

CORE COMMUNICATION RETAIL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

CORE COMMUNICATION RETAIL LIMITED

COMPANY INFORMATION

DIRECTORS	J Lovell A Greaves K Joseph
REGISTERED NUMBER	08301089
REGISTERED OFFICE	101 Devonshire Business Centre Wade Road Basingstoke RG24 8PE
INDEPENDENT AUDITORS	Bishop Fleming Bath Limited Chartered Accountants & Statutory Auditors 10 Temple Back Bristol BS1 6FL
BANKERS	Barclays Bank PLC 1 Churchill Place London E14 5HP

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**STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

BUSINESS REVIEW

The principal activity of the company during the year was that of retail telecommunication products and services.

PRINCIPAL RISKS AND UNCERTAINTIES

The Covid-19 pandemic impacted all aspects of our business but the speed of recovery varies across market segments and we still await full recovery in some segments.

FINANCIAL KEY PERFORMANCE INDICATORS

The company focuses on the quality of the customers that it recruits for its Mobile Network partners (based on lifetime customer revenue): securing high quality mobile customers results in improved revenues and margins. Other products (eg mobile accessories) are driven with reference to gross product margin and growth potential.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Credit risk

All customers who wish to trade on credit term are subject to credit verification procedures. Trade debtors are reviewed by the directors on a regular basis and provision made from doubtful debts when necessary.

Liquidity risk

The company manages its cash borrowing requirements to ensure that sufficient liquid resources are available to meet the operating needs of the business.

Foreign currency risk

Primarily as a result of its accessory business, the company is exposed to foreign currency fluctuations. To mitigate this, the company holds some of its cash reserves in the relevant local currency.

This report was approved by the board and signed on its behalf.

J Lovell

Director

Date: 31 March 2023

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

The directors present their report and the financial statements for the year ended 30 June 2022.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £3,288,648 (2021: £2,700,596).

There were no dividends declared in the year.

DIRECTORS

The directors who served during the year were:

J Lovell
A Greaves
K Joseph

FUTURE DEVELOPMENTS

The Directors continue to look for opportunities to increase revenues and margin earned from the sim distribution business as well as planning to increase the range of products offered within other distribution business activities.

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

AUDITORS

The auditors, Bishop Fleming Bath Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

J Lovell
Director

Date: 31 March 2023

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022**

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 to 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORE COMMUNICATION RETAIL LIMITED

OPINION

We have audited the financial statements of Core Communication Retail Limited (the 'Company') for the year ended 30 June 2022, which comprise the Statement of income and retained earnings, the Statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORE COMMUNICATION RETAIL LIMITED (CONTINUED)

OPINION ON OTHER MATTERS 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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 material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORE COMMUNICATION RETAIL LIMITED (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered the following:

- The nature of the industry and sector, control environment and business performance;
- Results of our enquires of management and directors in relation to their own identification and assessment of the risks of irregularities within the Company; and
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest areas of risk to be in relation to revenue recognition. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the company operates in, focussing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures within the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and UK tax legislation. In additions we considered provision of other laws and regulations that do not have a direct effect on the financial statements but compliance with may be fundamental for the Company's ability to operate or avoid a material penalty. These included health and safety regulations, employment legislation, data protection laws and communications legislation.

Our audit procedures performed to respond to the risks identified included, but were not limited to:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- Challenging assumptions and judgments made by management in their significant accounting estimates;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board minutes; and
- Identifying and testing journal entries, evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CORE COMMUNICATION RETAIL LIMITED (CONTINUED)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

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 Auditors' 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.

Ria Burridge FCCA (Senior statutory auditor)
for and on behalf of

Bishop Fleming Bath Limited

Chartered Accountants

Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

31 March 2023

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 £	2021 £
Turnover	4	33,788,531	28,922,743
Cost of sales		(26,412,851)	(23,073,292)
GROSS PROFIT		7,375,680	5,849,451
Administrative expenses		(3,137,363)	(2,942,851)
Other operating income	5	-	398,654
OPERATING PROFIT	6	4,238,317	3,305,254
Interest receivable and similar income	10	-	20,458
PROFIT BEFORE TAX		4,238,317	3,325,712
Tax on profit	11	(949,669)	(625,116)
PROFIT AFTER TAX		3,288,648	2,700,596
Retained earnings at the beginning of the year		3,372,282	7,691,958
Profit for the year		3,288,648	2,700,596
Dividends declared and paid		-	(7,020,272)
RETAINED EARNINGS AT THE END OF THE YEAR		6,660,930	3,372,282

The notes on pages 10 to 23 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Intangible assets	13	782	-
Tangible assets	14	223,852	67,854
		<u>224,634</u>	<u>67,854</u>
CURRENT ASSETS			
Stocks	15	2,364,730	1,620,653
Debtors: amounts falling due within one year	16	10,078,268	8,278,814
Cash at bank and in hand	17	1,774,751	2,497,502
		<u>14,217,749</u>	<u>12,396,969</u>
Creditors: amounts falling due within one year	18	(7,749,591)	(9,092,441)
		<u>6,468,158</u>	<u>3,304,528</u>
NET CURRENT ASSETS			
		<u>6,692,792</u>	<u>3,372,382</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
PROVISIONS FOR LIABILITIES			
Deferred tax	19	(31,762)	-
		<u>6,661,030</u>	<u>3,372,382</u>
NET ASSETS			
CAPITAL AND RESERVES			
Called up share capital	20	100	100
Profit and loss account	21	6,660,930	3,372,282
		<u>6,661,030</u>	<u>3,372,382</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J Lovell
Director

Date: 31 March 2023

The notes on pages 10 to 23 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1. GENERAL INFORMATION

Core Communication Retail Limited is a limited liability company incorporated in the United Kingdom. It is a company limited by shares. The registered office is 101 Devonshire Business Centre, Wade Road, Basingstoke, England, RG24 8PE.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Core Communication Holdings Limited as at 30 June 2022 and these financial statements may be obtained from 101 Devonshire Business Centre, Wade Road, Basingstoke, RG24 8PE.

2.3 GOING CONCERN

The directors believe the business to have sufficient resources to continue to trade for a period of at least 12 months.

2. ACCOUNTING POLICIES (continued)

2.4 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.5 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2. ACCOUNTING POLICIES (continued)

2.6 OPERATING LEASES

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.7 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

2.8 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.9 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.10 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2. ACCOUNTING POLICIES (continued)

2.11 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.12 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 25% straight line
Fixtures and fittings	- 50% straight line
Office equipment	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

2.14 DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

2. ACCOUNTING POLICIES (continued)

2.16 CREDITORS

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.17 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.18 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

2.19 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

3.**JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these judgments and estimates have been made include:

- Determining whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of that unit.
- Tangible fixed assets are depreciated over their useful lives, taking into account residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

4. TURNOVER

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

5. OTHER OPERATING INCOME

	2022	2021
	£	£
Government grant income - Coronavirus Job Retention Scheme	-	398,654
	<u>-</u>	<u>398,654</u>

6. OPERATING PROFIT

The operating profit is stated after charging:

	2022	2021
	£	£
Depreciation of tangible fixed assets	67,286	32,966
Amortisation of intangible assets, including goodwill	86	-
Exchange differences	(21,837)	(14,306)
Defined contribution pension cost	232,533	193,040
Government grant income	-	(398,654)

7. AUDITORS' REMUNERATION

During the year, the Company obtained the following services from the Company's auditors:

	2022	2021
	£	£
Fees payable to the Company's auditors for the audit of the Company's financial statements	10,750	8,125

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

8. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2022	2021
	£	£
Wages and salaries	5,695,337	5,463,226
Social security costs	616,508	533,538
Cost of defined contribution scheme	232,533	193,040
	<u>6,544,378</u>	<u>6,189,804</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022	2021
	No.	No.
Staff	<u>171</u>	<u>167</u>

9. DIRECTORS' REMUNERATION

	2022	2021
	£	£
Directors' emoluments	292,713	296,800
Directors pension costs	4,910	4,800
	<u>297,623</u>	<u>301,600</u>

During the year retirement benefits were accruing to 1 director (2021: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £292,713 (2021: £296,800).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,910 (2021: £4,800).

10. INTEREST RECEIVABLE

	2022	2021
	£	£
Other interest receivable	-	20,458
	<u>-</u>	<u>20,458</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

11. TAXATION

	2022 £	2021 £
CORPORATION TAX		
Current tax on profits for the year	757,442	551,184
Adjustments in respect of previous periods	153,826	62,495
	911,268	613,679
TOTAL CURRENT TAX	911,268	613,679
DEFERRED TAX		
Origination and reversal of timing differences	38,401	32,039
Adjustments in respect of prior periods	-	(11,319)
Effect of tax rate change on opening balance	-	(9,283)
TOTAL DEFERRED TAX	38,401	11,437
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	949,669	625,116

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

11. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>4,238,317</u>	<u>3,325,712</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	805,280	631,885
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,204	9
Capital allowances for year in excess of depreciation	(12,098)	-
Adjustments to tax charge in respect of prior periods	153,826	51,176
Group relief	(8,760)	(56,360)
Remeasurement of deferred tax for changes in tax rates	9,217	(1,594)
TOTAL TAX CHARGE FOR THE YEAR	<u>949,669</u>	<u>625,116</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

From 1 April 2023 the standard rate of corporation tax in the UK will increase to 25%.

12. DIVIDENDS

	2022 £	2021 £
Dividends	-	7,020,272
	<u>-</u>	<u>7,020,272</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

13. INTANGIBLE ASSETS

	Trademarks £
COST	
Additions	868
At 30 June 2022	868
AMORTISATION	
Charge for the year on owned assets	86
At 30 June 2022	86
NET BOOK VALUE	
At 30 June 2022	782
At 30 June 2021	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

14. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
COST OR VALUATION				
At 1 July 2021	141,639	-	96,451	238,090
Additions	18,965	60,565	143,754	223,284
At 30 June 2022	160,604	60,565	240,205	461,374
DEPRECIATION				
At 1 July 2021	100,436	-	69,800	170,236
Charge for the year on owned assets	15,377	15,087	36,822	67,286
At 30 June 2022	115,813	15,087	106,622	237,522
NET BOOK VALUE				
At 30 June 2022	44,791	45,478	133,583	223,852
At 30 June 2021	41,203	-	26,651	67,854

15. STOCKS

	2022 £	2021 £
Finished goods and goods for resale	2,364,730	1,620,653
	<u>2,364,730</u>	<u>1,620,653</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

16. DEBTORS

	2022 £	2021 £
Trade debtors	5,191,801	4,278,675
Amounts owed by group undertakings	825,763	902,412
Amounts owed by associated undertakings	65	-
Other debtors	15,419	227,291
Prepayments and accrued income	4,045,220	2,863,797
Deferred taxation	-	6,639
	<u>10,078,268</u>	<u>8,278,814</u>

17. CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash at bank and in hand	1,774,751	2,497,502
	<u>1,774,751</u>	<u>2,497,502</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	2,796,910	2,239,342
Amounts owed to group undertakings	725,066	717,472
Amounts owed to other associated undertakings	-	1,863,739
Corporation tax	324,741	44,168
Other taxation and social security	1,109,382	141,225
Other creditors	15,685	18,977
Accruals and deferred income	2,777,807	4,067,518
	<u>7,749,591</u>	<u>9,092,441</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

19. DEFERRED TAXATION

	2022 £
At beginning of year	6,639
Charged to profit or loss	(38,401)
AT END OF YEAR	(31,762)

The deferred taxation balance is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(53,957)	(16,380)
Short term timing differences	22,195	23,019
	<u>(31,762)</u>	<u>6,639</u>

20. SHARE CAPITAL

	2022 £	2021 £
ALLOTTED, CALLED UP AND PARTLY PAID		
100 (2021: 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

21. RESERVES

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

22. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £ 232,533 (2021: £ 193,040). Contributions totalling £ 15,685 (2021: £ 18,977) were payable to the fund at the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

23. COMMITMENTS UNDER OPERATING LEASES

At 30 June 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022	2021
	£	£
This lease relates to the move to new premises within the year.		
Not later than 1 year	140,913	-
Later than 1 year and not later than 5 years	58,714	-
	<u>199,627</u>	<u>-</u>

24. RELATED PARTY TRANSACTIONS

The company has taken the exemption available under FRS 102 from disclosing the details of transactions between wholly owned members of the same group. Transactions and balances with other related parties are detailed below.

	2022	2021
	£	£
Amounts owed to companies under common control	-	1,863,739
Amounts owed by companies under common control	65	-
Expenses during period charged by companies under common control	<u>-</u>	<u>1,576,000</u>

25. CONTROLLING PARTY

The immediate and ultimate parent company is Core Communication Holdings Limited, a company incorporated within the UK. The ultimate controlling party is A Greaves by virtue of his majority shareholding.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.