

Colt Telecom Finance Sweden

Directors' report and financial statements

For the year ended 31 December 2015

Registered number: 4421628

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Colt Telecom Finance Sweden

Directors' report For the year ended 31 December 2015

The Directors present the report and audited financial statements of Colt Telecom Finance Sweden ("the Company") for the year ended 31 December 2015.

Principal activities and business review

The Company's principal activity is to act as a finance company for transactions denominated in Swedish Kroner ("SKr") within the Group comprising Colt Group S.A. and its subsidiaries ("the Group"). Colt Group S.A. is a company incorporated in Luxembourg. The results of the Company are included in the consolidated financial statements of Colt Group S.A. for the year ended 31 December 2015. The ultimate parent entity is FMR LLC.

The directors have adopted FRS 102 The Financial Reporting Standard applicable in the UK in 2015, the effects of which are disclosed in note 13 of these financial statements.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are integrated with the principal risks and uncertainties facing the Group and are not managed separately. Details of the risks and uncertainties facing the Group, the Group's financial risk management policy and an analysis of the performance of the Group, including key performance indicators, can be found in the consolidated Group annual report which does not form part of this report. The Group annual report is available from the Company's registered office, as set out in note 14 to the financial statements.

For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company.

Financial risk management

The management of the Company and the execution of the Company's strategy are subject to a number of financial risks. The Directors have identified the need to manage the Company's material financial risks, including liquidity, credit, interest rate and foreign currency risks. These risks are monitored through a Group Treasury management function which invests surplus funds, mitigates foreign exchange exposure and manages borrowings for Colt Telecom Finance Sweden.

The Treasury management function also seeks to limit counter-party risk by conducting most of its banking and dealing activities with a limited number of major international banks, whose status is kept under review.

Liquidity risk

There is a liquidity risk that the Company does not have sufficient funds to meet its liabilities. This is mitigated by the Company through financing through intercompany balances to ensure the Company has sufficient long-term and short-term investment funds available for current operations and future activities. Cash includes short-term and money market deposits as well as liquidity fund investments, all deposited for up to three months.

Credit risk

Cash and short-term investments are invested either in AAA unsecured money market mutual funds or placed on long term deposits with approved counterparties. The Company is exposed to a risk that intercompany entities default on the payment of their loans. Management mitigate this risk by performing credit assessments on these entities prior to entering into a loan. The parent company, Colt Group S.A., has also declared its intention to support the Company if necessary for the foreseeable future.

Interest rate risk

The Company has both interest bearing intercompany assets and interest bearing intercompany liabilities. No material exposure is considered to exist in respect of these balances as all intercompany loans have fixed interest rates. Interest is earned on short term cash deposits at variable as well as fixed rates; changes in interest rates will impact the amount of interest income earned.

Colt Telecom Finance Sweden

Directors' report (continued) For the year ended 31 December 2015

Foreign currency risk

To the extent that the Company enters into intercompany loan agreements in currencies different to that of the Company's functional currency, there is an exposure to movements in exchange rates. At 31 December 2015 the Company has intercompany loan agreements denominated in currencies other than Swedish Kroner. The Company does not use derivative financial instruments to manage foreign currency risk and as such, no hedge accounting is applied, therefore the Company is exposed to exchange rate risk. The Company seeks to match foreign currency assets and liabilities where possible and hedging is considered for significant foreign currency transactions.

Results and dividends

The profit on ordinary activities before taxation was SKr 69,379,957 (2014: Profit SKr 73,062,907). The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2015 (2014: SKr nil).

Directors

The Directors of the Company who held office during the year and up to the date of signing the financial statements were:

E Chengapen (appointed 26 January 2016)
C Griffin Pain
M Hewitt

The Company Secretaries who held office during the year up to the date of this report were:

V Benis (resigned 26 January 2016)
E Chengapen (appointed 26 January 2016)

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, comprising Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)* 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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 and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Colt Telecom Finance Sweden

Directors' report (continued) For the year ended 31 December 2015

Disclosure of information to auditors

Each person who is a director at the date of approval of this report confirms that:

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

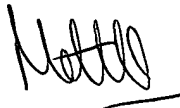
This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Qualifying third party indemnity provisions for the benefit of Directors

The Company has provided an indemnity for its directors and the secretary during the year, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006 and remains in force at the date of this report.

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

On behalf of the board



M Hewitt
Director

30 September 2016

Colt Telecom Finance Sweden

Independent auditors' report to the members of Colt Telecom Finance Sweden

Report on the financial statements

Our opinion

In our opinion, Colt Telecom Finance Sweden's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit 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.
-

What we have audited

The financial statements, included within the Directors' report and financial statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2015;
- the profit and loss account for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exemptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 3, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves


We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



Paul Barkus (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

30 September 2016

Colt Telecom Finance Sweden

Profit and loss account

For the year ended 31 December 2015

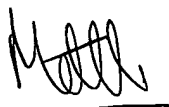
	Note	2015 SKr	2014 SKr
Impairment reversal	4	5,748,414	16,049,468
Administrative expenses		(5,462)	(5,256)
Operating profit		5,742,952	16,044,212
Interest receivable and similar income	6	66,495,657	61,134,177
Interest payable and similar charges	7	(2,858,652)	(4,115,482)
Profit on ordinary activities before taxation		69,379,957	73,062,907
Tax on profit on ordinary activities	8	-	-
Profit for the financial year		69,379,957	73,062,907

Colt Telecom Finance Sweden

Balance sheet As at 31 December 2015

	Note	2015 SKr	2014 SKr
Current assets			
Debtors	9	336,899,097	255,243,764
Cash at bank and in hand		977	439
Total current assets		<u>336,900,074</u>	<u>255,244,203</u>
Creditors: amounts falling due within one year	10	(14,638,705)	(13,111,353)
Net current assets		<u>322,261,369</u>	<u>242,132,850</u>
Total assets less current liabilities		<u>322,261,369</u>	<u>242,132,850</u>
Net assets		<u>322,261,369</u>	<u>242,132,850</u>
Capital and reserves			
Called up share capital	11	418,493,826	407,745,264
Retained earnings		(96,232,457)	(165,612,414)
Total equity		<u>322,261,369</u>	<u>242,132,850</u>

The financial statements on pages 7 to 18 were approved by the Board on 30 September 2016 and signed on its behalf by



M Hewitt
Director

Colt Telecom Finance Sweden

Registered number: 4421628

Colt Telecom Finance Sweden

Statement of changes in equity For the year ended 31 December 2015

	Called up share capital	Retained earnings	Total equity
	Skr	Skr	Skr
At 31 December 2013	410,698,220	(238,675,321)	172,022,899
Profit for the financial year	-	73,062,907	73,062,907
Issue of share capital	18,728,503	-	18,728,503
Cancellation of shares	(21,681,459)	-	(21,681,459)
At 31 December 2014	407,745,264	(165,612,414)	242,132,850
Issue of share capital	29,151,500	-	29,151,500
Cancellation of shares	(18,402,938)	-	(18,402,938)
Profit for the financial year	-	69,379,957	69,379,957
At 31 December 2015	418,493,826	(96,232,457)	322,261,369

Colt Telecom Finance Sweden

Notes to the financial statements For the year ended 31 December 2015

1. General Information

The Company's principal activity is to act as a finance company for transactions denominated in SKr within the Group comprising Colt Group S.A. and its subsidiaries ("the Group"). Colt Group S.A. is a company incorporated in Luxembourg. The address of its registered office is Beaufort House, 15 St Botolph Street, London, England, EC3A 7QN.

2. Statement of Compliance

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Summary of significant accounting policies

(A) Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Company has adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 13.

Basis of preparation

The financial statements are prepared under the historical cost convention.

These financial statements have been prepared on the going concern basis as the Company has received confirmation that it is the intention of Colt Group S.A. to continue to provide such financial support as may be necessary for the Company to continue in operation for the foreseeable future, for a period of at least 12 months from the date of signing the financial statements.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company has taken advantage of the following exemption:

- (i) The requirement to prepare a statement of cash flows under section 7 of FRS 102 paragraph 1.12(b) on the basis that it is a qualifying entity and its parent Colt Group S.A., includes the Company's cash flows in its own consolidated financial statements,

Foreign currency transactions

The financial statements are expressed in Swedish Kroner ("SKr"), which is the Company's functional currency. This is because the Company primarily generates income, incurs expenditure and has the majority of its assets and liabilities denominated in SKr. The exchange rate as at 31 December 2015 was SKr 9.1895/£1 (2014: SKr 9.3930/£1). Transactions in currencies other than the functional currency of the Company are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at closing exchange rates. Gains and losses arising on retranslation of monetary assets and liabilities are included in the profit and loss account.

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Notes to the financial statements (continued) For the year ended 31 December 2015

3. Summary of significant accounting policies (continued)

(A) Significant accounting policies (continued)

Debtors

Debtors are shown at their book value less any provision for bad or doubtful debts.

Impairment

Investments and debtors are reviewed for impairment whenever events or changes in circumstances indicate that carrying amounts may not be recoverable. An impairment loss is recognised to the extent that the carrying amount of an asset exceeds its recoverable amount, being the higher of its value in use and net realisable value.

Impairment provisions recognised in prior periods against assets are also reviewed for events or changes in circumstances that indicate that impairments should be reversed. When this is the case, the carrying amount of the asset is increased to its recoverable amount and an impairment reversal is included in the profit and loss account.

Interest receivable and similar income

Interest receivable and similar income is accounted for on an accruals basis.

Interest payable and similar charges

Interest payable and similar charges are accounted for on an accruals basis.

Strategic report

The Company has taken advantage of the small companies exemption provided by section 414b of the Companies Act 2006 as it would be entitled to prepare financial statements for the year in accordance with the small companies regime, but for being a member of an ineligible group, Colt Group S.A.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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Notes to the financial statements (continued) For the year ended 31 December 2015

3. Summary of significant accounting policies (continued)

(A) Significant accounting policies (continued)

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Cash

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities are subsequently carried at amortised cost, using the effective interest rate method.

Colt Telecom Finance Sweden

Notes to the financial statements (continued) For the year ended 31 December 2015

3. Summary of significant accounting policies (continued)

(A) Significant accounting policies (continued)

At the end of each reporting period the amortised cost is re-assessed taking into account the future expected cash flows of the asset. Any difference between the carrying amount of the financial liability and the previous carrying amount is recognised in the profit and loss account.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Related party transactions

The Company has taken advantage of the exemption under paragraph 33.7 from the provisions of FRS 102, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Colt Group S.A. and has not disclosed transactions with other group companies within the Colt Group.

(B) Critical judgements and key estimates and assumptions

Critical judgements in applying the entity's accounting policies

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

No significant accounting judgements have been applied in these financial statements.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Financial instruments – financing transactions

The Company has a number of arrangements which constitute financing transactions under section 11 of FRS 102. These transactions are measured at the present value of the future cash flows discounted at a market rate of interest. Estimations have been applied in determining the appropriate market rate of interest, which ranges from 8.7-13% based on the term of the loans and the prevailing market conditions over that term. See notes 6, 7, 9, 10.

Impairment

The carrying values of investments and intercompany debtors are reviewed for impairment only when events indicate the carrying value may be impaired. Impairment indicators include both internal and external factors. Examples of internal factors include analysing performance against budgets and assessing absolute financial measures for indicators of impairment. Examples of external considerations assessed for indications of impairment include wider economic factors.

Colt Telecom Finance Sweden

Notes to the financial statements (continued) For the year ended 31 December 2015

3. Summary of significant accounting policies (continued)

(B) Critical judgements and key estimates and assumptions (continued)

Where impairment indicators are present, the recoverable amounts of assets are measured. Asset recoverability requires assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of uncertain matters. In particular, management has regard to assumptions in respect of revenue mix and growth rates, EBITDA margins, timing and amount of capital expenditure, long-term growth rates and the selection of appropriate discount rates.

4. Profit on ordinary activities before taxation

The Company had no employees during the years ended 31 December 2015 and 31 December 2014.

The Company's audit fees of SKr 40,213 (2014: SKr 34,870) have been paid by another group company and are not recharged to the Company.

During 2015, a loan balance with a fellow subsidiary that had been provided against was forgiven by the subsidiary. The previous impairment provision was reversed in the profit and loss account of SKr 5,748,414 (2014: SKr 16,049,468).

5. Directors' emoluments

The emoluments of the Directors are not paid to them in their capacity as Directors of the Company (2014: nil) and are payable for services wholly attributable to other Colt Group S.A. subsidiary undertakings. Accordingly, no details in respect of their emoluments have been included in these financial statements. During the year there were no Directors (2014: nil) who exercised share options in the ordinary shares of the ultimate parent company, FMR LLC.

6. Interest receivable and similar income

	2015 SKr	2014 SKr
Interest receivable from fellow subsidiary companies	66,495,657	57,794,194
Exchange gains	-	3,339,983
	66,495,657	61,134,177

Interest receivable from fellow subsidiary companies relates to financial assets that are measured at amortised cost and calculated using the effective interest method.

Colt Telecom Finance Sweden

Notes to the financial statements (continued) For the year ended 31 December 2015

7. Interest payable and similar charges

	2015 SKr	2014 SKr
Interest payable to fellow subsidiary companies	-	191
Exchange losses	984,661	-
Total interest payable on financial assets not measured at fair value through the profit or loss	984,661	191
Other expense	1,873,991	4,115,291
Total interest payable and similar charges	2,858,652	4,115,482

Interest payable from fellow subsidiary companies relates to financial liabilities that are measured at amortised cost and calculated using the effective interest method.

Other expense reflects an adjustment to the carrying value of intra-group loans resulting from a change in their future estimated cash flows.

8. Tax on profit on ordinary activities

a) Analysis of tax charge in the period

There is no current tax charge arising in the years ended 31 December 2015 and 2014 as the Company had no taxable profits due to the availability of tax losses surrendered from other group Companies.

b) Reconciliation of tax charge

The tax expense assessed on the profit on ordinary activities is different from the standard rate of corporation tax in the UK of 20.25% (2014: 21.49 %) to the profit on ordinary activities as a result of the following factors:

	2015 SKr	2014 SKr
Profit on ordinary activities before tax	69,379,957	73,062,907
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.25% (2014: 21.49%)	14,049,441	15,701,219
Effects of:		
Non-taxable income	(13,319,191)	(15,285,038)
Group relief claimed for nil payment	(730,250)	(416,181)
Tax charge for the period	-	-

c) Tax rate charges

The main rate of corporation tax reduced from 21% to 20% from 1 April 2015. The UK Government introduced legislation in Finance Act 2015 to further reduce the main rate of corporation tax from 20% to 19% from 1 April 2017. Finance Act 2016 introduced a further reduction in the main rate of corporation tax from 19% to 17% with effect from 1 April 2020.

Colt Telecom Finance Sweden

Notes to the financial statements (continued) For the year ended 31 December 2015

9. Debtors

	At 31 December 2015 SKr	At 31 December 2014 SKr
Amounts falling due within one year:		
Amounts owed by group undertakings	<u>336,899,097</u>	<u>255,243,764</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>-</u>	<u>-</u>
	336,899,097	255,243,764

Amounts owed by group undertakings are unsecured, bear interest at the effective interest rate range of 0%-13% and are repayable in less than one year.

10. Creditors: amounts falling due within one year

	At 31 December 2015 SKr	At 31 December 2014 SKr
Amounts owed to group undertakings	<u>(14,638,705)</u>	<u>(13,111,353)</u>

Amounts owed to group undertakings are unsecured and are charged interest at the effective interest rate range of 0%-13% and due in less than one year.

11. Financial Instruments

Financial assets that are debt instruments
measured at amortised cost:

	At 31 December 2015 SKr	At 31 December 2014 SKr
Amounts falling due within one year:		
Amounts owed by group undertakings	<u>336,899,097</u>	<u>255,243,764</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>-</u>	<u>-</u>
	336,899,097	255,243,764

Financial liabilities measured at
amortised cost:

	At 31 December 2015 SKr	At 31 December 2014 SKr
Amounts owed to group undertakings	<u>(14,638,705)</u>	<u>(13,111,353)</u>

Colt Telecom Finance Sweden

Notes to the financial statements (continued) For the year ended 31 December 2015

12. Called up share capital

	At 31 December 2015 SKr	At 31 December 2014 SKr
Authorised 750,000,000 (2014: 750,000,000) ordinary shares of 1 SKr each	<u>750,000,000</u>	<u>750,000,000</u>
Allotted and fully paid 418,493,826 (2014: 407,745,264) ordinary shares of 1 SKr each	<u>418,493,826</u>	<u>407,745,264</u>

The issuing and cancelling of shares in the Company is used to hedge the parent company's exposure to Swedish Kroner balances with the Company. During 2015, 29,151,500 shares were issued and 18,402,938 shares were cancelled at par value via this process (2014: 18,728,503 shares were issued and 21,681,459 shares were cancelled). This was in exchange for an increase (for a share issue) or a reduction (for a share cancellation) in the loan balance with their parent company.

13. Transition to FRS 102

This is the first year that the Company has presented its results under FRS 102. The last financial statements under the previous version of UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended December 2014 and the total equity as at 1 January 2014 and 31 December 2014 between UK GAAP as previously reported and FRS 102.

		2014 Skr
Profit for the financial year		
UK GAAP – As previously reported		24,788,500
Intercompany loans adjustment		<u>48,274,407</u>
FRS 102		<u>73,062,907</u>
	At 1 January 2014	At 31 December 2014
	Skr	Skr
Total equity		
UK GAAP – As previously reported	280,322,676	302,158,219
Intercompany loans adjustment	<u>(108,299,777)</u>	<u>(60,025,369)</u>
FRS 102	<u>172,022,899</u>	<u>242,132,850</u>

Notes to the financial statements (continued) For the year ended 31 December 2015

13. Transition to FRS 102 (continued)

FRS requires financing transactions to be measured at the present value of the future cash flows discounted at a market rate of interest on initial recognition, with subsequent measurement at amortised cost using the effective interest rate method. Previously under UK GAAP they were recorded as being equal to the amount receivable/payable with associated interest at rates stipulated within the loan agreement where applicable less any impairment provisions.

Accordingly at the transition date of 1 January 2014 this resulted in an reduction to equity of SKr108,299,777 comprised of a distribution to a fellow subsidiary company of SKr 203,094,111 offset by cumulative pre-transition interest income of SKr 94,794,334.

During 2014 there was an increase in profit of SKr 48,274,407.

14. Ultimate parent company and controlling party

The ultimate parent company and controlling party is FMR LLC, which is the parent undertaking of the largest to consolidate these financial statements and is registered in United States of America. FMR LLCs financial statements are not publically available. The parent undertaking of the smallest group to consolidate these financial statements is Colt Group S.A., a company registered in Luxembourg. The immediate parent company is Colt Telecom Finance Euro, a company incorporated in the United Kingdom and registered in England and Wales.

Copies of Colt Group S.A.'s financial statements are available from its registered office at K2 Building, Forte 1, 2a rue Albert Borschette, L-1246 Luxembourg or from the Company's registered office at Beaufort House, 15 St Botolph Street, London, England, EC3A 7QN.