

Daotec Ltd

Registered number: 4296038

Daotec Ltd

Directors' report and financial statements for the year ended 31 December 2011



Daotec Ltd
Company Information

Directors Peter Krapfl (appointed 29 June 2012)
Oliver Jura (appointed 20 August 2012)

Company Number 4296038

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145-157 St John Street
London
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Independent auditors PricewaterhouseCoopers LLP
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WC2N 6RH

Daotec Ltd
Contents

	Page
Directors' report	1-2
Independent auditors' report	3-4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7-11

Daotec Ltd
Directors' report
for the year ended 31 December 2011

The directors present their report and the financial statements for the year ended 31 December 2011

Principal activities and future developments

The principal activity of the company continued to be the provision of telecommunications services. On 22 December 2011, the company became a wholly-owned subsidiary of Daotec Payment GmbH, a company registered in Austria. On 31 December 2011, the elements of the business that relate to the Daopay payment solutions service were transferred to Daotec Payment GmbH. These assets included customer and supplier contracts and intangible assets. Daotec Payment GmbH paid the company €307,000 for these assets, based on a valuation exercise.

Once the orderly transition of the business is complete, the company will focus the Interactive Voice Response ('IVR') services element of the business. This transfer represents a significant reduction in activity for the business. The IVR business is an ongoing business that the Directors believe will continue to earn profit and generate cash income. Therefore, the Directors have prepared these financial statements on a going concern basis.

Results

The loss for the financial year, amounted to €39,983 (2010 – profit €162,805). No dividends were proposed or paid during the year (2010 – nil). The company made no charitable or political donations during the current year or prior period.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Tony Scholl (appointed 16 September 2011)
Vaidehi Ashok Shah (appointed 16 September 2011)
Carl Rahn Griffith (resigned 20 August 2011)
William Davis (appointed 9 May 2011 & resigned 20 August 2011)
Robert Zapfel (resigned 16 September 2011)
Peter Krapfl (resigned 16 September 2011)
Tony Scholl (resigned 29 June 2012)
Peter Krapfl (re-appointed 29 June 2012)
Vaidehi Ashok Shah (resigned 20 August 2012)
Oliver Jura (appointed 20 August 2012)

Independent auditors

PricewaterhouseCoopers LLP were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put forward at a General Meeting.

Daotec Ltd
Directors' report
for the year ended 31 December 2011

Directors' responsibilities statement

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). 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 have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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.

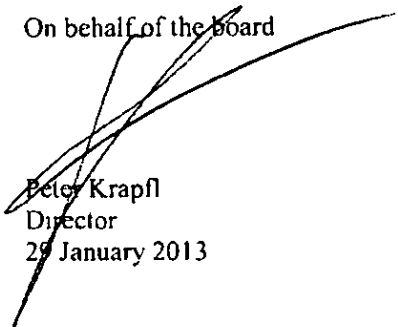
Statement of disclosure to auditors

Each of the persons who are directors at the time when the Directors' report is approved has confirmed that

- So far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- That director has taken all the steps that ought to have been taken as director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

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



Peter Krapfl
Director
29 January 2013

Daotec Ltd**Independent auditors' report to the members of Daotec Ltd**

We have audited the financial statements of Daotec Ltd for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of the loss for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006

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.

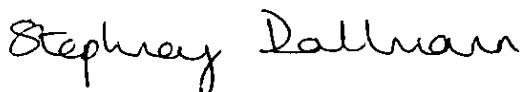
Daotec Ltd

Independent auditors' report to the members of Daotec Ltd

Matters on which we are required to report by exception

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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report



Stephney Dallmann (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

4 February 2013

Daotec Ltd
Profit and loss account
For the year ended 31 December 2011

		12 months to 31 December 2011 €	15 months to 31 December 2010 €
	Note		
Turnover	2	3,881,889	5,273,780
Cost of sales		<u>(2,493,648)</u>	<u>(4,266,586)</u>
Gross profit		1,388,241	1,007,194
Administrative expenses		<u>(1,750,182)</u>	<u>(801,884)</u>
Operating (loss)/profit	3	(361,941)	205,310
Profit on sale of operations		307,000	-
Interest receivable and similar income	5	5,041	772
Interest payable and similar charges	6	<u>(79)</u>	<u>-</u>
(Loss)/profit on ordinary activities before taxation		(49,979)	206,082
Tax on (loss)/profit on ordinary activities	7	<u>9,996</u>	<u>(43,277)</u>
(Loss)/profit for the financial year/period		<u>(39,983)</u>	<u>162,805</u>

On 31 December 2011 the elements of the business that relate to the Daopay payment solutions service were transferred to Daotec Payment GmbH for a consideration of €307,000. These assets included customer and supplier contracts and other intangible assets.

There were no recognised gains or losses other than those reported in the Profit and Loss account. Therefore no separate statement of recognised gains and losses has been presented.

There are no material differences between the profit and loss on ordinary activities before taxation and the profit for the year/period stated above, and their historical cost equivalents.

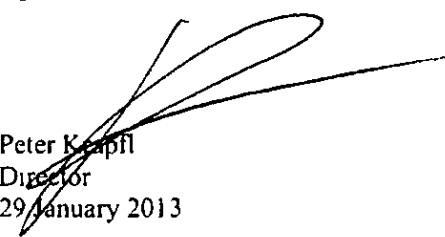
The notes on pages 7 to 11 form part of these financial statements.

Daotec Ltd
Balance Sheet
As at 31 December 2011

	Note	€	2011 €	€	2010 €
Fixed assets					
Intangible assets	8		2,056		5,199
Tangible assets	9		6,716		4,840
			<u>8,772</u>		<u>10,039</u>
Current assets					
Debtors	10	8,604,662		5,189,449	
Cash at bank and in hand		422,850		1,181,724	
		<u>9,027,512</u>		<u>6,371,173</u>	
Creditors: amounts falling due	11	<u>(8,894,929)</u>		<u>(6,199,874)</u>	
Within one year					
Net current assets			<u>132,583</u>		<u>171,299</u>
Net assets			<u>141,355</u>		<u>181,338</u>
Capital and reserves					
Called up share capital	12		3		3
Profit and loss account			141,352		181,335
Total shareholders' funds	13		<u>141,355</u>		<u>181,338</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements on pages 5 to 11 were approved by the Board of Directors on 29 January 2013 and signed on its behalf by


Peter Krapfl
Director
29 January 2013

The notes on pages 7 to 11 form part of these financial statements

Daotec Ltd
Notes to the financial statements
for the year ended 31 December 2011

1 Accounting policies

1.1 Basis of preparation of financial statements

The financial statements are prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom (Financial Reporting Standard for Smaller Entities (effective April 2008)). The principal accounting policies are set out below and have been applied throughout the year.

1.2 Turnover

Turnover represents the net of gross sales minus directly associated costs and the final amounts are also net of VAT and trade discounts. The company acts as an agent for a majority of the transactions in which it enters, and accordingly the turnover is presented net on the face of the profit and loss account. Details of gross sales and directly attributable costs are shown in note 2.

1.3 Patents

Patents are valued at cost less accumulated amortisation and recorded within intangible assets. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives of 5 years.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Office machines	-	25% straight line
Office equipment	-	10% straight line

1.5 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Euros at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

1.6 Interest

Interest is accrued as it is earned.

2. Turnover

The gross sales for the year ending 31 December 2011 were €23,849,730 (2010: €26,555,224) and the net turnover came to €3,881,889 (2010: €5,273,780) after deducting directly attributable costs of €19,967,841 (2010: €21,281,443). 96% (2010: 91%) of the company's turnover was to markets outside the United Kingdom.

Daotec Ltd**Notes to the financial statements
for the year ended 31 December 2011****3. Operating (loss)/profit**

The operating (loss)/profit is stated after charging

	12 months to 31 December 2011 €	15 months to 31 December 2010 €
Amortisation – intangible fixed assets	3,143	7,664
Depreciation of tangible fixed assets	394	606
Auditors' remuneration	16,800	21,125
Auditors' remuneration – other services	4,800	10,604

4. Directors' remuneration

	12 months to 31 December 2011 €	15 months to 31 December 2010 €
Emoluments	177,140	80,478

Peter Krapfl, Tony Scholl and Vardehi Ashok Shah have not received any remuneration for their services as directors of the company

No retirement benefits are accrued and no long-term incentive scheme is in place

5. Interest receivable and similar income

	12 months to 31 December 2011 €	15 months to 31 December 2010 €
Bank interest receivable	5,041	722

6. Interest payable and similar charges

	12 months to 31 December 2011 €	15 months to 31 December 2010 €
On bank loans and overdrafts	79	-

Daotec Ltd
Notes to the financial statements
for the year ended 31 December 2011

7. Tax on (loss)/profit on ordinary activities

The tax charge/(credit) is based on the profit/loss on ordinary activities for the year/period and represents

	12 months to 31 December 2011 €	15 months to 31 December 2010 €
Current tax:		
UK corporation tax at 20% (2010 21%)	-	43,277
Deferred tax:		
On taxable losses at 20%	(9,996)	-
Tax on (loss)/profit on ordinary activities	<u>(9,996)</u>	<u>43,277</u>

The tax assessed for the year/period is the same as (2010 – the same as) the small profits rate of corporation tax in the UK of 20% (2010 – 21%)

8. Intangible fixed assets

	Patents €
Cost	
At 1 January 2011 and 31 December 2011	<u>32,297</u>
Accumulated amortisation	
At 1 January 2011	27,098
Charge for the year	<u>3,143</u>
At 31 December 2011	<u>30,241</u>
Net book value	
At 31 December 2011	<u>2,056</u>
At 31 December 2010	<u>5,199</u>

Daotec Ltd**Notes to the financial statements
for the year ended 31 December 2011****9. Tangible Fixed Assets**

	Office Equipment €	Office Machines €	Total €
Cost or Valuation			
At 1 January 2011	3,847	3,964	7,811
Additions	-	2,270	2,270
At 31 December 2011	3,847	6,234	10,081
Accumulated depreciation			
At 1 January 2011	2,550	421	2,971
Charge for the year	370	24	394
At 31 December 2011	2,920	445	3,365
Net Book Value			
At 31 December 2011	927	5,789	6,716
At 31 December 2010	1,297	3,543	4,840

10. Debtors

	2011 €	2010 €
Trade debtors	2,133,131	2,296,287
Other debtors	6,461,535	2,893,162
Deferred tax asset	9,996	-
	8,604,662	5,189,449

11. Creditors**Amounts falling due within one year**

	2011 €	2010 €
Bank loans and overdrafts	620	-
Trade creditors	16,955	146,848
Taxation and social security	-	46,623
Other creditors	8,877,354	6,006,403
	8,894,929	6,199,874

Daotec Ltd**Notes to the financial statements
for the year ended 31 December 2011****12. Called up share capital**

	2011	2010
	€	€
Allotted, called up and fully paid		
2 (2010 2) Ordinary shares of £1 each	<u>3</u>	<u>3</u>

The issued share capital is shown as € 3 on the balance sheet, being translated at the historical rate of € 1,605 £1

13. Reconciliation of movement in shareholders' funds

	2011	2010
	€	€
Opening shareholders' funds	181,338	18,533
(Loss)/Profit for the year/period	<u>(39,983)</u>	<u>162,805</u>
Closing shareholders' funds	<u>141,355</u>	<u>181,338</u>

14. Related party transactions

On 22 December 2011, the company became a wholly-owned subsidiary of Daotec Payment GmbH, a company registered in Austria. On 31 December 2011 the elements of the business that relate to the Daopay payment solutions service were transferred to Daotec Payment GmbH. These assets included customer and supplier contracts and intangible assets. At 31 December 2011 Daotec Payment GmbH owed the company the purchase price of €307,000 for these assets, based on a valuation exercise.

The company was charged €2,493,648 by Daotec Telecom GmbH. The cost to the company of these services is based on an appropriate transfer pricing methodology. At 31 December 2011 Daotec Ltd owed Daotec Telecom GmbH €2,393,590.

At 31 December 2011 Daotec Facility Management GmbH owed the company €1,344,577.

Robert Zapfel owed the company €26,060 and Peter Krapfl owed the company €500. These amounts are interest free and have not been repaid by the date of approval of the accounts.

Peter Krapfl was paid €3,049 for consultancy services. Petra Scherr, an indirect shareholder of the parent company, was paid €107,033 for her services.

15. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Daotec Payment GmbH. The ultimate parent undertaking and controlling party is Daotec Telecom GmbH, a company incorporated in Austria.