

Company Registration No. 2792167

DSG INTERNATIONAL TREASURY MANAGEMENT LIMITED

Annual Report and Financial Statements

year ended 30 April 2016



**DSG INTERNATIONAL TREASURY MANAGEMENT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS 2016**

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DSG INTERNATIONAL TREASURY MANAGEMENT LIMITED OFFICERS AND PROFESSIONAL ADVISORS

Directors

P A James (appointed 17 February 2016)
D M E Page (resigned 17 February 2016)
H S M Singer (resigned 17 February 2016)
B M Richardson (appointed 17 February 2016)

Secretary

DSG Corporate Services Limited

Registered office

1 Portal Way
London
W3 6RS

Bankers

HSBC Bank plc
8 Canada Square
London
E14 5HQ

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square
London
EC4A 3BZ

DSG INTERNATIONAL TREASURY MANAGEMENT LIMITED STRATEGIC REPORT

The directors present their annual report and the audited financial statements for the year ended 30 April 2016. Comparative figures are for the year ended 2 May 2015.

PRINCIPAL ACTIVITY

The principal activity of the Company is treasury management and funding to other companies in the Dixons Carphone plc group of companies (Dixons Carphone Group). Whilst the level of activity has reduced significantly as the majority of the Company's activities have been transferred to Dixons Carphone plc, the Company's ultimate parent, the Company continue to hold intercompany debt and is expected to do so for the foreseeable future.

BUSINESS REVIEW AND RESULTS

Objective and strategy

The objective of the Company is to deliver value to its shareholder.

Principal risks to achieving the Company's objective

(i) Interest rate risk

The principal interest rate risks of the Company arise in respect of cash and bank overdrafts and interest bearing loan balances with other members of the Dixons Carphone Group.

Results and financial position

The results of the Company are shown on page 7 and mainly comprise interest on cash and bank overdrafts and loans to and from the Dixons Carphone Group. The assets of the Company comprise intra-group debtors and liabilities principally comprise bank overdrafts and intra-group payables. The financial position of the Company at the year end was satisfactory.

By Order of the Board



B M Richardson
Director

31 January 2017

Registered office:
1 Portal Way
London
W3 6RS
Company Registration No. 2792167

DSG INTERNATIONAL TREASURY MANAGEMENT LIMITED DIRECTORS' REPORT

DIVIDENDS

The directors recommend that no dividend be paid (2014/15 £nil).

PRINCIPAL RISKS AND FUTURE DEVELOPMENTS

Details of principal risks and future developments can be found in the Strategic Report and form part of this report by cross-reference.

GOING CONCERN

The level of activity has reduced significantly as the majority of the Company's activities have been transferred to Dixons Carphone plc, the Company's ultimate parent. However, the Company continues to trade. The financial statements are prepared under the going concern basis as the Company has received commitments from its ultimate parent company that it will provide financial support if required to ensure that the Company can meet its liabilities as they fall due.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

DIRECTORS

The directors of the Company during the year and to the date of signing were:

	<u>Appointed</u>	<u>Resigned</u>
D M E Page		17 February 2016
H S M Singer		17 February 2016
P A James	17 February 2016	
B M Richardson	17 February 2016	

AUDITOR AND DISCLOSURE OF INFORMATION TO AUDITOR

Deloitte LLP are willing to continue in office as auditor of the Company and pursuant to section 487 of the Companies Act 2006, their term of office is deemed to continue.

In accordance with the provisions of Section 418 of the Companies Act 2006, each of the directors at the date of approval of this report confirms that, to the best of their knowledge and belief, and having made appropriate enquiries of other officers of the Company:

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

By Order of the Board



B M Richardson
Director

31 January 2017

Registered office:
1 Portal Way
London
W3 6RS
Company Registration No. 2792167

DSG INTERNATIONAL TREASURY MANAGEMENT LIMITED STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

DSG INTERNATIONAL TREASURY MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the member of DSG International Treasury Management Limited

We have audited the financial statements of DSG International Treasury Management Limited for the period ended 30 April 2016 which comprise the income statement, the balance sheet, the statement of changes in equity and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

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

Opinions

Financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2016 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

**DSG INTERNATIONAL TREASURY MANAGEMENT LIMITED
INDEPENDENT AUDITOR'S REPORT**

Matters on which we are required to report by exception

We have nothing to report upon in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Andy Siddons

Andy Siddons (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
31 January 2017

DSG INTERNATIONAL TREASURY MANAGEMENT LIMITED
INCOME STATEMENT
For the year ended 30 April 2016

		2015/16			2014/15		
	Note	Headline results £'000	Non- Headline* items £'000	Total £'000	Headline results £'000	Non- Headline* items £'000	Total £'000
Operating loss	2	(442)	-	(442)	(2,882)	(296)	(3,178)
Finance income	5	1,676	-	1,676	21,201	-	21,201
Finance costs	5	(10,891)	-	(10,891)	(19,567)	-	(19,567)
Net finance (expense)/income		(9,215)	-	(9,215)	1,634	-	1,634
Loss before tax		(9,657)	-	(9,657)	(1,248)	(296)	(1,544)
Income tax expense	6	-	-	-	(200)	-	(200)
Loss for the year		(9,657)	-	(9,657)	(1,448)	(296)	(1,744)

All operating loss is derived from continuing operations in the UK.

There are no other items of comprehensive income or expense other than the result for the current and preceding periods and therefore no statement of comprehensive income has been presented.

* Non-Headline items comprise impairment charges and fair value remeasurements of financial instruments. Further information on such items is shown in note 3.

DSG INTERNATIONAL TREASURY MANAGEMENT LIMITED
BALANCE SHEET
As at 30 April 2016

	Note	2016 £'000	2015 £'000
Current assets			
Trade and other receivables	7	62	17,360
Cash and cash equivalents		-	16
		<u>62</u>	<u>17,376</u>
Total assets		<u>62</u>	<u>17,376</u>
Current liabilities			
Bank overdrafts	8	(158,686)	(46,441)
Trade and other payables	9	(206,555)	(326,457)
		<u>(365,241)</u>	<u>(372,898)</u>
Net current liabilities		<u>(365,179)</u>	<u>(355,522)</u>
Total assets less current liabilities		<u>(365,179)</u>	<u>(355,522)</u>
Total liabilities		<u>(365,241)</u>	<u>(372,898)</u>
Net liabilities		<u>(365,179)</u>	<u>(355,522)</u>
Capital and reserves			
Called up share capital	10	-	-
Retained earnings		(365,179)	(355,522)
Total equity		<u>(365,179)</u>	<u>(355,522)</u>

These financial statements were approved by the directors on 31 January 2017 and signed on their behalf by:



B M Richardson

Director

Company Registration No. 2792167

DSG INTERNATIONAL TREASURY MANAGEMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 30 April 2016

	Share capital £'000	Retained earnings £'000	Total £'000
At 30 April 2014	-	(353,778)	(353,778)
Loss for the year	-	(1,744)	(1,744)
	<hr/>	<hr/>	<hr/>
At 2 May 2015	-	(355,522)	(355,522)
Loss for the year	-	(9,657)	(9,657)
	<hr/>	<hr/>	<hr/>
At 30 April 2016	-	(365,179)	(365,179)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

DSG INTERNATIONAL TREASURY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1 Basis of preparation

DSG International Treasury Management Limited (the Company) is a Company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 30 April 2016 the Company has undergone transition from reporting under IFRSs adopted by the European Union to FRS 101 as issued by the Financial Reporting Council. Accordingly, the financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council, incorporating the Amendments to FRS 101 issued by the Financial Reporting Council in July 2015 and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 prior to their mandatory effective date of accounting periods beginning on or after 1 January 2016.

This transition is not considered to have had a material effect on the financial statements.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

The financial statements have been presented in UK Sterling, the functional currency of the Company, and on the historical cost basis.

After making due enquiry, on the basis of current financial projections and the continuing support of the parent company, the directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The Company's income statement identifies separately Headline performance measures and Non-Headline items. Headline performance measures reflect adjustments to total performance. The directors consider 'Headline' performance measures to be a more accurate reflection of the ongoing trading performance of the Company and believe that these measures provide additional useful information to shareholders on the Company's performance and are consistent with how business performance is measured internally.

Headline results are stated before profits / (losses) on sale of investments and any exceptional items considered so one off and material that they distort underlying performance (such as reorganisation costs, impairment charges, and other non-recurring charges).

Non-Headline items in the prior period comprise impairment charges and fair value remeasurements of financial instruments. Items excluded from Headline results can evolve from one financial year to the next depending on the nature of exceptional items or one-off type activities described above.

Headline performance measures and Non-Headline performance measures may not be directly comparable with other similarly titled measures or 'adjusted' revenue or profit measures used by other companies.

There are no new accounting standards, amendments to standards or IFRIC interpretations which are effective for the Company for the first time during the current financial period which have had an impact on the Company's results or net assets.

The principal accounting policies are set out below.

1.2 Translation of foreign currencies

Transactions in foreign currencies are initially recorded at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange ruling at the balance sheet date. Exchange gains and losses arising on settlement or retranslation of monetary assets and liabilities are included in the income statement.

DSG INTERNATIONAL TREASURY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES continued

1.3 Financial assets

The Company's financial assets comprise cash and cash equivalents and those receivables which involve a contractual right to receive cash from external parties. Financial assets include all items shown in note 7. Under the classifications stipulated by IAS 39 trade and other receivables (excluding derivative financial instruments) are classified as "loans and receivables".

Other receivables

Other receivables (excluding derivative financial assets) are recorded at cost less an allowance for estimated irrecoverable amounts and any other adjustments required to align cost to fair value. Bad debts are written off when identified.

1.4 Tax

Current tax

Current taxation is the expected tax payable on the taxable income for the period, using prevailing tax rates and adjusted for any tax payable in respect of previous periods.

Deferred tax

Deferred tax liabilities are 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. Deferred tax is charged or credited in the income statement.

Deferred tax is measured based on tax rates and laws that have been enacted, or substantially enacted by the balance sheet date. Deferred tax balances are not discounted.

1.5 Borrowings and other financial liabilities

The Company's financial liabilities are those which involve a contractual obligation to deliver cash to external parties at a future date. Financial liabilities comprise all items shown in notes 8 and 9. Under the classifications stipulated by IAS 39, bank overdrafts and trade and other payables are classified as "financial liabilities measured at amortised cost".

1.6 Derivative financial instruments

Derivative financial instruments held by the Company are initially recognised in the balance sheet at fair value within assets or liabilities as appropriate and then subsequently remeasured to fair value at each balance sheet date. Gains and losses arising from revaluation at the balance sheet date are recognised in the income statement as the derivative financial instruments held by the Company do not qualify for hedge accounting due to the hedged items being held by Dixons Carphone plc subsidiary companies.

Fair values are derived from market values. The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

1.7 Estimates, judgements and critical accounting policies

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. Actual results could differ from these estimates and any subsequent changes are accounted for with an effect on income at the time such updated information becomes available.

There are not considered to be any significant estimates or subjective or complex judgements required in the preparation of the Company's financial statements.

DSG INTERNATIONAL TREASURY MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

2. OPERATING LOSS

	2015/16			2014/15		
	Headline £'000	Non- Headline £'000	Total £'000	Headline £'000	Non- Headline £'000	Total £'000
Administrative expenses	(199)	-	(199)	(239)	(287)	(526)
Other operating charges	(243)	-	(243)	(2,643)	(9)	(2,652)
Operating loss	<u>(442)</u>	<u>-</u>	<u>(442)</u>	<u>(2,882)</u>	<u>(296)</u>	<u>(3,178)</u>

Other operating charges relate to the losses on translation of assets and liabilities held in foreign currencies, and losses on derivative financial instruments.

Non-Headline items comprise impairment charges and fair value remeasurements of financial instruments.

	2015/16 £'000	2014/15 £'000
Operating loss is stated after charging:		
Net foreign exchange losses	243	20,083
Gains on derivative financial instruments	-	(17,440)
Auditor's remuneration – audit services	-	22
	<u>-</u>	<u>22</u>

For 2015/16 the auditor's remuneration of £22,000 is borne by another group undertaking.

3. NON-HEADLINE ITEMS

	2015/16 £'000	2014/15 £'000
Provision for intercompany debtors	-	(287)
Net fair value remeasurement losses on financial instruments	-	(9)
Total impact on operating loss	<u>-</u>	<u>(296)</u>

Net fair value remeasurement gains and losses on revaluation of financial instruments: These represent the gains and losses arising from the revaluation of derivative financial instruments under methodologies stipulated by IAS 39 compared with those on an accruals basis (the basis upon which all other items in the financial statements are prepared). Such a treatment is a form of revaluation gain or loss created by an assumption that the derivatives will be settled before their maturity.

4. EMPLOYEES AND DIRECTORS

The Company had no employees during the year (2014/15 none). The directors received no remuneration for services to the Company during the year (2014/15 £nil).

DSG INTERNATIONAL TREASURY MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

5. NET FINANCE (EXPENSE) / INCOME

	2015/16	2014/15
	£'000	£'000
Interest on loans to group undertakings	306	20,846
Bank and other interest receivable	1,370	355
	<hr/>	<hr/>
Finance income	1,676	21,201
	<hr/>	<hr/>
Interest on loans from group undertakings	(7,005)	(18,720)
Bank loans, overdrafts and other interest payable	(3,886)	(847)
	<hr/>	<hr/>
Finance costs	(10,891)	(19,567)
	<hr/>	<hr/>
Total net finance (expense) / income	(9,215)	1,634
	<hr/> <hr/>	<hr/> <hr/>

6. TAX

(a) Income tax expense

	2015/16	2014/15
	£'000	£'000
Current tax		
UK corporation tax at 20% (2014/15 20.92%)	-	-
	<hr/>	<hr/>
Deferred tax		
Current year	-	202
Charge in respect of tax rate change	-	(2)
	<hr/>	<hr/>
	-	200
	<hr/>	<hr/>
Income tax expense	-	200
	<hr/> <hr/>	<hr/> <hr/>

The UK corporation tax rate for the year was 20% (2014/15 21% for the period up to 31 March 2015 and 20% thereafter).

A reconciliation of the notional to the actual taxation expense is set out below:

	2015/16	2014/15
	£'000	£'000
Loss before tax	(9,657)	(1,544)
	<hr/>	<hr/>
Tax on loss at UK corporation tax rate of 20% (2014/15 20.92%)	(1,931)	(323)
Group relief surrendered free of charge	2,245	2,202
Permanent differences	(314)	(1,897)
Provision for intercompany debtors	-	60
Adjustment to deferred tax in respect of tax rate change	-	(2)
Deferred tax asset not recognised	-	160
	<hr/>	<hr/>
Income tax expense	-	200
	<hr/> <hr/>	<hr/> <hr/>

DSG INTERNATIONAL TREASURY MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

6. TAX continued

(b) Deferred tax

	Other timing differences £'000
At 30 April 2014	200
Charged to the income statement	(200)
At 2 May 2015	-
Charged to the income statement	-
At 30 April 2016	-

7. TRADE AND OTHER RECEIVABLES

	2016 Current £'000	2015 Current £'000
Amounts due from group undertakings	62	17,360
	62	17,360

8. BORROWINGS

	2016 £'000	2015 £'000
Bank overdrafts	158,686	46,441

Certain bank accounts are part of a notional pooling mechanism whereby each bank only monitors net aggregate borrowings against group overdraft limits thus allowing subsidiary companies to borrow on overdraft or to deposit surplus cash via their own bank accounts. Interest is charged on overdrawn balances and paid on surplus cash at intercompany rates of LIBOR plus 2.25% for overdrafts and base rate with no margin for surplus cash balances.

DSG INTERNATIONAL TREASURY MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS

9. TRADE AND OTHER PAYABLES

	2016	2015
	Current	Current
	£'000	£'000
Amounts due to group undertakings	206,214	326,457
Accruals	358	-
	<u>206,214</u>	<u>326,457</u>

The carrying amount of trade and other payables approximates their fair value.

10. CALLED UP SHARE CAPITAL

	2016	2015
	£'000	£'000
Authorised		
100,000,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted and fully paid		
2 ordinary shares of £1 each	<u>£ 2</u>	<u>£ 2</u>

11. PARENT COMPANY

The Company's immediate parent is DSG International Holdings Limited.

The Company's ultimate parent and controlling entity is Dixons Carphone plc, a company incorporated in Great Britain and which is registered in England and Wales. Dixons Carphone plc is the parent of the largest and smallest group which includes the Company and for which consolidated financial statements are prepared. Copies of its financial statements may be obtained from its registered office at 1 Portal Way, London W3 6RS.