

Company Registration No.3891149

DSG EUROPEAN INVESTMENTS LIMITED

Annual Report and Financial Statements

year ended 1 May 2021

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**DSG EUROPEAN INVESTMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS 2021**

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**DSG EUROPEAN INVESTMENTS LIMITED
OFFICERS AND PROFESSIONAL ADVISORS**

Directors

A Eddles
K Jamieson
K Uqaili

Appointed 29 January 2021

Resigned 29 January 2021

Secretary

S Thomas

Registered office

1 Portal Way
London
W3 6RS

Bankers

HSBC Bank plc
8 Canada Square
London
E14 5HQ

DSG EUROPEAN INVESTMENTS LIMITED STRATEGIC REPORT

The directors present their annual report and the unaudited financial statements for the year ended 1 May 2021. *Comparative figures are for the year ended 2 May 2020.*

PRINCIPAL ACTIVITY

The Company is the holding company of a group of subsidiaries whose principal activities are the retail sale of high technology consumer electronics, personal computers, domestic appliances, photographic equipment, communication products and related financial and after-sales services. The Company's subsidiaries undertake business to business sales in the computer and communication sectors and also provide financial and other related services and investment in other Currys plc subsidiary companies. The directors anticipate that these activities will be maintained.

BUSINESS REVIEW AND RESULTS

Objective and strategy

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

Principal risk to achieving the Company's objective

Impairment risk

The Company holds equity investments in other subsidiary companies of Currys plc. The principal risk faced by the Company is an impairment in the value of these subsidiaries. These investments are assessed for impairment by the Directors annually or, if sooner, where an indicator of impairment arises.

Results and financial position

The results of the Company are shown on page 5. The assets of the Company comprise investments in a fellow group undertaking and intra-group balances.

The financial position of the Company at the year end was satisfactory.

Approved by the Board of Directors and signed on its behalf by:



K Jamieson

Director

25 March 2022

Registered office:

1 Portal Way

London

W3 6RS

Company Registration No. 3891149

DSG EUROPEAN INVESTMENTS LIMITED DIRECTORS' REPORT

DIVIDENDS

The directors recommend that no dividend be paid (2019/20: £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

As further described in note 1 to the financial statements, the Directors have formed a judgement that, at the time of approving the financial statements, there is reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future as the Company has received commitments from its ultimate parent company that it will provide financial support for a period of at least 12 months to ensure the Company can meet its liabilities as they fall due.

For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS

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

	<u>Appointed</u>	<u>Resigned</u>
A Eddles	29 January 2021	
K Jamieson		
K Uqaili		29 January 2021

The Company Secretary who served throughout the year and subsequently was S Thomas.

AUDIT EXEMPTION

For the year ended 1 May 2021, the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities in respect of audit exemption:

- The members have not 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; and
- The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

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



K Jamieson
Director

25 March 2022

Registered office:

1 Portal Way
London

W3 6RS

Company Registration No. 3891149

DSG EUROPEAN INVESTMENTS LIMITED DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 EUROPEAN INVESTMENTS LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 1 May 2021

	Note	Year ended 1 May 2021 £'000	Year ended 2 May 2020 £'000
Operating profit / (loss)	2	455,721	(6,928)
Income from shares in group undertakings		484,699	1,302
Finance costs	4	(5,357)	(8,760)
Profit / (loss) before and after taxation		935,063	(14,386)

All operating profits / (losses) are derived from continuing operations in the UK.

There are no other items of comprehensive income or expense other than the (loss) / profit for the current and preceding periods and therefore no statement of comprehensive income has been presented.

DSG EUROPEAN INVESTMENTS LIMITED
BALANCE SHEET
For the year ended 1 May 2021

	Note	1 May 2021 £'000	2 May 2020 £'000
Non-current assets			
Investments	6	334,875	338,232
Current assets			
Trade and other receivables	7	485,534	1,302
Total assets		820,409	339,534
Current liabilities			
Bank overdrafts		-	(187)
Trade and other payables	8	(9)	(454,010)
		(9)	(454,197)
Net current assets / (liabilities)		485,525	(452,895)
Total assets less current liabilities		820,400	(114,663)
Total liabilities		(9)	(454,197)
Net assets / (liabilities)		820,400	(114,663)
Capital and reserves			
Called up share capital	10	5	528,000
Retained earnings		820,395	(642,663)
Total equity		820,400	(114,663)


AUDIT EXEMPTION

For the year ended 1 May 2021, the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities in respect of audit exemption:

- The members have not 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; and
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

These financial statements were approved by the directors on **25 March 2022** and signed on their behalf by:



K Jamieson

Director

Registered office:

1 Portal Way

London

W3 6RS

Company Registration No. 3891149

DSG EUROPEAN INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 1 May 2021

	Share capital £'000	Retained earnings £'000	Total £'000
As at 27 April 2019	528,000	(628,277)	(100,277)
Loss for the year	-	(14,386)	(14,386)
Total comprehensive income for the year	-	(14,386)	(14,386)
As at 2 May 2020	528,000	(642,663)	(114,663)
Profit for the year	-	935,063	935,063
Total comprehensive income for the year	-	935,063	935,063
Capital reduction	(527,995)	527,995	-
At 1 May 2021	5	820,395	820,400

DSG EUROPEAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

1.1 Basis of preparation

DSG European Investments Limited (the "Company") is a Company incorporated in the United Kingdom, which is registered in England and Wales 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, 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.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to 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. Where relevant equivalent disclosures have been given in the group accounts of Currys plc.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements because it is included in the group accounts of Currys plc. The group accounts of Currys plc are available to the public and can be obtained as set out in note 10.

The financial statements have been presented in Pound Sterling, the functional currency of the Company derived from the Company's primary economic environment, and on the historical cost basis.

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 year ended 1 May 2021 which have had an impact on the Company's results or net assets. Certain other new accounting standards, amendments to existing accounting standards and interpretations which are in issue but not yet effective, either do not apply to the Company or are not expected to have any material impact on the Company's net results or net assets.

The principal accounting policies are set out below:

1.2 Going Concern

As further disclosed within the Directors' Report on page [x], the financial statements are prepared under the going concern basis as, after recovering the projections of the Company, the directors have a reasonable expectation that the Company has adequate resources to continue in operation for at least 12 months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

1.3 Translation of foreign currencies

The financial statements are presented in pounds Sterling, the functional currency of the Company's primary economic environment, and on the historical cost basis.

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 profit and loss account.

DSG EUROPEAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

1. ACCOUNTING POLICIES continued

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 at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted, or substantively enacted by the balance sheet date. Deferred tax balances are not discounted.

1.5 Non-derivative financial assets

Financial assets are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the investment. The Company's financial assets comprise investments in subsidiaries and those receivables which involve a contractual right to receive cash from external parties. Financial assets comprise all items shown in notes 6 and 7.

When the Company recognises a financial asset, it classifies it in accordance with IFRS 9 depending on the Company's intention with regard to the collection, or sale, of contractual cash flows and whether the financial asset's cash flows relate solely to the payment of principal and interest on the principal outstanding. All of the Company's assets measured at amortised cost are subject to impairments driven by the expected credit loss (ECL) model. The Company has adopted the simplified approach to calculate lifetime expected credit losses. Historical credit loss rates are applied consistently to groups of financial assets with similar risk characteristics. These are then adjusted for known changes in, or any forward-looking impacts on creditworthiness.

Financial assets are derecognised when the contractual rights to the cash flows expire, or the Company transfers the financial asset in a way that qualifies for derecognition in accordance with IFRS 9.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less any provision for impairment in value.

Investments are assessed for indicators of impairment at each balance sheet date. If there is objective evidence that the recoverable value of the investment has been reduced, an impairment loss is recognised in profit or loss. The recoverable amount of an investment is the higher of its fair value less costs to sell and its value in use.

Trade and other receivables

Trade and other receivables are initially measured at their transaction price. Where there is a significant financing component, trade and other receivables are discounted at contract inception using a discount rate that is at an arm's length basis and such that would be reflected in a separate financing transaction between the Company and the customer. Other receivables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, trade and other receivables are measured at amortised cost.

Receivable balances with other Group entities are reviewed for potential impairment based on the ability of the counterparty to meet its obligations. The net current asset / liability position of the entity is considered and where the amount due to the Company is not covered, the estimated cashflows of the counterparty and subsidiary companies with the ability to distribute cash to it are considered.

DSG EUROPEAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

1. ACCOUNTING POLICIES continued

1.6 Non-derivative 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. Financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities (or a part of a financial liability) are derecognised when the obligation specified in the contract is discharged, cancelled or expires. In the event that the terms in which the Company are contractually obliged are substantially modified, the financial liability to which it relates is derecognised and subsequently re-recognised on the modified terms.

Other payables

Other payables are initially recorded at fair value and subsequently measured at amortised cost.

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. The most critical accounting policies in determining the financial condition and results of the Company are those requiring the greatest degree of subjective or complex judgements. The Directors consider there are no critical accounting judgements or key sources of estimation uncertainty which affect these financial statements.

2. OPERATING PROFIT

The Company is exempt from audit and hence no audit fee was paid or accrued in the current or prior period. The auditors did not provide any non-audit services to the Company during the year (2019/20: £nil).

Operating profit in the year represents the formal release from amounts due to Currys Holdings Limited, a subsidiary company of Currys plc.

3. EMPLOYEES AND DIRECTORS

The Company had no employees during the year (2019/20: none). The directors received no remuneration for services to the Company during the year (2019/20: £nil).

4. FINANCE COSTS

	Year ended 1 May 2021 £'000	Year ended 2 May 2020 £'000
Interest payable to group undertakings	(5,356)	(8,756)
Interest payable on bank overdrafts	(1)	(4)
Finance costs	<u>(5,357)</u>	<u>(8,760)</u>

DSG EUROPEAN INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued

5. TAX

	Year ended 1 May 2021 £'000	Year ended 2 May 2020 £'000
Current tax:		
UK corporation tax at 19% (2019/20: 19%)	-	-
Deferred tax:		
Adjustment in respect of earlier periods	-	-
Income tax charge	-	-

A reconciliation of the notional to the actual income tax charge is set out below:

	Year ended 1 May 2021 £'000	Year ended 2 May 2020 £'000
Profit / (loss) before tax	935,063	(14,386)
Tax on profit / (loss) at UK corporation tax rate of 19% (2019/20: 19%)	177,662	(2,733)
Group relief surrendered free of charge	1,099	1,664
Items attracting no tax relief or liability	(86,668)	1,316
Non-taxable income from Group undertakings	(92,093)	(247)
Income tax charge	-	-

On 24 May 2021 the Finance Bill 2021 passed through all stages in the House of Commons and became substantively enacted, which included a legislative change to increase the rate of corporation tax from 19% to 25% with effect from 1 April 2023. As the Bill was not substantively enacted at the balance sheet date, its effects are not included in these financial statements

6. INVESTMENTS

	1 May 2021 £'000	2 May 2020 £'000
Investments in subsidiary undertakings		
Cost		
At beginning of year	345,161	345,161
At end of year	345,161	345,161
Impairment		
At beginning of year	(6,929)	-
Charge in the year	(3,357)	(6,929)
At end of year	(10,285)	(6,929)
Net book value at end of year	334,875	338,232

Details of the subsidiary undertakings are set out in note 13.

An impairment charge of £3,357,000 (2019/20: £6,929,000) was made to the Company's investment in Alfa s.r.l. during the year ended 1 May 2021, based on the recoverable amount of the investment.

DSG EUROPEAN INVESTMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS continued

7. TRADE AND OTHER RECEIVABLES

	1 May 2021 £'000	2 May 2020 £'000
Amounts due from subsidiary undertakings	485,534	1,302
	485,534	1,302

Trade and other receivables are non-interest bearing. The carrying amount of trade and other receivables approximates fair value.

Amounts due the ultimate parent company comprises an unsecured loan receivable repayable on demand with interest, charged at the relevant one month base rate less 50bps with a zero floor, capitalised on a monthly basis

8. TRADE AND OTHER PAYABLES

	1 May 2021 £'000	2 May 2020 £'000
Amounts due to ultimate parent undertaking	-	454,001
Accruals	9	9
	9	454,010

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

Amounts due to ultimate parent undertaking are payable within 12 months and bear interest at the Group's average deposit rate. The Company was released from these liabilities via a deed of waiver during the year.

9. CALLED UP SHARE CAPITAL

	1 May 2021 £'000	2 May 2020 £'000
Allotted and fully paid		
528,000,001 ordinary shares of £1 each	-	528,000
528,000,001 ordinary shares at £0.00001 each	5	-

During the period, the company undertook a capital reduction to reduce the nominal value of the ordinary shares from £1 each to £0.00001 per ordinary share.

10. PARENT COMPANY

The Company's immediate parent is DSG Overseas Investments Limited.

The Company's ultimate parent and controlling entity is Currys plc, a company incorporated in Great Britain and which is registered in England and Wales. Currys 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.

DSG EUROPEAN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS continued

11. EVENTS AFTER THE BALANCE SHEET DATE

On 15 September the Company's ultimate parent and controlling entity changed its name from Dixons Carphone plc to Currys plc.

12. SUBSIDIARY UNDERTAKINGS

The principal subsidiary undertakings at 1 May 2021 are listed below:

Name	Country of incorporation or registration	Share Class(es) Held	% Held	Business Activity	Registered Office
Alfa s.r.l.	Italy	Ordinary	100 ¹	Holding Company	Via monte Napoleone n.29, 20121 Milano
ElGiganten Aktiebolag	Sweden	Ordinary	100	Retail	Box 1264, 164, 29 Kista, Stockholm
ElGiganten A/S	Denmark	Ordinary	100	Retail	Arne Jacobsens Allé 16, 2 sal København S, 2300 Copenhagen
Elkjøp Nordic AS	Norway	Ordinary	100	Retail	Nydalsveien 18A, NO-0484 Oslo
Elkjøp Norge AS	Norway	Ordinary	100	Retail	Solheimsveien 10, NO-1473, Lørenskog
Gigantti Oy	Finland	Ordinary	100	Retail	Töölönlahdenkatu 2, FI-00100, Helsinki

¹ Interest held directly by DSG European Investments Limited

The following are the other subsidiary undertakings. All these companies are either holding companies or provide general support to the principal subsidiary undertakings listed above.

Name	Country of incorporation or registration	Share Class(es) Held	% Held	Registered office
CCC Nordic A/S	Denmark	Ordinary	100	Arne Jacobsens Allé 15, 8, 2300 København S.
Dixons Stores Group Retail Norway AS	Norway	Ordinary	100 ¹	Nydalsveien 18A, NO-0484 Oslo
El-Giganten Logistik AB	Sweden	Ordinary	100	Möbelsvagen 51, 556 52 Jönköping
Elcare Nordic Oy	Finland	Ordinary	100	Silvestintie 1, 01510, Vantaa
ElCare Workshop AS	Norway	Ordinary	100	Industrivegen, 53, 2212, Kongsvinger
Electrocare Nordic AB	Sweden	Ordinary	100	Arabygatan 9, 35246 Växjö, Kronobergs län
Elkjøp Holdco AS	Norway	Ordinary	100	Nydalsveien 18A, NO-0484 Oslo
Epoq Logistic DC k.s	Czech Republic	Ordinary	100	Evropská 668, 664 42 Modřice
Kungsgatan Concept Store AB	Sweden	Ordinary	100	Box 1264, 164, 29 Kista, Stockholm

¹ Interest held directly by DSG European Investments Limited.

The following are the other significant shareholdings of the Company, which are all held indirectly. All these companies have a principal activity of electrical retail sales and related services.

Name	Country of incorporation or registration	Share Class(es) Held	% Held	Registered Office
Elkjøp Fjordane AS	Norway	Ordinary	30	Fugleskjærgata 10, 6905 Flora

Consolidated financial statements have not been prepared as the Company is a wholly owned subsidiary of a company registered in England and Wales. The Company's financial statements present information about it as an individual undertaking and not as a group.

In the opinion of the directors the aggregate value of the shares in and amounts due from the Company's subsidiary undertakings are not less than the aggregate of the amounts at which these assets are included in the Company's balance sheet.