

Registered number: 03282049

Cappgemini Financial Services UK Limited  
Annual report and financial statements  
for the year ended 31 December 2017



# **CAPGEMINI FINANCIAL SERVICES UK LIMITED**

**Registered number: 03282049**

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

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# **CAPGEMINI FINANCIAL SERVICES UK LIMITED**

**Registered Number: 03282049**

## **Company information**

### **Directors**

Christopher Merveilleux du Vignaux (resigned 15/05/2017)  
Jean-Baptiste Jacque Emmanuel Valery Massignon  
Thierry Dominique Marie Francois Delaporte (resigned 22/01/2018)  
Anthony John Deans (appointed 15/05/2017 and resigned 22/01/2018)  
James Robert Peter Gilshenan (appointed 22/01/2018)  
Anirban Bose (appointed 22/01/2018)

### **Company Secretary**

Julie Mangan

### **Independent auditor**

KPMG LLP  
15 Canada Square,  
London,  
E14 5GL, England

### **Banker**

NatWest Bank  
Cambridge Market Street Branch  
23 Market Street,  
Cambridge CB2 3PA

Citibank, N.A.  
145 West Street,  
Sandown, Sandton 2196  
Johannesburg, South Africa

### **Registered office**

1 Forge End  
Woking  
Surrey  
GU21 6DB, England

# **CAPGEMINI FINANCIAL SERVICES UK LIMITED**

Registered Number: 03282049

## **Strategic report for the year ended 31 December 2017**

The directors present the strategic report of Capgemini Financial Services UK Limited ("the Company") for the year ended 31 December 2017.

### **Principal activities**

During the year, the Company sold all its assets and liabilities including South Africa branch. The Company's principal activity (provision of computer consultancy services) are discontinued and there are no commercial activity as on the date of this report.

### **Results**

The profit for the year, after taxation, amounted to £37,972,770 (2016: £24,860,955).

### **Business review and future developments**

Turnover reduced by 99%, from £190,871,806 for the year ended 31 December 2016 to £2,543,523 for the year ended 31 December 2017 following the disposal of the Company's trade and assets as set out below. The Company has an operating profit of £611,889 as compared to an operating profit of £31,774,534 in previous year and net assets of £35,575,604 compared to net assets of £57,717,584 in the previous year.

The directors manage the Company's operations by implementing the Capgemini S.E.'s group (formerly known as Cap Gemini S.A.) strategy for the financial services global business unit. 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 business of the Company. The development, performance and position of the operating segments across the Capgemini S.E. group, which includes the Company, is discussed in the group's annual report which does not form part of this report. Copies of the annual report and financial statements of Capgemini S.E. can be obtained by writing to Capgemini S.E., 11 Rue de Tilsitt, 75017 Paris, France.

Pursuant to the board resolution dated 15 December 2016, the directors took the decision for sale of assets and liabilities of the Company to Capgemini UK plc, a company who shares the same ultimate parent. Accordingly, on 1 January 2017 the Company sold, all assets and liabilities excluding South Africa Branch for a consideration of £92,650,000. Further, pursuant to the sale and purchase agreement dated 29<sup>th</sup> September, 2017, the Company transferred all assets and liabilities of its South Africa branch on 1 October 2017 to the South Africa branch of Capgemini UK plc (a fellow group company) for a consideration of ZAR 56,120,000. As the directors intend to liquidate the Company, they have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1 to the financial statements.

### **Strategy**

The Company intends to cease its operations in the future, following the sale of assets and liabilities of the Company.

### **Financial risk management**

The Company's operations expose it to a variety of financial risks that include credit risk, interest rate risk and foreign currency risk. The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs. At present the Company does not have any external debts.

The Company is participating in a group-wide, centralized management system for foreign currency risk supported by a dedicated tool ("Diapason"). The main objective of the centralized management system is to mitigate the foreign currency risk impacting operating profit in the management reporting and in the consolidation packages of the entity, as well in the statutory accounts.

# **CAPGEMINI FINANCIAL SERVICES UK LIMITED**

**Registered Number: 03282049**

## **Strategic report for the year ended 31 December 2017 (continued)**

Capgemini S.E. treasury provides guaranteed rates (formalized via internal derivatives) against forex positions reported by subsidiaries and hedges in Capgemini S.E. toward the Groups net foreign exchange exposure via external derivatives.

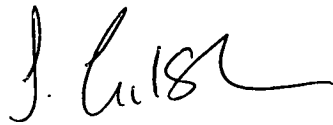
The policies set by the board of directors are implemented by the Company's finance department. The department has a policy and procedure manuals that sets out specific guidelines to manage interest rate risk and credit risk, and the circumstances where it would be appropriate to use the financial instruments to manage these credit risk

The Company has implemented policies that require appropriate credit checks on clients before any sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed periodically.

### **Interest rate cash flow risk**

The Company has a policy of maintaining debt at a fixed rate to ensure certainty of future interest cash-flows. The directors will revisit the appropriateness of this policy should the Company's operations change in size or nature.

By order of the Board



James Robert Peter Gilshenan  
Director  
Date: 21 June 2018

# **CAPGEMINI FINANCIAL SERVICES UK LIMITED**

Registered Number: 03282049

## **Directors' report for the year ended 31 December 2017**

The directors present their annual report and the audited financial statements of Caggemini Financial Services UK Limited for the year ended 31 December 2017.

### **Directors**

The directors who served the Company during the year and up to the date of signing the financial statements were as follows:

Christopher Merveilleux du Vignaux (resigned 15/05/2017)  
Jean-Baptiste Jacques Emmanuel Valery Massignon  
Thierry Dominique Marie Francois Delaporte (resigned 22/01/2018)  
Anthony John Deans (appointed 15/05/2017 and resigned 22/01/2018)  
James Robert Peter Gilshenan (appointed 22/01/2018)  
Anirban Bose (appointed 22/01/2018)

### **Dividends**

During the year £60,000,000 was distributed as an interim dividend. The directors have recommended the payment of a final dividend of £27,000,000 (2016 : £Nil).

### **Employees**

Applications for employment from disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not have a disability.

### **Political and charitable donations**

The Company has not made any political and charitable donations during the year (2016: £Nil).

### **Going concern**

Pursuant to the board resolution dated 15 December 2016, on January 1, 2017 the Company sold all assets, liability and all employees transferred to Caggemini UK plc except for asset and liabilities of South Africa branch for a consideration of £92,650,000. Further on 1 October 2017, the Company transferred assets and liabilities of South Africa branch to the South Africa branch of Caggemini UK plc for a consideration of ZAR 56,120,000. The directors do not intend to resume trading and plan for liquidating the Company in the next 12-18 months.

As a result, the directors have concluded that the going concern basis is no longer appropriate. Accordingly, they adopt the break up basis in preparing the annual report and accounts.

# CAPGEMINI FINANCIAL SERVICES UK LIMITED

Registered Number: 03282049

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

### Statement on disclosure of information to auditor

Each of the persons who are directors at the date of approval of this report confirms that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

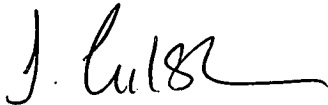
This confirmation is given and should be interpreted in accordance with the provisions of the Companies Act 2006.

### Other information

#### Auditor

In accordance with Section 487 of the Companies Act 2006, the auditor, KPMG LLP, will be deemed to be reappointed.

On behalf of the Board



James Robert Peter Gilshenan  
Director  
Date: 21 June 2018

1 Forge End  
Woking  
Surrey  
GU21 6DB

# CAPGEMINI FINANCIAL SERVICES UK LIMITED

Registered Number: 03282049

## 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.



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAPGEMINI FINANCIAL SERVICES UK LIMITED

## Opinion

We have audited the financial statements of Capgemini Financial Services UK Ltd ("the company") for the year ended 31 December 2017 which comprise the income statement and statement of other comprehensive income, the statement of financial position, the 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 31 December 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.

## Emphasis of matter - non-going concern basis of preparation

We draw attention to the disclosure made in note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

## 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.

## 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 6, 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.

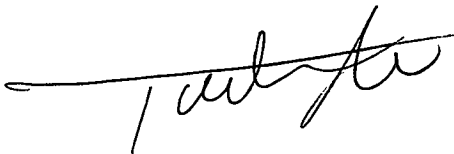
**Auditor's responsibilities**

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](http://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.



**Tudor Aw (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants  
15 Canada Square  
London  
E14 5GL

21 June 2018

# CAPGEMINI FINANCIAL SERVICES UK LIMITED

Registered Number: 03282049

## Income statement and statement of other comprehensive income

		Year ended 31 December	
	Note	2017	2016
		£	£
<b>Turnover</b>	2	<b>2,543,523</b>	190,871,806
Cost of sales		<b>(1,837,959)</b>	(138,624,882)
<b>Gross profit</b>		<b>705,564</b>	52,246,924
Administrative expenses		<b>(93,675)</b>	(20,472,390)
<b>Operating Profit</b>		<b>611,889</b>	31,774,534
Interest receivable and similar income	5	<b>259,543</b>	18,142
Interest payable and similar charges	6	-	(154,711)
Profit on sale of business		<b>37,843,431</b>	-
<b>Profit before taxation</b>		<b>38,714,863</b>	31,637,965
Tax on profit	7	<b>(742,093)</b>	(6,777,010)
<b>Profit for the financial year</b>		<b>37,972,770</b>	24,860,955
<b>Other comprehensive income</b>			
Foreign currency translation reserve		<b>(114,750)</b>	112,388
<b>Total other comprehensive income</b>		<b>(114,750)</b>	112,388
<b>Profit for the year</b>		<b>37,972,770</b>	24,860,955
<b>Total comprehensive income</b>		<b>37,858,020</b>	24,973,343

The notes on pages 12 to 26 form part of these financial statements.

Management sold all assets and liabilities of the Company to Capgemini UK plc, a subsidiary under Capgemini Group. Accordingly, all the above figures are on account of discontinued operations.

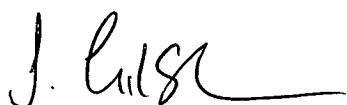
# CAPGEMINI FINANCIAL SERVICES UK LIMITED

Registered Number: 03282049

## Statement of financial position

		As at 31 December	
	Note	2017 £	2016 £
<b>Fixed assets</b>			
Goodwill (held for sale)	8	-	18,463,739
Other intangible assets (held for sale)	8	-	673,145
Tangible fixed assets (held for sale)	9	-	534,377
		-	19,671,261
<b>Current assets</b>			
Debtors (held for sale)	10	32,864,307	46,570,974
Cash at bank		4,140,549	50,602,867
		37,004,856	97,173,841
<b>Creditors – Amounts falling due within one year (held for sale)</b>	12	<b>(1,429,252)</b>	<b>(59,127,518)</b>
<b>Net current assets</b>		<b>35,575,604</b>	<b>38,046,323</b>
<b>Net assets</b>		<b>35,575,604</b>	<b>57,717,584</b>
<b>Capital and reserves</b>			
Called up share capital	13	2,287,125	2,287,125
Share premium account	14	-	27,007,256
Profit and loss account		33,327,937	28,347,911
Foreign currency translation reserve		(39,458)	75,292
<b>Total shareholders' funds</b>		<b>35,575,604</b>	<b>57,717,584</b>

The financial statements and notes on pages 9 to 26 were approved by the board of directors on 21 June 2018 and were signed on its behalf by:



James Robert Peter Gilshenan  
Director  
Company number: 03282049

# CAPGEMINI FINANCIAL SERVICES UK LIMITED

Registered Number: 03282049

## Statement of changes in Equity

2016 £	Called up share capital	Share premium account	Profit and loss account	Foreign currency translation reserve	Total shareholders' funds
Balance at 1st January 2016	2,287,125	27,007,256	3,486,956	(37,096)	32,744,241
Total comprehensive income for the year					
Profit for the year	-	-	24,860,955	-	24,860,955
Other comprehensive income for the year	-	-	-	112,388	112,388
<b>Balance at 31st December 2016</b>	<b>2,287,125</b>	<b>27,007,256</b>	<b>28,347,911</b>	<b>75,292</b>	<b>57,717,584</b>
2017 £	Called up share capital	Share premium account	Profit and loss account	Foreign currency translation reserve	Total shareholders' funds
Balance at 1st January 2017	2,287,125	27,007,256	28,347,911	75,292	57,717,584
Transfers owing to capital reduction (note 14)	-	(27,007,256)	27,007,256	-	-
Total comprehensive income for the year					
Dividend distribution	-	-	(60,000,000)	-	(60,000,000)
Profit for the year	-	-	37,972,770	-	37,972,770
Other comprehensive expense for the year	-	-	-	(114,750)	(114,750)
<b>Balance at 31st December 2017</b>	<b>2,287,125</b>	<b>-</b>	<b>33,327,937</b>	<b>(39,458)</b>	<b>35,575,604</b>

The notes on pages 12 to 26 form part of these financial statements.

# CAPGEMINI FINANCIAL SERVICES UK LIMITED

Registered Number: 03282049

## Notes to the financial statements for the Year ended 31 December 2017

### 1 Significant accounting policies

#### Company information

Capgemini Financial Services UK Limited., (the "Company") is a Company incorporated and domiciled in the UK. The Company's registered office is 1 Forge End, Woking, Surrey, GU21 6DB.

#### Basis of preparation of financial statement

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Capgemini S.E. (formerly known as Cap Gemini S.A.) includes the Company in its consolidated financial statements. The consolidated financial statements of Capgemini S.E. are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Capgemini S.E., 11 Rue de Tilsitt, 75017 Paris, France.

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

- a Cash Flow Statement and related notes;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

# CAPGEMINI FINANCIAL SERVICES UK LIMITED

Registered Number: 03282049

## Notes to the financial statements for the Year ended 31 December 2017 (continued)

### Accounting policies (*continued*)

As the consolidated financial statements of Capgemini S.E. include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

As the directors intend to liquidate the Company, they have not prepared the financial statements on going concern basis.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements. In accordance with IFRS 5 'Non current assets held for sale and discontinued operations', the comparative profit and loss account has been represented so that the disclosure in relation to discontinued operations have been discontinued by the balance sheet date.

### Going concern

As part of a restructuring project to simplify the legal entity structures of Capgemini Group ("the Group") in the United Kingdom, the Board of Directors of the Company resolved to transfer all assets, liabilities and employees of the Company to another legal entity under the Group, Capgemini UK plc., (the buyer), for a value assessed by an external and independent professional valuer. Accordingly, on 1st January 2017, the Company entered into an agreement with Capgemini UK plc. for sale of all assets, liabilities and transfer of employees except for assets and liabilities of South Africa branch. Further, pursuant to asset sale agreement effective 1 October 2017, all assets and liabilities of South Africa branch are transferred to South Africa branch of Capgemini UK plc. Accordingly these financial statements have not been prepared on a going concern basis.

In preparation of the financial statements on an alternate basis, the management has continued to apply the requirements of IFRS taking into account that the Company is not expected to continue as a going concern in the foreseeable future. This has resulted in non-current assets and liabilities measured at the lower of their carrying amount and fair value less costs to sell and the same has been shown as non-current assets held for sale and liabilities held for sale. As a result of such measurement, no adjustments were necessary to the carrying amounts reported, and accordingly no gain or loss was realised.

# CAPGEMINI FINANCIAL SERVICES UK LIMITED

Registered Number: 03282049

## Notes to the financial statements for the Year ended 31 December 2017 (continued)

### Accounting policies (*continued*)

#### 1.1 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### 1.2 Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

##### *Trade and other debtors*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

##### *Trade and other creditors*

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

#### 1.3 Intra-group financial instruments

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee. Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.



# CAPGEMINI FINANCIAL SERVICES UK LIMITED

Registered Number: 03282049

## Notes to the financial statements for the Year ended 31 December 2017 (continued)

### Accounting policies (*continued*)

#### 1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

- Computer and related equipment 3 years
- Fixtures and furniture 3 to 10 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### 1.5 Intangible assets and goodwill

##### *Goodwill*

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units. It is not amortised but is tested annually for impairment. This is not in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 which requires that all goodwill be amortised. The directors consider that this would fail to give a true and fair view of the profit for the year and that the economic measure of performance in any period is properly made by reference only to any impairment that may have arisen. It is not practicable to quantify the effect on the financial statements of this departure.

##### *Other intangible assets*

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses. The cost of an intangible asset acquired in a business combination is its fair value at the acquisition date.

##### *Amortisation*

Amortisation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- customer relationship asset 10 years

# CAPGEMINI FINANCIAL SERVICES UK LIMITED

Registered Number: 03282049

## Notes to the financial statements for the Year ended 31 December 2017 (continued)

### Accounting policies (*continued*)

#### 1.6 Impairment and deferred tax assets

##### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

##### *Non-financial assets*

The carrying amounts of the Company's non-financial assets, deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is reversed if and only if the reasons for the impairment have ceased to apply.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

# CAPGEMINI FINANCIAL SERVICES UK LIMITED

Registered Number: 03282049

## Notes to the financial statements for the Year ended 31 December 2017 (continued)

### Accounting policies (*continued*)

#### 1.7 Employee benefits

##### *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into pension funds and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the profit and loss account in the periods during which services are rendered by employees.

##### *Short-term benefits*

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date

#### 1.8 Turnover

Turnover of the Company is wholly attributable to the principal activity of the provision of computer consultancy services and is generated within the United Kingdom. It comprises the invoice value of the sale, except in respect of work in progress where turnover represents the value of work done during the year, after adjustment for payments on account, exclusive of value added tax.

Revenues from long term fixed price contracts, including systems development and integration contracts, are recognised under the percentage of completion method. Under this method, revenue is recognised as work on the contract progresses. Revenues from those contracts are included in trade debtors in the balance sheet when invoiced to the customers and in amounts recoverable on contracts when not yet invoiced. If necessary, a provision is made for forecast losses to completion. Billing in excess of earning are classified as billing in advance.

Revenues from services contracts are recognised as the services are rendered. These services are generally invoiced on a monthly basis. For contracts including project development and outsourcing, the different components included therein are identified (project, outsourcing) so that revenues can be recognised based on the type. Revenues from time and materials contract are recognised as services are rendered.

#### 1.9 Provisions

A provision is recognised in the balance sheet when the Company has a present, legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

# CAPGEMINI FINANCIAL SERVICES UK LIMITED

Registered Number: 03282049

## Notes to the financial statements for the Year ended 31 December 2017 (continued)

### Accounting policies (*continued*)

#### 1.12 Expenses

##### *Operating lease payments*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit and loss account as an integral part of the total lease expense.

##### *Interest receivable and Interest payable*

Interest payable and similar charges include interest payable, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

#### 1.13 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. For investment property that is measured at fair value deferred tax is provided at the rate applicable to the sale of the property except for that part of the property that is depreciable and the Company's business model is to consume substantially all of the value through use. In the latter case the tax rate applicable to income is used. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

#### 1.14 Critical accounting estimates and key sources of estimation uncertainty

There are no significant management judgements of sources of estimation uncertainty in applying the accounting policies of the Company that are considered to have a significant effect on the financial statements.

# CAPGEMINI FINANCIAL SERVICES UK LIMITED

Registered Number: 03282049

## Notes to the financial statements for the Year ended 31 December 2017 (continued)

### 2 Turnover

	2017 £	2016 £
<b>By Activity</b>		
Computer consultancy services	<b>2,543,523</b>	190,871,806
<b>By geographical market</b>		
	2017 £	2016 £
Australia	-	69,327
Belgium	-	52,087
France	-	660,391
Germany	-	81,990
Ireland	-	23,112,349
Netherland	-	23,129
South Africa	<b>2,543,523</b>	2,739,702
Spain	-	13,688
Switzerland	-	22,765
USA	-	12,035,545
United Kingdom	-	152,060,833
	<b>2,543,523</b>	190,871,806

# CAPGEMINI FINANCIAL SERVICES UK LIMITED

Registered Number: 03282049

## Notes to the financial statements for the Year ended 31 December 2017 (continued)

### 3 Expenses and auditor's remuneration

Included in profit and loss are the following:

	2017	2016
	£	£
Depreciation of owned tangible fixed assets	-	322,511
Amortisation of owned intangible assets	-	247,431
Operating lease rentals – land and buildings	140,410	1,620,747
Net gain on foreign currency translation	(76,015)	(7,830,283)
<b>Auditor's remuneration</b>		
Audit of these financial statements	10,000	25,500

### 4 Staff numbers and costs

The average number of employees during the year (including executive directors), analyzed by category, was as follows

By Category	2017 Number	2016 Number
Financial services	19	829
Others	-	45
	19	874

	2017 £	2016 £
<b>Operating profit is stated after charging :</b>		
Wages and salaries	639,855	61,341,689
Social security costs	-	6,221,091
Other pension costs	-	1,845,482
	639,855	69,408,262

No directors (2016: Nil) received emoluments from this Company in respect of their services. The directors are remunerated by another group Company and do not receive any emoluments in respect of services to this Company.

# CAPGEMINI FINANCIAL SERVICES UK LIMITED

Registered Number: 03282049

## Notes to the financial statements for the Year ended 31 December 2017 (continued)

### 5 Interest receivable and similar income

	2017	2016
	£	£
Bank interest	42,082	18,142
Interest on Intercompany loan	217,461	-
	<b>259,543</b>	<b>18,142</b>

### 6 Interest payable and similar charges

	2017	2016
	£	£
Interest expense	-	154,711

### 7 Taxation on the profit for the year

	2017	2016
	£	£
Current tax:		
UK corporation tax on profits for the year	(39,805)	(6,751,690)
Adjustments in respect of previous years	-	(237,232)
Double tax relief		
Foreign tax:		
Current tax on income for the period	(641,752)	(197,000)
Adjustments in respect of prior periods	(36,685)	(8,554)
<b>Total current tax</b>	<b>(718,242)</b>	<b>(7,194,476)</b>
Deferred tax:		
Origination and reversal of timing difference	-	425,371
Foreign exchange movement on foreign tax	(337)	5,274
Change in tax rate – impact on deferred tax assets	-	(32,804)
Adjustments in respect of prior periods	(23,514)	19,623
<b>Total deferred tax</b>	<b>(23,851)</b>	<b>417,465</b>
<b>Tax charge on profit on ordinary activities</b>	<b>(742,093)</b>	<b>(6,777,011)</b>

# CAPGEMINI FINANCIAL SERVICES UK LIMITED

Registered Number: 03282049

## Notes to the financial statements for the Year ended 31 December 2017 (continued)

### 7 Taxation on the profit for the year (continued)

The tax assessed for the period is higher (2016: lower) than the standard rate of corporation tax in the UK 19.25% (2016: 20.00%). The differences are explained below:

	2017	2016
	£	£
<b>Profit on ordinary activities before tax</b>	<b>38,714,863</b>	31,637,965
<b>Total Tax Expense</b>	<b>(742,093)</b>	(6,777,010)
Profit on ordinary activities multiplied by standard rate in the UK of 19.25% (2016: 20.00%)	<b>(7,452,611)</b>	(6,327,593)
<b>Effects of :</b>		
Effect of tax rates in foreign jurisdiction	-	8,130
Foreign exchange movement on foreign tax	<b>(336)</b>	5,274
Reduction in tax rate of deferred tax balances	-	(32,804)
Non-deductible expenses	<b>7,412,806</b>	(6,856)
Recognition of previously unrecognised losses	-	-
Foreign tax suffered	<b>(641,752)</b>	(197,000)
Under / (Over) provided in prior years	<b>(60,200)</b>	(226,163)
<b>Total tax charge for the year</b>	<b>(742,093)</b>	(6,777,011)

#### Factors affecting future tax charge:

Reductions in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly. The deferred tax asset at 31 December 2017 has been calculated based on these rates.



# CAPGEMINI FINANCIAL SERVICES UK LIMITED

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## Notes to the financial statements for the Year ended 31 December 2017 (continued)

### 8 Intangible assets

	Goodwill £	Other £	Total £
<b>Cost</b>			
At 1 January 2017	18,463,739	2,350,993	20,814,732
Disposal	(18,463,739)	(2,350,993)	(20,814,732)
<b>At 31 December 2017</b>	-	-	-
<b>Accumulated amortization</b>			
At 1 January 2017	-	1,677,848	1,677,848
Disposal	-	(1,677,848)	(1,677,848)
<b>At 31 December 2017</b>	-	-	-
<b>Net book value</b>			
At 1 January 2017	18,463,739	673,145	19,136,884
<b>At 31 December 2017</b>	-	-	-

The amortisation charge is recognised as administrative expenses in the profit and loss account.

### 9 Tangible fixed assets

	Computers and related equipments £	Fixtures and furniture £	Total £
<b>Cost</b>			
At 1 January 2017	1,101,837	1,038,360	2,140,197
Disposal	(1,101,837)	(1,038,360)	(2,140,197)
<b>At 31 December 2017</b>	-	-	-
<b>Accumulated depreciation</b>			
At 1 January 2017	918,934	686,886	1,605,820
Disposal	(918,934)	(686,886)	(1,605,820)
<b>At 31 December 2017</b>	-	-	-
<b>Net book value</b>			
At 1 January 2017	182,903	351,474	534,377
<b>At 31 December 2017</b>	-	-	-

# CAPGEMINI FINANCIAL SERVICES UK LIMITED

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## Notes to the financial statements for the Year ended 31 December 2017 (continued)

<b>10 Debtors</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade debtors	-	16,286,204
Amounts owed by group undertakings	<b>32,864,307</b>	5,111,894
Deferred tax (note 11)	-	829,301
Other receivable	-	444,290
Amounts recoverable on contracts	-	23,361,469
Prepayments	-	537,816
	<b>32,864,307</b>	<b>46,570,974</b>

Amounts owed by group undertakings includes £32,650,000 unsecured loan given to Capgemini SE, have no fixed date of repayment and are repayable on demand. The effective interest rate for the year ended 31 December 2017 was LIBOR (1, 2, 3 or 6 months depending on duration of sub-period agreed) + 0.55% basis points per annum.

## 11 Deferred taxation

Deferred tax assets and liabilities are attributable to the following:

£	Assets		Liabilities		Net	
	2017	2016	2017	2016	2017	2016
Tangible fixed assets	-	(110,973)	-	-	-	(110,973)
Financial assets	-	(191,947)	-	-	-	(191,947)
Provisions	-	(526,381)	-	-	-	(526,381)
Tax value of losses carried forward	-	-	-	-	-	-
	-	(829,301)	-	-	-	(829,301)

Movement in deferred tax during the year:

£	1 January 2017	Transferred	Recognised in Equity	in	31 December 2017
Tangible fixed assets	(110,973)	110,973	-	-	-
Financial assets	(191,947)	191,947	-	-	-
Provisions	(526,381)	502,530	23,851	-	-
Tax value of losses carried forward	-	-	-	-	-
	<b>(829,301)</b>	<b>805,450</b>	<b>23,851</b>	-	-

# CAPGEMINI FINANCIAL SERVICES UK LIMITED

Registered Number: 03282049

## Notes to the financial statements for the Year ended 31 December 2017 (continued)

### 12 Creditors – Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	-	1,450,066
Financial liabilities	-	882,656
Amounts owed to group undertakings ( Inclusive of interest bearing borrowings )	<b>1,362,893</b>	21,128,909
Current tax liabilities	<b>56,359</b>	2,633,908
Taxation and social security	-	2,743,764
Value added tax	-	2,676,854
Billing in Advance	-	2,113,112
Advance from customer	-	542,562
Accruals – internal	-	5,608,573
Accruals – external	<b>10,000</b>	19,347,114
	<b>1,429,252</b>	59,127,518

Amounts owed to group undertakings as on 31<sup>st</sup> December 2016 are inclusive of unsecured loan £7,218,199 which was transferred to Capgemini UK plc on 1<sup>st</sup> January 2017 as part of asset sale agreement. The amount owed to group undertakings as on 31 December 2017 are trade payables in the course of normal operations of South Africa branch.

# CAPGEMINI FINANCIAL SERVICES UK LIMITED

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## Notes to the financial statements for the Year ended 31 December 2017 (continued)

<b>13 Called up share capital</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Allotted and fully paid</b>		
2,287,125 (2016: 2,287,125) ordinary shares of £1 each	<b>2,287,125</b>	<b>2,287,125</b>

## 14 Share premium account

On 21 December 2017, the Directors of the Company filed a resolution by way of written Solvency Statement, for a capital reduction. The effect of this was to cancel the entirety of the share premium account, with the balance transferred to the profit and loss account as distributable reserves.

## 15 Operating lease commitments

Non – Cancellable operating lease rentals are payable as follows :

	<b>Land and buildings</b>	
	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Less than one year	-	<b>651,006</b>
Between one to five years	-	<b>2,806,425</b>
More than five years	-	<b>971,077</b>
	-	<b>4,428,508</b>

The Company leases multiple office premises under operating leases, pursuant to asset sale agreement with Capgemini UK plc, all leases are transferred to Capgemini UK plc and during the year.

## 16 Ultimate Parent Company

The immediate parent undertaking is Capgemini North America Inc., (formerly Capgemini Financial Services International Inc., which merged with Capgemini North America Inc. with effect 1 July 2016,) itself a wholly owned subsidiary of the ultimate parent undertaking and controlling party, Cagemini S.E., (formerly known as Cap Gemini S.A.) incorporated in France, which is the parent undertaking of the largest and smallest group to consolidate these financial statements. Copies of the annual report and financial statements of Capgemini S.E. can be obtained by writing to Capgemini S.E., 11 Rue de Tilsitt, 75017 Paris, France.