the year	(1,793)
<b>As at 31 January 2016 (Unaudited)</b>	<b>(46,201)</b>

#### 19. Commitments and contingencies

##### Financial commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows

	2016 Unaudited £'000	2015 Audited £'000
Within 1 year	-	3
Between 2 and 5 years	-	-
	-	3

The Company's office lease expired at the end of April 2015 and was not renewed

The Group is a joint guarantor, together with fellow Group undertakings, of the €358M senior secured fixed and floating rate notes issued on 22 April 2005 by its previously associated company Damovo III S A. However, these Loan Notes have already matured and nothing more will be paid on them therefore these Notes were cancelled subsequent to the Balance Sheet date. See note 24, Post balance sheet events.

The Group is a joint guarantor, together with fellow Group undertakings, of the €20m Senior Secured Loan Notes due 31 December 2015 and the €10m Convertible Loan Notes due 31 December 2020. The €20 million Senior Secured Loan Notes were repaid in full in February 2015 and €2.5 million of capital and accrued interest was repaid on the €10 million Convertible Loan Notes in the current year. In August 2016, a further €1.1 million of capital and accrued interest was repaid on the €10 million Convertible Loan Notes. See Note 24, Post balance sheet events, for further details.

Except for the guarantees noted above, there are no contingent liabilities at 31 January 2016.

## FINCO CS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 20 Cash (used in) / generated from operations

		2016	2015
		Unaudited	Audited
	Notes	£'000	£'000
<b>Continuing operations</b>			
Loss before tax		(1,793)	21,972
Adjustments for			
- Depreciation and amortisation	4	12	36
- Currency translation (gain) / loss	4, 6	708	(3,747)
- Loss on intangible asset and investment disposals		-	55
- Interest income	6	-	(39)
- Interest expense	6	916	2 122
Operating cash flows before movement in working capital		(157)	20,399
- (Increase) / decrease in trade receivables and other debtors		750	(6,652)
- (Decrease) / Increase in trade payables and other creditors		(577)	(15 605)
- Increase / (decrease) in provisions		(620)	340
<b>Cash (used in) / generated from operations</b>		<b>(604)</b>	<b>(1,518)</b>

#### 21. Related party transactions

	2016	2015
	Unaudited	Audited
	£'000	£'000
<b>Group companies</b>		
Sales of services to both fellow and former group companies during the period	97	1,814
Amounts receivable from other group undertakings	3 236	3 555
Amounts payable to other group undertakings	(49 125)	(47 763)

The Company charged fellow and former group companies for providing central management services during the year

Interest income and expense from related party transactions is disclosed at note 6, 'Finance costs and income'

#### Directors' and key management remuneration

The remuneration of the directors and key management is set out in note 7 'Staff costs' and note 8 'Directors' remuneration'

## FINCO CS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 22 Investments in subsidiary undertakings

	Country of incorporation	% owned	31 January 2016 Carrying value £'000 Unaudited	31 January 2015 Carrying value £'000 Audited
Finco UK II Limited	UK	100%	-	-
Total			-	-

Finco UK II Limited is 100% owned and consolidated in the financial statements

The Company investment in Finco UK II Limited (previously known as Damovo UK Finance II Limited) is 2,188,057 ordinary shares of £1 each

The principal activity of Finco UK II Limited is to lend finance to, and borrow finance from, other group companies

On 9 July 2014, the Damovo Group announced that it had sold its shareholdings in Damovo Mexico SA de CV. The consideration amount attributed to the sale of all the shares of Damovo Mexico SA de CV was €1 and so in the year to 31 January 2015 the Company's associated investment was written down to EUR nil. The principal activity of Damovo Mexico SA de CV is installation and servicing of information technology and telecommunication systems

On 26 January 2015, Finco UK II Limited transferred its shareholdings in Damovo Polska Sp z o o, a fellow group undertaking, to Finco II S à r l (previously known as Damovo II S à r l and also a fellow group undertaking) for €1. The principal activity of Damovo Polska Sp z o o was the sale, installation and servicing of information technology and telecommunication systems. On 28 January 2015, the Damovo Group announced that it had sold its shareholdings in its European operating subsidiaries, including Damovo Polska Sp z o o, to a third party.

#### 23. Ultimate parent undertaking

The ultimate parent undertaking at 31 January 2016 was DGHL Limited, a Cayman Islands based company

#### 24. Post balance sheet events

On 5 August 2016, the former Damovo Group made an aggregate cash payment of capital and accrued interest of €1,138,000 to Convertible Loan Note Holders.

The outstanding capital balance of the Convertible Loan Notes at the date of signing these accounts is €8,431,000 and this is payable by 31 December 2020.

The Company is a joint guarantor, together with fellow Group undertakings, of the €358M senior secured fixed and floating rate notes issued on 22 April 2005 by its previously associated company Damovo III S A. These Loan Notes have already matured and nothing more will be paid on them therefore these Notes were cancelled, subsequent to the Balance Sheet date.

Subsequent to the balance sheet date, a set off agreement was signed between the Company and another group undertaking, Finco II Sarl, with an effective date of 6 February 2015. The effect of this set off agreement was to reduce both the Company's receivable and payable amounts, to and from Finco II Sarl, by EUR 3,333,000 and this has been reflected in these financial statements for reasons of materiality.