Blancco Finance Limited

Annual report and financial statements

Registered number 8974802

For the year ended 30 June 2017

Contents

Strategic Report

The Strategic report is prepared in accordance with The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Fair review of the company's business

The Company acts as an intermediate holding company for the Blanco Technology Group Plc.

Principal risks and uncertainties

Group risks are managed at group level, rather than on an individual business unit level. For this reason, the company's directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of the Company's business. The principal risks and uncertainties of the Blancco Technology Group, which include those of the Company, are discussed in the Group's annual report which does not form part of this report.

Results and dividends

The profit and loss account is set out on page 6 and shows the profit for the year. The profit for the year after tax was €1,464,813 (*2016*: €1,370,194).

Dividends received during the year were €148,891 (*2016: €nil*) and dividends paid were €1,310,000 (*2016: €nil*)

Position of the Company's business at the end of the year

The closing equity shareholder's funds at 30 June 2017 are €35,644,491 (*2016*: €35,489,678). The Company has net current assets of €35,644,491 (*2016*: €35,143,578) due to amounts owed by group undertakings of €35,900,583 (*2016*: €35,145,483).

Key performance indicators

The Blancco Technology Group manages its operations on a divisional basis. For this reason, the Company's directors believe that analysis using key performance indicators for the company is neither necessary nor appropriate for an understanding of the development, performance or position of the business of the company.

On behalf of the board

S E Herrick

S E Herrick
Director

6th Floor
60 Gracechurch Street
London
United Kingdom
EC3V 0HR

27 March 2018

Directors' report

The Directors presents their report together with audited financial statements for the year ended 30 June 2017.

Directors

The directors who served during the year was as follows:

J. Dhody (Resigned 31 October 2016)
K. Butcher (Resigned 13 March 2017)
S. E. Herrick (Appointed 13 March 2017)
M-L. I. Toye (Appointed 13 March 2017)

Political and charitable contributions

The company made no political or charitable contributions during the year.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirms that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director 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.

Change of Auditor

During the year, the audit of the ultimate parent company and its subsidiaries was put out to tender. Following this process, the audit committee of the ultimate parent company recommended to the Board that PricewaterhouseCoopers LLP be appointed as auditor to replace KPMG LLP. The Board of the ultimate parent company agreed with this recommendation. Therefore, a resolution to appoint PricewaterhouseCoopers LLP as auditor was proposed at the 2017 AGM of Blancco Technology Group Plc.

On behalf of the board

S E Herrick

S E Herrick
Director

6th Floor
60 Gracechurch Street
London
United Kingdom
EC3V 0HR

27 March 2018

Statement of directors' responsibilities in respect of the Strategic report, the Directors' report, and the financial statements

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Independent auditor's report to the members of Blancco Finance Limited

Opinion

We have audited the financial statements of Blancco Finance Limited ("the company") for the year ended 30 June 2017 which comprise the Profit and loss account, Balance Sheet, Statement of Changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Blancco Finance Limited
(continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

Stuart Smith (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
27 March 2018

Profit and loss account

	Note	For the year ended 30 June 2017 €	For the year ended 30 June 2016 €
Administrative expenses		**(176,762)**	(175,773)
Operating loss	2	**(176,762)**	(175,773)
Income from subsidiary undertakings		**148,891**	
Interest receivable and similar income	3	**1,619,080**	1,545,967
Profit on ordinary activities before taxation		**1,591,209**	1,370,194
Tax charge	8	**(126,396)**	-
Profit for the year being total comprehensive income		**1,464,813**	1,370,194

All of the activities of the Company are classed as continuing.

The Company has no recognised gains or losses other than the results for the current year as set out above.

Notes from page 10 to page 14 form part of the financial statements.

Balance sheet
at 30 June 2017

	Note	2017	2016
		€	€
Fixed assets			
Investments	5	-	346,100
Current assets			
Debtors	6	**35,900,583**	35,145,580
Cash and cash equivalents		**41,669**	32
		35,942,252	35,145,612
Creditors: Amounts falling due within one year	7	**(297,761)**	(2,034)
Net current assets		**35,644,491**	35,143,578
Net assets: being total assets less current liabilities		**35,644,491**	35,489,678
Capital and reserves			
Called up share capital	9	**30,211,292**	30,211,292
Share premium		**2,080,999**	2,080,999
Profit and loss account		**3,352,200**	3,197,387
Shareholders' funds		**35,644,491**	35,489,678

Notes from page 9 to page 13 form part of the financial statements.

These financial statements were approved by the board of directors on 24 March 2018 and were signed on its behalf by:

S E Herrick
Director

Company registered number: 8974802

Statement of changes in equity

	Called up share capital	Share premium	Profit and loss account	Total
	€	€	€	€
Balance at 30 June 2015	**30,211,292**	**2,080,999**	**1,827,193**	**34,119,484**
Profit for the period being total comprehensive income	-	-	1,370,194	1,370,194
Balance at 30 June 2016	**30,211,292**	**2,080,999**	**3,197,387**	**35,489,678**
Profit for the year being total comprehensive income	-	-	1,464,813	1,464,813
Dividend paid	-	-	(1,310,000)	(1,310,000)
Balance at 30 June 2017	**30,211,292**	**2,080,999**	**3,352,200**	**35,644,491**

Notes from page 10 to page 14 form part of the financial statements.

Notes

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements:

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101) and the Companies Act 2006 (the "Act"). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company is a qualifying entity for the purposes of FRS 101.

FRS 101 sets out amendments to EU-adopted IFRS that are necessary to achieve compliance with the Act and related Regulations.

In these financial statements, the Company has applied the exemptions under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes.
- Disclosures in respect of transactions with wholly owned subsidiaries of the ultimate parent undertaking.
- Disclosures in respect of compensation of key management personnel
- Certain disclosures required by IFRS 13 "Fair Value Measurement" and the disclosures required by IFRS 7 "Financial Instrument disclosures"
- Prior year disclosure of the intangible and tangible asset reconciliations

The financial statements have been prepared under the historical cost convention and on a going concern basis.

As the majority of the Company's transactions are denominated in Euros it has been decided that Euros should be the functional and presentational currency of the Company.

Going concern

The Company is currently in a net asset position and forecast to remain in this position for the foreseeable future. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Investments

Investments are included at cost less any amounts provided against their carrying value for impairment.

Impairment charges are recognised to the extent that the carrying value exceeds the recoverable amount in the period in which the impairment is identified.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Notes *(continued)*

1 Accounting policies *(continued)*

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

2 Operating loss

	2017	2016
	€	€
Operating loss is stated after charging/(crediting):		
Foreign exchange (gains)/losses	-	(55)
Auditor's remuneration	-	-

Fees paid to the company's auditors, KPMG LLP and its associates for other than the statutory audit of the company are not disclosed in these financial statements since the consolidated financial statements of the Company's parent, Blancco Technology Group Plc, are required to disclose non-audit fees on a consolidated basis. The audit fee was borne by another Group company.

3 Interest receivable and similar income

	2017	2016
	€	€
Interest receivable from group undertakings	**1,619,080**	1,545,967

4 Director's remuneration

No director received any remuneration during the period for their service to the Company which is incremental to their role as director for the Group.

Emoluments of the directors are borne by other Companies within the Blancco Technology Group and no recharge is made to the Company in respect of these emoluments.

Notes *(continued)*

5 Investments

	Shares in subsidiary undertakings
	€
Cost	
At 30 June 2016 & 2017	**346,100**
Impairment	
At 30 June 2016	-
Impairment in period	**(346,100)**
At 30 June 2017	(346,100)
Net book value	
At 30 June 2017	-
At 30 June 2016	346,100

During the period, the company's subsidiary undertaking began a process of liquidation and as such the investment value held reduced to €nil after a settlement of the investment balance as part of this procedure.The company's subsidiary undertakings are as follows. All of the subsidiary undertakings reside at the following address, Schiphol Boulevard 127, Schiphol 1118 BG, Netherlands, their registered address:

Company name	Principal activity of the company	Ownership percentage as at 30 June 2017	Country of incorporation
Held directly by the company			
Blancco Cooperatief WA	Holding Company	100%	Netherlands
Held indirectly by the company			
Blancco Finance BV	Holding Company	100%	Netherlands

6 Debtors

	2017	2016
	€	€
Amounts owed by group undertakings	**35,900,583**	35,145,483
Other debtors	**-**	97
	35,900,583	35,145,580

Amounts owed to group undertakings are repayable on demand and interest is charged at one month Euribor rate plus 2.5%.

Notes *(continued)*

7 Creditors

	2017	2016
	€	€
Amounts owed to group undertakings	**109,439**	2,034
Corporation tax	**126,396**	-
Trade creditors	**33,826**	-
Other creditors	**199**	-
Other accruals	**27,901**	-
	297,761	2,034

Amounts owed to group undertakings are interest free and repayable on demand.

8 Tax on profit of ordinary activities

Analysis of charge in year

	2017	2016
	€	€
UK Corporation tax		
Current tax	**126,396**	-
Total current tax charge	**126,396**	-
Tax on profit on ordinary activities	**126,396**	-

Factors affecting the tax charge for the current year

The total tax charge for the year is lower (*2016:* lower) than the standard rate of corporation tax in the UK of 19.75% (*2016:* 20%).The differences are explained below:

	2017	2016
	€	€
Current tax reconciliation		
Profit on ordinary activities before tax	**1,591,209**	1,370,194
Current tax at rate of 19.75% (*2016*: 20%)	**314,264**	274,039
Effects of:		
Income not taxable	**(187,173)**	(309,193)
Unrecognised losses	-	35,154
Rate Differences	**(695)**	-
Total taxation (see above)	**126,396**	-

A deferred tax asset of €nil (*2016:*€35,154) has not been recognised in respect of losses amounting to €nil (*2016*: €175,773).

Notes *(continued)*

8 Tax on loss of ordinary activities *(continued)*

Factors that may affect future tax charges

Reductions in the UK corporation tax rate to 19.75% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015.

An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge.

9 Share capital

	2017	2016
	€	€
Allotted, called up and fully paid:		
25,048,284 Ordinary shares of £1	**30,211,292**	30,211,292

10 Guarantees

The Company has guaranteed, via fixed and floating charges over the whole of its property, undertaking and assets, the bank borrowings of other companies in the Blancco Technology Group Plc. At 30 June 2017, the liability covered by this guarantee amounted to €11,304,240 (2016: €4,447,400).

11 Related Party Transactions

As a wholly owned subsidiary of Blancco Technology Group Plc, the Company is exempt from the requirements of IAS 24 to disclose transactions with other members of the group headed by Blancco Technology Group Plc.

12 Ultimate parent company

The directors considered that the ultimate parent undertaking of this Company is Blancco Technology Group Plc, which is registered in England and Wales.

The financial statements of the company are included within the group financial statements of Blancco Technology Group Plc but no other Group financial statements.

Copies of the Group financial statements may be obtained from the registered office:

6th Floor
60 Gracechurch Street
London
United Kingdom
EC3V 0HR