

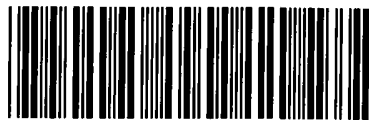
Company Registration No. 02881162

HoneyBee Digital Solutions Limited
(formerly ISE-Net Solutions Limited)

Annual Report and Financial Statements

For the year ended 30 April 2016

FRIDAY



L63D4QWP

LD5

31/03/2017

#80

COMPANIES HOUSE

HoneyBee Digital Solutions Limited

Annual report and financial statements for the year ended 30 April 2016

Contents	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	3
Statement of directors' responsibilities	5
Independent auditor's report	6
Profit and loss account	8
Statement of total comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12

HoneyBee Digital Solutions Limited

Annual report and financial statements for the year ended 30 April 2016

Officers and Professional advisers

Directors

Paul Davis
Simon Post

Company Secretary

Julia Foo

Registered office

1 Portal Way
London
W3 6RS
United Kingdom

Bankers

HSBC Bank plc
8 Canada Square
London
E14 5HQ

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom
EC4A 3BZ

HoneyBee Digital Solutions Limited

Strategic report

In preparing the strategic report for HoneyBee Digital Solutions Limited ("Company") the directors of the Company ("Directors") have complied with s414C of the Companies Act 2006.

Principal activities

The principal activity of the Company is the provision of IT services, data processing and consultancy services to Dixons Carphone plc ("Dixons Carphone"), its subsidiaries ("the Group") and third parties. During the period the Company continued to develop honeyBee, the Group's omni-channel platform which will support the continued development of both the Group's retail and Connected World Services businesses.

Key performance indicators

Given the nature of the business, the Company's directors are of the opinion that analysis using KPIs, other than those which emerge from the financial statements, are not necessary for an understanding of the development, performance or position of the business, as the company is managed as part of the wider Group. The Group's development, performance and position is discussed in the Dixons Carphone plc Annual Report and Accounts which does not form part of this report.

Review of the business

Results and performance

The loss after tax for the year ended 30 April 2016 was £54,000 (2015 Loss: £1,905,000).

During the year, turnover increased to £90,197,000 (2015: £84,044,000) and gross profit increased to £ 78,098,000 (2015: £71,669,000), primarily due to increase in third party revenues.

The Company expects to continue to provide IT services to the Group and third parties, and further develop its IT software assets.

Principal risks and uncertainties.

The Company has established risk management processes, which monitor the key risks facing the business.

IT systems and infrastructure

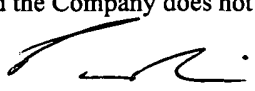
Failure to invest adequately and appropriately in IT systems and infrastructure, or an inability to integrate IT assets across the Group may constrain the Group's ability to grow and/or adapt quickly. Likewise if a key system becomes unavailable this may affect the Group's profitability and cash flows. To mitigate this, significant investment is being made in systems and infrastructure, supported by rigorous testing processes and long term partnerships with 'tier 1' application and infrastructure providers. Likewise system recovery plans are in place in the event of failure which are tested regularly with recovery infrastructure available for critical systems.

Information security

The Company may be vulnerable to attack, malware and associated cyber risks which could result in a breach of sensitive data. The Company continues to invest in information security safeguards, monitoring and in-house expertise and resources.

Interest rate risk

Funding for the Group, including the Company, is arranged centrally. The Group regularly monitors interest rate risk and the Company does not trade or speculate in any financial instruments.



Paul Davis
Director

30 March 2017

HoneyBee Digital Solutions Limited

Directors' report

The Directors present their annual report on the affairs of HoneyBee Digital Solutions Limited (prior to 13 March 2017 called ISE-Net Solutions Limited) (the 'Company'), together with the audited financial statements and auditor's report for the year ended 30 April 2016. Details of future developments can be found in the Strategic Report (page 2) and forms part of this report by cross reference.

Dividends

The Directors do not recommend a payment of a dividend for the year (2015: £nil).

Financial risk management

Due to the nature of the Company's operations and the assets and liabilities contained within its balance sheet, the main financial risk the Directors consider relevant to the Company is interest rate risk which has been detailed in the Strategic Report on page 2.

Research and development

The Company continues to develop honeyBee and other IT assets as explained on page 2.

Going concern basis

After making enquiries, the Directors have formed a judgement, that at the time of approving the financial statements, and having considered the Company's forecasts and projections, there's reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements. Further details are provided in note 1 of the financial statements.

Directors

The directors of the Company throughout the year were:

	<u>Appointed</u>	<u>Resigned</u>
Andy Sunderland		17 February 2016
Simon Post	17 February 2016	
Paul Davis	19 July 2012	

HoneyBee Digital Solutions Limited

Directors' report (continued)

Environment

A full analysis of the key regulatory and social risks of the industry in which the Group operates is described in the Group's annual report, which does not form part of this report. As a subsidiary entity, the Company operates in accordance with the Group policies.

Donations

The Company made no charitable or political donations during the year (2015: £nil).

Statement regarding the disclosure of information to Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself 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 s418 of the Companies Act 2006.

Auditor

Deloitte LLP have indicated their willingness to be re-appointed for another term and appropriate arrangements are being made for them to be deemed re-appointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors and signed on behalf by



Paul Davis
Director

30 March 2017

HoneyBee Digital Solutions Limited

Directors' responsibilities statement

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HoneyBee Digital Solutions Limited

Independent auditor's report to the members of HoneyBee Digital Solutions Limited

We have audited the financial statements of HoneyBee Digital Solutions Limited for the year ended 30 April 2016, which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, statement of changes in equity and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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.

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 April 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

HoneyBee Digital Solutions Limited

Independent auditor's report to the members of HoneyBee Digital Solutions Limited (continued)

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.

Andy Siddorns

Andy Siddorns (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

30 MARCH 2017

HoneyBee Digital Solutions Limited

Profit and loss account For the year ended 30 April 2016

	Notes	2016 £'000	2015 £'000
Turnover	2	90,197	84,044
Cost of sales		(12,099)	(12,375)
Gross profit		<u>78,098</u>	<u>71,669</u>
Administrative expenses – excluding fixed asset impairment		(74,828)	(74,793)
Fixed asset impairment	10	<u>-</u>	<u>(1,178)</u>
Operating profit/ (loss)		3,270	(4,302)
Net finance income	3	<u>253</u>	<u>162</u>
Profit/ (loss) before tax	4	3,523	(4,140)
Income tax (charge)/credit	9	<u>(3,577)</u>	<u>2,235</u>
Loss for the year		<u><u>(54)</u></u>	<u><u>(1,905)</u></u>

All results for both years arise from continuing activities.

HoneyBee Digital Solutions Limited

Statement of comprehensive income For the year ended 30 April 2016

	Restated	
	2016	2015
	£'000	£'000
Items that will not be reclassified subsequently to profit or loss:		
Other comprehensive income directly in equity	-	11,732
Tax (charge) / credit on items taken directly to other comprehensive income	-	-
Items that will be reclassified subsequently to profit or loss:		
Shared based payments	279	246
Other comprehensive income for the year net of tax	<u>279</u>	<u>11,978</u>
Loss for the year	(54)	(1,905)
Total comprehensive income for the year	<u><u>225</u></u>	<u><u>10,073</u></u>

HoneyBee Digital Solutions Limited

Balance sheet As at 30 April 2016

	Notes	2016 £'000	2015 £'000
Non-current assets			
Property, plant and equipment	10	6,262	8,576
Intangible assets	11	84,947	97,898
Deferred tax assets	14	1,317	4,893
		<u>92,526</u>	<u>111,367</u>
Current assets			
Trade and other receivables	12	19,799	26,493
Cash and cash equivalents		71,969	52,775
		<u>91,768</u>	<u>79,268</u>
Total assets		<u>184,294</u>	<u>190,635</u>
Current liabilities			
Trade and other payables	13	(32,267)	(38,833)
Net current assets		<u>59,501</u>	<u>40,435</u>
Total assets less current liabilities and net assets		<u>152,027</u>	<u>151,802</u>
Equity			
Share capital	16	165,000	165,000
Retained earnings		(12,973)	(13,198)
Equity attributable to owners of the Company		<u>152,027</u>	<u>151,802</u>

The financial statements of HoneyBee Digital Solutions Limited, registered number 02881162 were approved by the Board of Directors and authorised for issue on 30 March 2017.

Signed on behalf of the Board of Directors



Paul Davis
Director

HoneyBee Digital Solutions Limited

Statement of changes in equity For the year ended 30 April 2016

	Share capital £'000	Retained earnings £'000	Total £'000
At 30 March 2014	165,000	(23,271)	141,729
Loss for the year	-	(1,905)	(1,905)
Other comprehensive income and expense recognised directly in equity	-	11,732	11,732
Total comprehensive income and expense for the year	-	9,827	9,827
Share-based payments	-	246	246
Tax on share-based payments	-	-	-
At 2 May 2015	165,000	(13,198)	151,802
Loss for the period	-	(54)	(54)
Other comprehensive income and expense recognised directly in equity	-	-	-
Total comprehensive income and loss for the period	-	(54)	(54)
Share-based payments	-	279	279
Tax on share-based payments	-	-	-
At 30 April 2016	165,000	(12,973)	152,027

HoneyBee Digital Solutions Limited

Notes to the financial statements For the year ended 30 April 2016

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

Basis of accounting

The Company is incorporated and domiciled in England and Wales. The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 30 April 2016 the Company has changed its accounting framework from pre-2015 UK GAAP to FRS 101 as issued by the Financial Reporting Council and has, in doing so, applied the requirements of IFRS 1.6-33 and related appendices. Accordingly, the financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council, incorporating the Amendments to FRS 101 issued by the Financial Reporting Council in July 2015 and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 prior to their mandatory effective date of accounting periods beginning on or after 1 January 2016.

The prior year financial statements were restated for material adjustments on adoption of FRS 101 in the current year. For more information see note 19.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

Where relevant, equivalent disclosures have been given in the group financial statements of Dixons Carphone plc.

The financial statements have been presented in UK Sterling, the functional currency of the Company, and on the historical cost basis.

There are no new accounting standards, amendments to standards or IFRIC interpretations which are effective for the Company for the first time during the current financial period which have had an impact on the Company's results or net assets.

Going concern

The Company's activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on page 3.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show the Company should be able to operate within the level of its current working capital for the foreseeable future.

After making enquiries, the Directors have formed a judgement that at the time of approving the financial statement, and having considered the Company's forecasts and projections, there is reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes.

HoneyBee Digital Solutions Limited

Notes to the financial statements (continued) For the year ended 30 April 2016

1. Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight line basis over its expected life, as follows:

Computer and office equipment	2-8 years
Fixtures and fittings	5 years

Assets in the course of construction are not depreciated until completed and brought into use.

Intangible assets

Software and licences

Software and licences include costs incurred to acquire the assets as well as internal infrastructure and design costs incurred in the development of software in order to bring the assets into use.

Internally generated software is recognised as an intangible asset only if it can be separately identified, it is probable that the asset will generate future economic benefits which exceed one year, and the development cost can be measured reliably. Where these conditions are not met, development expenditure is recognised as an expense in the year in which it is incurred. Costs associated with developing or maintaining computer software are recognised as an expense as incurred unless they increase the future economic benefits of the asset, in which case they are capitalised.

The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Software and licenses are stated at cost less accumulated amortisation and, where appropriate, provision for impairment in value or estimated loss on disposal. Amortisation is provided to write off the cost of assets on a straight line basis between three and eight years.

Taxation

Current tax, is provided at amounts expected to be paid or recovered using the prevailing tax rates and laws that have been enacted or substantially enacted by the balance sheet date and adjusted for any tax payable in respect of previous years.

Deferred tax liabilities are recognised for all temporary differences between the carrying amount of an asset or liability in the balance sheet and the tax base value and represent tax payable in future periods. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Current and deferred tax is recognised in the profit and loss account except where it relates to an item recognised directly in reserves, in which case it is recognised directly in reserves.

HoneyBee Digital Solutions Limited

Notes to the financial statements (continued) For the year ended 30 April 2016

1. Taxation (continued)

Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted, or substantially enacted by the balance sheet date.

Deferred tax assets and liabilities are offset against each other when they relate to income taxes levied by the same tax jurisdiction and when the Company intends to settle its current tax assets and liabilities on a net basis. Deferred tax balances are not discounted.

The taxation liabilities of certain Group companies are reduced wholly or in part by the surrender of losses by fellow Group companies. No payment is made for the use of these losses.

Pension costs and other post retirement benefits

The Company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Share-based payments

The ultimate parent company issues equity settled share-based payments to certain employees of the Company which are measured at fair value at the date of grant, and expensed on a straight line basis over the vesting period, based on an estimate of the number of shares that will eventually vest.

Where share-based payments are subject only to service conditions or internal performance criteria (such as EPS targets), fair value is measured using either a Binomial model or a Black Scholes model. Where share-based payments have external performance criteria (such as TSR targets) a Monte Carlo model is used to measure fair value.

For all schemes, the number of options expected to vest is recalculated at each balance sheet date, based on expectations of leavers prior to vesting. For schemes with internal performance criteria, the number of options expected to vest is also adjusted based on expectations of performance against target. No adjustment is made for expected performance against external performance criteria. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in reserves.

Charges also arise on loans that are provided to employees to fund the purchase of shares as part of long term incentive plans. To the extent to which the loans are not, in certain circumstances, repayable, the cost of the relevant part of such loans is expensed over the course of the relevant incentive plans.

Interest receivable

Interest is not charged on balances arising between group companies as a result of intercompany trading; such balances are settled regularly in line with agreed terms of trade, usually through the group's netting system, within 30 to 60 days.

Interest on any other cash balances within bank accounts is included.

Key sources of estimation uncertainty and critical accounting judgements

Preparation of the financial statements requires management to make significant judgements and estimates. In assessing the requirements of IAS 1 the Directors conclude that there are no areas that require disclosure as a key source of estimation uncertainty or a critical accounting judgement

HoneyBee Digital Solutions Limited

Notes to the financial statements (continued) For the year ended 30 April 2016

2. Turnover

Turnover is wholly attributable to the principal activity of the Company and originated in the UK.

3. Net finance income/(expense)

	2016 £'000	2015 £'000
Other interest receivable and similar income	253	184
Interest payable and similar charges	-	(22)
	<u>253</u>	<u>162</u>

4. Profit/ (loss) before tax

Profit/ (loss) before taxation is stated after charging the following:

	2016 £'000	2015 £'000
Depreciation – owned assets	2,769	3,521
Depreciation – leased assets	-	-
Amortisation	27,888	30,161
Auditor's remuneration – fees for the audit of the Company's annual financial statements	<u>21</u>	<u>21</u>

The auditor received no remuneration for non-audit work during the year (2015: £nil).

HoneyBee Digital Solutions Limited

Notes to the financial statements (continued) For the year ended 30 April 2016

5. Share based payments

During the year ended 29 March 2014 the Company's ultimate parent company Dixons Carphone introduced the Share Plan which allows participants, which include certain senior employees of the Company, to share 10% of the incremental value created in the Group in excess of an opening value (assessed on the value of the Group over a three month period prior to approval of the plan by shareholders in June 2013 and, for new entrants during the 13 months ended 2 May 2015, assessed on the aggregated value of Carphone and Dixons over a three month period prior to the announcement of preliminary merger discussions in February 2014) and beyond an annual rate of return of 7% on invested capital. The plan is underpinned by a minimum annual compound TSR growth of 5% and outperformance of the median TSR of the FTSE 250. Participants acquired at market value participation shares in a subsidiary company of Dixons Carphone which holds investments in the core continuing operations of the Group. Dixons Carphone granted loans to participants at a commercial rate of interest to acquire the shares. Loans are ordinarily repayable in full if performance conditions are met. The performance of the scheme will ordinarily be measured in or around June 2017, when 60% of the shares vest, with 40% deferred for a further year. When the awards vest, the value of the shares held by participants will be based on the incremental value (if any) of the Group in excess of the opening valuation together with the minimum return on invested capital. These shares will then be purchased by Dixons Carphone for cash and/or Dixons Carphone's ordinary shares.

The Group has a share option scheme which allows nil-priced options to be offered to senior employees who are not participants in the Share Plan. Options were first granted under the scheme in January 2014. The options are subject to continuing employment and are subject to performance conditions based on a combination of absolute TSR performance and relative TSR performance against the FTSE 250 or FTSE 350.

The Group also has Save As You Earn schemes which allows participants, including employees of the Company, to save up to £500 per month for either three or five years. At the end of the savings period participants can purchase shares in Dixons Carphone based on a discounted share price determined at the commencement of the scheme.

During the year the Company recognised a non-cash accounting charge in profit and loss of £279,000 (2015: £246,000) in respect of these schemes with a corresponding credit in reserves.

No share options were exercised during the current or prior period.

Details for share options outstanding at the period end are as follows:

	2016	2015
(i) Weighted average remaining contractual life for options outstanding	7.8	8.8
(ii) Range of exercise prices for options outstanding	<u>£nil - £3.77</u>	<u>£nil - £3.44</u>

HoneyBee Digital Solutions Limited

Notes to the financial statements (continued) For the year ended 30 April 2016

6. Employee costs

The average monthly number of employees (including executive directors) was:

	2016 No.	2015 No.
IT staff	120	111
Administration	1	3
	<u>121</u>	<u>114</u>

Their aggregate remuneration comprised:

	2016 £'000	2015 £'000
Wages and salaries	11,311	11,937
Social security costs	1,540	1,393
Other pension costs	330	337
	<u>13,181</u>	<u>13,667</u>

7. Directors' remuneration

In the current financial period, the Directors of the Company have been remunerated by other entities in the Group and it is not feasible to apportion the remuneration between services for different companies.

The total amounts for Directors' remuneration and other benefits paid by the Company were £nil (2015: £nil).

8. Pension scheme

The Company operates a defined contribution scheme for which the pension cost charge for the year amounted to £330,000 (2015: £337,000).

9. Tax

	2016 £'000	2015 £'000
The tax charge/(credit) comprises:		
Current tax		
Total current tax charge	-	36
Deferred tax		
Origination and reversal of timing differences	(2,045)	280
Adjustment in respect of prior periods	5,621	(2,551)
Total deferred tax charge/(credit)	<u>3,576</u>	<u>(2,271)</u>
Total tax charge/(credit) on profit/ (loss)	<u>3,576</u>	<u>(2,235)</u>

HoneyBee Digital Solutions Limited

Notes to the financial statements (continued) For the year ended 30 April 2016

9. Tax (continued)

The differences between the total tax credit/ (charge) shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit/ (loss) before tax is as follows:

	2016 £'000	2015 £'000
Profit/ (loss) before taxation	<u>3,523</u>	<u>(4,140)</u>
Profit/ (loss) before tax at standard UK corporation tax rate of 20% (2015: 21%)	705	(866)
Effects of:		
- tax losses (claimed) / surrendered within the group for nil consideration	(9,038)	855
- irrecoverable withholding tax	-	36
- items attracting no relief or liability	6,142	304
- effect of change in tax rate	-	(13)
- adjustments to deferred tax in respect of tax rate change	146	-
- adjustments in respect of prior periods - deferred tax	<u>5,621</u>	<u>(2,551)</u>
Tax charge/ (credit)	<u>3,576</u>	<u>(2,235)</u>

The corporation tax rate for the period was 20% (2015: 21% for the period up to 31 March 2015 and 20% thereafter).

The company's tax liability has been offset by the surrender of losses from other group companies under the group relief provisions.

HoneyBee Digital Solutions Limited

Notes to the financial statements (continued) For the year ended 30 April 2016

10. Property, plant and equipment

	Computer and office equipment £'000	Fixtures and fittings £'000	Total £'000
Cost			
At 2 May 2015	69,218	1,355	70,573
Additions	1,076	-	1,076
Disposal	(1,705)	-	(1,705)
At 30 April 2016	68,589	1,355	69,944
Accumulated depreciation			
At 2 May 2015	60,677	1,320	61,997
Charge for the year	2,751	18	2,769
Disposal	(1,084)	-	(1,084)
At 30 April 2016	62,344	1,338	63,682
Net book value			
At 30 April 2016	6,245	17	6,262
At 2 May 2015	8,541	36	8,576

11. Intangible assets

	Assets under construction £'000	Software and licenses £'000	Total £'000
Cost			
At 2 May 2015	17,125	351,882	369,007
Additions	-	17,009	17,009
Transfers	(13,995)	13,995	-
Disposal	-	(9,307)	(9,307)
At 30 April 2016	3,130	373,579	376,709
Accumulated amortisation			
At 2 May 2015	-	271,109	271,109
Charge for the year	-	27,888	27,888
Transfers	-	-	-
Disposal	-	(7,236)	(7,236)
At 30 April 2016	-	291,761	291,761
Net book value			
At 30 April 2016	3,130	81,817	84,947
At 2 May 2015	17,125	80,773	97,898

HoneyBee Digital Solutions Limited

Notes to the financial statements (continued) For the year ended 30 April 2016

12. Trade and other receivables

	2016 £'000	2015 £'000
Amounts owed by group undertakings	3,149	7,982
Prepayments and accrued income	16,109	18,483
Trade debtors	33	-
Other	508	28
	<u>19,799</u>	<u>26,493</u>

Intercompany deposits receive interest at a rate of 1m-LIBOR with no margin. Amounts owed to Group companies are repayable on demand.

13. Trade and other payables

	2016 £'000	2015 £'000
Trade creditors	16,777	11,605
Amounts due to group undertakings	11,259	5,465
Accruals	4,231	21,164
Other taxes and social security creditor	-	598
	<u>32,267</u>	<u>38,833</u>

Interest on intercompany funding is calculated at a rate of 1m-LIBOR plus 2.25%. Amounts owed to Group companies are repayable on demand.

14. Deferred taxes

The deferred tax asset is analysed as follows:

	Timing difference in respect of capital allowances and depreciation £'000	Other timing differences £'000	Total £'000
Deferred tax asset at 2 May 2015	5,733	(840)	4,893
Charge to profit and loss account – current year	1,135	939	2,074
Credit to profit and loss account – prior year	(5,638)	(12)	(5,650)
Deferred tax asset at 30 April 2016	<u>1,230</u>	<u>87</u>	<u>1,317</u>

HoneyBee Digital Solutions Limited

Notes to the financial statements (continued) For the year ended 30 April 2016

14. Deferred taxes (continued)

Finance (No.2) Act 2015, which was substantively enacted on 26 October 2015, has set the corporation tax rate at 19% from 1 April 2017 and 18% effective from 1 April 2020. Finance Bill 2016 has reduced the rate further from 1 April 2020 to 17%, but this has not been substantively enacted at the balance sheet date. Deferred tax balances have been recognised at the rate of 18%.

15. Share capital

	2016 £'000	2015 £'000
Called-up, allotted and fully paid:		
165,000,000 ordinary shares of £1 each	165,000	165,000

16. Capital commitments

At 30 April 2016, there were capital commitments totalling £1,038,601 (2015: £1,970,000). Amounts stated represent purchase orders that have been approved for various suppliers but supplies of services have not yet been delivered.

17. Parent undertaking and controlling party

The Company's immediate parent and controlling entity is The Carphone Warehouse Limited which is a wholly-owned subsidiary of Dixons Carphone plc.

Dixons Carphone plc is the parent of the smallest and largest group for which consolidated financial statements are prepared and of which the Company is a member. Dixons Carphone plc is registered in Great Britain, whose principal place of business is at 1 Portal Way, London W3 6RS. The consolidated financial statements of the group headed by Dixons Carphone plc, of which the Company was a member, are available to the public and are available at www.dixonscarphone.com or may be obtained from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

18. Related party transactions

The Company has taken advantage of the exemption under IAS 24 "Related Party Disclosures" for related party transactions with other Group entities.

19. Explanation of transition to FRS 101

This is the first year that the Company has presented its financial statements under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under a previous GAAP (pre-2015 UK GAAP) were for the 13 months ended 2 May 2015 and the date of transition to FRS 101 was 31 March 2014.

HoneyBee Digital Solutions Limited

Notes to the financial statements (continued) For the year ended 30 April 2016

19. Explanation of transition to FRS 101 (continued)

Reconciliation of equity

	At 2 May 2015 £'000	At 31 March 2014 £'000
Equity reported under previous UK GAAP	144,659	141,729
Adjustments to equity on transition to FRS 101		
Software development costs	8,091	-
Deferred tax	(948)	-
Equity reported under FRS 101	<u>151,802</u>	<u>141,729</u>

Reconciliation of total comprehensive loss for the 13 months ended 2 May 2015

	£'000
Total comprehensive income for the period reported under previous UK GAAP	2,685
Adjustments on transition to FRS 101	
Software development costs	(4,398)
Deferred tax	(192)
Total comprehensive loss for the period reported under FRS 101	<u>(1,905)</u>

The following adjustments have been made on transition from previous UK GAAP to FRS 101:

- Software development costs - under previous UK GAAP, internally generated software development costs were expensed as incurred. Under FRS 101, these costs are required to be capitalised if they will generate future benefits. These have been presented as intangible assets. In addition to this adjustment, Software Licences previously capitalised have been reclassified from Fixed Assets to Intangible assets as these are of a similar nature. This reclassification did not affect reserves or other comprehensive income.
- Deferred tax – this relates to the deferred tax impact of the Software development costs transition adjustment.