

DCD Finance (UK) Limited

Strategic Report, Report of the Directors
and Financial Statements

For the year ended

31 December 2017

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DCD Finance (UK) Limited

Annual report and financial statements for the year ended 31 December 2017

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Directors

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Directors

R J Huggins
F A Randeree

Secretary and registered office

C E Shelley
90 Long Acre
London
WC2E 9RA

Company number

03928481

Senior Statutory Auditor

Naresh Jani

Auditors

Andertons Europe Ltd
Chartered Certified Accountants &
Registered Auditors
Office 10
10-12 Baches Street
London
N1 6DL.

DCD Finance (UK) Limited

Report of the directors for the year ended 31 December 2017

Company Number 03928481

The directors present their report together with the financial statements for the year ended 31 December 2017.

Principal activities and review of the business

The principal activities of the group are those of providing the services of confirming agents, trade finance, factoring and invoice discounting facilities to small and medium sized enterprises.

The volume of business financed during the year was £ Nil (2016- £ Nil) and turnover for the year was £ Nil (2016 - £ Nil).

The company's subsidiaries ceased trading in 2008 and are now actively pursuing their debtors for recovery of trade debt.

Results and dividends

The consolidated profit and loss account is set out on page 5 and shows the loss for the year.

No dividend is paid during the year (2016 - £ Nil).

Directors

The directors of the company during the year were:

R J Huggins
F A Randeree

The directors in office during the year did not have any beneficial interests, including family interests, in the share capital of the company. However, F A Randeree is also a director of the parent company, DCD London & Mutual Plc, and his interests including family interests, in the share capital of that company are shown in its financial statements.

DCD FINANCE (UK) LTD

Directors' report for the year ended 31 December 2017 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- 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 and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for the safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

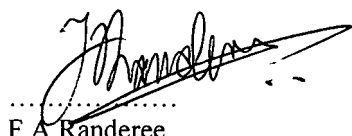
To the knowledge and belief of the directors, there is no relevant information that the company's auditors are not aware of, and the directors have taken all the steps necessary to ensure the directors are aware of any relevant information, and to establish that the company's auditors are aware of the information.

Auditors

A resolution to reappoint Andertons Europe Ltd as auditors of the company will be proposed at the forthcoming annual general meeting.

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Signed on behalf of the board



.....
F A Randeree

Approved by the Board on 9/8/18

DCD Finance (UK) Limited

Report of the independent auditors to the shareholders

Opinion

We have audited the financial statements of DCD Finance (UK) Ltd for the year ended 31 December 2017 on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

Emphasis of Matter

Possible outcome of lawsuits

In forming our opinion on the group financial statements, which are not qualified, we have considered the adequacy of disclosures made in note 1 to the trade finance and the factoring companies' financial statements concerning the possible outcome of legal action against major clients and against the companies' previous auditors – the ultimate outcome of which cannot presently be determined.

Subsidiaries that ceased trading

The trade finance and the factoring companies of the group ceased trading in 2008 and are actively pursuing their debtors for recovery of trade debt.

The provisions for bad debts in these companies accounts are based on directors' representations in the absence of third party confirmation and no provisions for recoveries of any monies and/or award of damages are made in the financial statements.

Opinion on financial statements

In our opinion, except for the possible effects of matters described in the Basis for Qualified Opinion paragraph the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2017 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Report of the independent auditors (*Continued*)

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

DCD Finance (UK) Limited

Report of the independent auditors (*Continued*)

Matters on which we are required to report by exception

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

We have nothing to report 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 not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

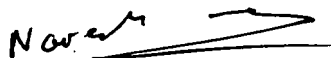
As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the director are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.



Naresh Jani FCCA (Senior Statutory Auditor)
For and on behalf of Andertons Europe Ltd
Statutory Auditors and Chartered Accountants
10-12 Baches Street
London N1 6DL

Date: 9/8/18

DCD Finance (UK) Limited

Consolidated income statement for the year ended 31 December 2017

	Note	2017 £	2016 £
Value of business financed	2	-	-
Turnover	2	-	-
Operating expenses		(26,124)	(19,075)
Other operating income		-	-
Operating loss	5	(26,124)	(19,075)
Other interest receivable and similar income		-	-
Interest payable and similar charges	6	(160)	(147)
Loss on ordinary activities before taxation		(26,284)	(19,222)
Taxation	7	-	-
Loss on ordinary activities after taxation		(26,284)	(19,222)
Other comprehensive income		-	-
Total comprehensive income for the year		(26,284)	(19,222)

There are no gains or losses for the year other than those recognised in the profit and loss account.

The company's subsidiaries ceased trading in 2008. Their turnover and operating results after other income are:


	Turnover	Operating profit/ (loss)
DCD Factors PLC	£ Nil - (2016 – £ Nil)	£ (20) - (2016– £ 18)
DCD Trade Services Limited	£ Nil - (2016 – £ Nil)	£ (26,244) - (2016 – £ (19,186))

The notes on pages 10 to 15 form part of these financial statements.

DCD Finance (UK) Limited**Consolidated balance sheet at 31 December 2017**

	Note	2017 £	2015 £	2017 £	2016 £
Current assets					
Debtors	9	573,739		602,641	
Cash at bank and in hand		232,873		223,543	
		<u>806,612</u>		<u>826,184</u>	
Creditors: amounts falling due within one year	10	(14,015,130)		(14,008,418)	
		<u></u>		<u></u>	
Net current assets			(13,208,518)		(13,182,234)
			<u></u>		<u></u>
Total assets less current liabilities			(13,208,518)		(13,182,234)
			<u></u>		<u></u>
Capital and reserves					
Called up share capital	11		2,007,209		2,007,209
Profit and loss account	12		(15,215,727)		(15,189,443)
			<u></u>		<u></u>
Shareholders' funds - equity	13		(13,208,518)		(13,182,234)
			<u></u>		<u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 9/8/18



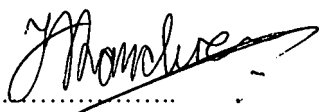
F A Randeree
Director

The notes on pages 10 to 15 form part of these financial statements.

DCD Finance (UK) Limited**Company balance sheet at 31 December 2017**

	Note	2017 £	2016 £
Current assets			
Debtors	9	122,140	122,140
Cash at bank and cash in hand		1,112	1,132
		<hr/>	<hr/>
Net assets		123,252	123,272
Creditors: amounts falling due within one year	10	(731,672)	(731,672)
		<hr/>	<hr/>
Total assets less current liabilities		(608,420)	(608,400)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	11	2,007,209	2,007,209
Profit and loss account	12	(2,615,629)	(2,615,609)
		<hr/>	<hr/>
Shareholders' funds - equity	13	(608,420)	(608,400)
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on 9/8/18


.....
F A Randeree
Director

The notes on pages 10 to 15 form part of these financial statements.

DCD Finance (UK) Limited**Consolidated statement of changes in equity as at 31 December 2017**

	Notes	Share Capital £	Retained earnings £	Total Equity £
At 1 January 2016		2,007,209	(15,170,221)	(13,163,012)
Comprehensive income for the year – Loss for the year		-	(19,222)	(19,222)
		<hr/>	<hr/>	<hr/>
At 31 December 2016		2,007,209	(15,189,443)	(13,182,234)
		<hr/>	<hr/>	<hr/>
Changes in equity				
Total Comprehensive Income		-	(26,284)	(26,284)
		<hr/>	<hr/>	<hr/>
Balance at 31 December 2017		2,007,209	(15,215,727)	(13,208,518)
		<hr/>	<hr/>	<hr/>

1 Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Basis of consolidation

The consolidated financial statements incorporate the results of DCD Finance (UK) Limited and all of its subsidiaries as at 31 December 2017 using the acquisition method of accounting whereby the results of the subsidiaries are included from the date of acquisition.

Turnover

Turnover represents commissions, interest earned, discount charges, factoring fees on value of business financed together with recoveries of certain direct charges and miscellaneous income, at invoiced amounts less value added tax.

The financial statements have been prepared on the going concern basis notwithstanding the material uncertainty of the possible outcome of legal action against its subsidiary companies' clients owing £ 18,486,409 including a major client owing £ 14,875,623 at the year end. Provisions for bad debts amounted to £ 18,181,674.

Depreciation

Depreciation is provided on fixed assets at the following annual rates which are estimated to write off their cost over their expected useful lives:

Fixtures, fittings and equipment	-	10% on cost
Computer equipment	-	33⅓% on cost

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date.

Deferred tax liabilities and assets are not discounted.

DCD Finance (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2017

1 Accounting policies *(Continued)*

Foreign currency

All transactions in foreign currencies are converted at the rates prevailing on the date of the transactions. Current assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the date of the balance sheet.

2 Turnover

Turnover represents commissions, interest earned, discount charges and factoring fees on the value of business financed together with recoveries of certain direct charges and miscellaneous income.

In the directors' opinion the disclosure of an analysis of results by class of business or geographical region would be prejudicial to the interests of the company. This information has therefore not been disclosed.

3 Employees

	2017 £	2016 £
Staff costs consist of:		
Wages and salaries	-	-
Social security costs	-	-
Other pension costs	-	-
Medical insurance	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
The average monthly number of employees, including directors, for the year were as follows:		
	Number	Number
Management	-	-
Administration	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

DCD Finance (UK) Limited**Notes forming part of the financial statements for the year ended 31 December 2017****4 Directors**

	2017 £	2016 £
Directors' emoluments consist of:		
Fees and remuneration for management services	-	-
Payments to defined contribution pension scheme	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

5 Operating (loss) / profit

	2017 £	2016 £
This has been arrived at after charging:		
Auditors' remuneration	2,250	3,000
Exchange (gains)/losses	(381)	(2,113)
	<u>1,869</u>	<u>887</u>

6 Interest payable and similar charges

	2017 £	2016 £
Bank charges	160	147
Bank interest	-	-
	<u>160</u>	<u>147</u>

7 Taxation on profit from ordinary activities

	2017 £	2016 £
<i>Corporation tax</i>		
UK Corporation tax of 20 % (2016– 20 %)	-	-
Overprovision in respect of prior years	-	-
	<u>-</u>	<u>-</u>
Total current tax on ordinary activities	-	-
	<u>-</u>	<u>-</u>
<i>Deferred taxation</i>		

The company's accounting policy in respect of deferred tax is set out in note 1 above. No provision has been made for deferred taxation as the directors do not expect timing differences to reverse in the foreseeable future.

DCD Finance (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2017

8 Investments

	Company £
<i>Investments in subsidiary undertakings</i>	
At 1 January 2017	-
At 31 December 2017	-

The subsidiaries of the company at the balance sheet date were:

Name	Activities	Holding of ordinary shares %	Nominal value £
DCD Factors Plc	Financing of receivables	100	1,900,000
DCD Trade Services Limited	Confirming and financing international trade	100	500,000

All of the above subsidiary undertakings are UK companies, and are included in the consolidated financial statements, and are subsidiary undertakings through majority shareholdings.

9 Debtors

	Group		Company	
	2017 £	2016 £	2017 £	2016 £
Factor debtors	304,765	304,765	-	-
Discounted bills	234	29,137	-	-
Amounts due from related undertakings	267,237	267,236	122,140	122,140
Other debtors and prepayments	1,503	1,503	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	573,739	602,641	122,140	122,140
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Gross factored debts	5,370,594	5,370,594	-	-
Due to clients on collection	(5,065,829)	(5,065,829)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Factor debtors	304,765	304,765	-	-

All amounts fall due for repayment within one year.

DCD Finance (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2017

10 Creditors: amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	98,167	98,167	3,844	3,844
Amount due to group undertaking	4,734,201	4,734,201	722,577	722,577
Amount due to related undertakings	8,153,255	8,153,255	-	-
Bank loan and overdraft	8	8	-	-
Other creditors and accruals	693,983	687,271	5,251	5,251
Other loans	335,516	335,516	-	-
	<u>14,015,130</u>	<u>14,008,418</u>	<u>731,672</u>	<u>731,672</u>

Other loans are unsecured, interest free and have no fixed repayment terms.

11 Share capital

	Authorised			
	2017	2016	2017	2016
	Number	Number	£	£
Ordinary shares of £1 each	5,000,000	5,000,000	5,000,000	5,000,000
	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
	Allotted, called up and fully paid			
	2017	2016	2017	2016
	Number	Number	£	£
Ordinary shares of £1 each	2,007,209	2,007,209	2,007,209	2,007,209
	<u>2,007,209</u>	<u>2,007,209</u>	<u>2,007,209</u>	<u>2,007,209</u>

12 Profit and loss account

	Group	Company
	£	£
At 1 January 2017	(15,189,443)	(2,615,609)
Loss for the year	(26,284)	(20)
	<u>(15,215,727)</u>	<u>(2,615,629)</u>
At 31 December 2017	(15,215,727)	(2,615,629)

DCD Finance (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 2017

13 Reconciliation of movement in shareholders' funds

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Loss for the year	(26,284)	(19,222)	(20)	(20)
At 1 January 2017	(13,182,234)	(13,163,012)	(608,400)	(608,380)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2017	(13,208,518)	(13,182,234)	(608,420)	(608,400)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

15 Ultimate parent company and controlling party

At 31 December 2017 the company's ultimate parent company and controlling party Dominion Group Limited, a company incorporated in Dubai, UAE, which is parent of both the smallest and the largest group of which the company is a member.

DCD London & Mutual Plc is the parent of the largest group in which the company is consolidated. Copies of the group financial statements of DCD London & Mutual Plc are available from Companies House.