

## Callstream Limited

Director's report and financial statements  
for the year ended 31 December 2020

Company Number: 03778571



## Callstream Limited

### Contents and Company information

---

	<b>Page</b>
Director's report	1 - 2
Independent auditor's report	3 - 5
Statement of Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 - 16

---

<b>Director</b>	A S Price (from 9 February 2021 onwards) S Ramewal (from 19 December 2020 to 9 February 2021) J D Eikenberry (till 19 December 2020) J D Rossen (till 9 February 2021)
<b>Company secretary</b>	Pitsec Limited
<b>Registered number</b>	03778571
<b>Registered office</b>	4th Floor, The Anchorage 34 Bridge Street, Reading Berkshire, England RG1 2LU
<b>Independent auditors</b>	BDO LLP 55 Baker Street London W1U 7EU

# Callstream Limited

## Director's Report For the year ended 31 December 2020

---

The director presents his report and the audited financial statements for the year ended 31 December 2020.

### Principal activity

The principal activity of the company during the year was that of provision of call management technology and telecommunications services to businesses across the UK.

### Results and dividends

The profit for the year, after taxation, amounted to £67,797 (2019: £1,000,981).

Dividends of £336 per share (2019: nil) amounting to £672,745 (2019: nil) were declared and paid during the year.

### Going concern

For further details on going concern see note 2.3.

### Post balance sheet events

For details on post balance sheet events see note 16.

### Director's responsibilities statement

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

## Callstream Limited

### Director's Report (continued) For the year ended 31 December 2020

---

#### Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

- so far as 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.

#### Brexit

The UK left the EU on 31 January 2020 and the transition period ended on 31 December 2020, in which time the UK and EU negotiated additional arrangements and concluded the "Trade and Cooperation Agreement. The director has considered the impact on the company regarding the agreed exit terms within the agreement and wider regulatory and legal implications within these statutory financial statements and will continue to do so.

#### Director's indemnity insurance

The company has taken out insurance to indemnify, against third party proceedings, the directors of the company whilst serving on the board of the company. The indemnity policy subsisted throughout the year and remains in place at the date of this report.

#### Auditors

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

#### Small companies exemption

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The director has also taken advantage of the small companies exemption provided by section 414B of the Companies Act 2006 and not prepared a Strategic report.

This report was approved by the board on 30 June 2022 and signed on its behalf.



A S Price  
Director

## **INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF CALLSTREAM LIMITED**

### **Disclaimer of opinion**

We were engaged to audit the financial statements of Callstream Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, 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).

We do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

### **Basis for disclaimer of opinion**

The Company's immediate parent company was acquired by DNN Corp on 9 February 2021. The Director has prepared these financial statements utilising financial information which has been made available by the vendors following the acquisition. Due to no longer having timely access to the full accounting records and associated supporting documentation the Director was not able to provide full documentation and evidence in response to our audit queries and procedures, including, but not restricted to the audit of revenue, expenses, system migration and manual journals. The Company's financial statements are overdue for filing. The Director has concluded that it is in the best interests of the Company, and its shareholders, to file these financial statements, notwithstanding the fact that the Director is unable to provide all accounting records, evidence and explanations pertaining to the period before acquisition.

We were therefore unable to obtain sufficient appropriate audit evidence relating to certain material aspects of the reported financial performance and financial position of the Company for the year ended 31 December 2020. Given the materiality and importance of the operations, for which we could not obtain sufficient appropriate audit evidence, to the financial statements, we conclude that the possible effects of any undetected misstatements in respect of the matters stated above, if any, could be both material and pervasive to the financial statements.

### **Opinions on other matters prescribed by the Companies Act 2006**

Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit:

- the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's report has been prepared in accordance with applicable legal requirements.

Because of the significance of the matter described in the basis for disclaimer opinion section of our report, we are unable to conclude in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, whether there are any material misstatements in the Director's Report.

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- adequate accounting records have not been kept.

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:

- returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Director's remuneration specified by law are not made.

#### **Responsibilities of the Director**

As explained more fully in the Director's responsibilities statement, the Director is 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 Director determines 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 Director is 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 Director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our responsibility is to conduct an audit of the Company's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report.

However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Extent to which the audit was capable of detecting irregularities, including fraud**

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:


- Enquiring of management and obtaining and reviewing supporting documentation relating to the Company's policies and procedures relating to:
  - compliance with laws and regulations and whether they were aware of any instances of non-compliance or any actual or potential litigation and claims; and
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.
- Discussion within the engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud;
- Obtaining an understanding of the legal and regulatory frameworks the Company operates in, focusing on those laws and regulations that had a direct effect on the financial statements and operations of the Company;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC, if any.

Further, the Company is also subject to various laws and regulations where the consequences of non-compliance could have a material effect on amounts and disclosures in the financial statements, for instance through imposition of fines or litigation etc.

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 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 are to become aware of it.

#### 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 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.

DocuSigned by:  
  
038EB033AB07430...

Matthew Haverson (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London, UK

04 July 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## Callstream Limited

### Statement of Comprehensive Income For the year ended 31 December 2020

---

	Note	2020 £	2019 £
Turnover	4	4,383,532	5,788,195
Cost of sales		<u>(2,359,187)</u>	<u>(3,135,854)</u>
<b>Gross profit</b>		<b>2,024,345</b>	<b>2,652,341</b>
Administrative expenses		<b>(1,773,758)</b>	<b>(1,348,925)</b>
<b>Operating profit</b>	6	<b>250,587</b>	<b>1,303,416</b>
Interest income		-	3,924
<b>Profit before tax</b>		<b>250,587</b>	<b>1,307,340</b>
Tax on profit	7	<b>(182,790)</b>	<b>(306,359)</b>
<b>Profit and total comprehensive income for the financial year</b>		<b><u>67,797</u></b>	<b><u>1,000,981</u></b>

The company has no items of other comprehensive income for the current or preceding financial year. Therefore no separate statement of other comprehensive income has been presented.

All amounts above relate to continued operations.

The notes on pages 9 to 16 form part of these financial statements.

**Callstream Limited**  
Company Number: 03778571

**Balance Sheet**  
As at 31 December 2020

	Note	2020 £	2019 £
<b>Non-current assets</b>			
Intangible assets	8	1,991,735	2,695,959
Tangible assets	9	<u>17,329</u>	<u>25,063</u>
		<u>2,009,064</u>	<u>2,721,022</u>
<b>Current assets</b>			
Debtors due within one year	10	625,448	785,061
Cash at bank and in hand		<u>1,056,743</u>	<u>2,026,098</u>
		<u>1,682,191</u>	<u>2,811,159</u>
Creditors: amounts falling due within one year	11	<u>(1,315,607)</u>	<u>(2,551,585)</u>
<b>Net current assets</b>		<u>366,584</u>	<u>259,574</u>
<b>Net assets</b>		<u>2,375,648</u>	<u>2,980,596</u>
<b>Capital and reserves</b>			
Called up share capital	12	2,000	2,000
Retained earnings		<u>2,373,648</u>	<u>2,978,596</u>
Total equity		<u>2,375,648</u>	<u>2,980,596</u>

The notes on pages 9 to 16 form part of these financial statements.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 June 2022

  
**Andrew S Price**  
Director

## Callstream Limited

### Statement of Changes in Equity For the year ended 31 December 2020

	Called up share capital £	Retained earnings £	Total equity £
At 1 January 2019	2,000	1,977,615	1,979,615
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,000,981	1,000,981
<b>Total comprehensive income for the year</b>	-	1,000,981	1,000,981
At 31 December 2019	2,000	2,978,596	2,980,596
<b>Comprehensive income for the year</b>			
Profit for the year	-	67,797	67,797
<b>Total comprehensive income for the year</b>	-	67,797	67,797
<b>Distribution to owners</b>			
Dividends paid	-	(672,745)	(672,745)
At 31 December 2020	<u>2,000</u>	<u>2,373,648</u>	<u>2,375,648</u>

The notes on pages 9 to 16 form part of these financial statements.

# Callstream Limited

## Notes to the financial statements for the year ended 31 December 2020

---

### 1. General information

Callstream Limited is a private company, limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page. The principal activity of the company continued to be that of the provision of call management technology and telecommunications services to businesses across the UK.

### 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 Section 1A of the 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).

#### 2.2 Exemptions for qualifying entities under FRS 102

Section 1A of the FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders.

The company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, required under Section 7 of FRS102 and para 3.17(d), on the basis that it is a small company;
- from disclosing the company's key management personnel compensation as required by FRS 102 para 33.7; and
- from disclosing related party transactions that are wholly owned within the same group.

#### 2.3 Going concern

On 30 September 2021, the Company transferred its Intellectual property rights along with customer and vendor contracts for the business to another group entity. This results into the transfer of business in UK including the underlying rights and obligations to a group company.

The Company currently has minimal business. The ultimate parent company intends to honour all obligations and continue to support the Company financially and continues to demonstrate robust cash reserves and forecasts healthy profits for 2022. Based on the Company's current business activity, together with available financial support from its ultimate parent, the directors have reasonable expectation that the Company will continue to operate in the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements. Careful consideration has been made by the directors of the funding requirements of the Company and the funding sources available to them. The ultimate parent undertaking, ESW Capital LLC, is the main funding source for the Company and although the directors have no reason to believe that the ultimate parent will redact this support, there is no contractual agreement in place and therefore the financial support is not guaranteed. This indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements are prepared on the going concern basis and do not include any adjustments that would be necessary if the going concern basis of preparation were inappropriate.

## Callstream Limited

### Notes to the financial statements for the year ended 31 December 2020

---

#### 2. Accounting policies (continued)

##### 2.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Call revenue is recognised based on a mixture of fixed fees spread over the life of the contract on a straight line basis, and variable fees recognised on a monthly basis based on usage reports received from carriers. Rebates are self-billed by suppliers and recognised on a monthly basis. One-off fees incurred for early cancellation are recognised as at the date of cancellation. Revenue for the sale of hardware is recognised on dispatch of the goods.

##### 2.5 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

##### 2.6 Intangible assets and amortisation

Goodwill represents the excess of the cost of acquisition of unincorporated business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is as follows:

- Goodwill on customer contracts acquired: 15 years straight line (6.67%)

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

##### 2.7 Tangible fixed assets and depreciation

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:

- Fixtures, fittings and equipment - 25% per annum

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 the statement of comprehensive income.

# Callstream Limited

## Notes to the financial statements for the year ended 31 December 2020

---

### 2. Accounting policies (continued)

#### 2.8 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.

#### 2.9 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.

#### 2.10 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.

#### 2.11 Pensions

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 the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

#### 2.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 2.13 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.

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.

## Callstream Limited

### Notes to the financial statements for the year ended 31 December 2020

---

#### 2. Accounting policies (continued)

##### 2.13 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### 2.14 Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

##### 2.15 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.

##### 2.16 Foreign Currency Translation

The presentational and functional currency of these financial statements is GBP Sterling. Values are rounded to the nearest pound.

Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

##### 2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, 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 balance sheet 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 balance sheet 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 is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

## Callstream Limited

### Notes to the financial statements for the year ended 31 December 2020

---

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

Determine 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 the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

*Other key sources of estimation uncertainty*

*- Intangible fixed assets*

Intangible fixed assets are depreciated over a 15 year period 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.

#### 4. Turnover

Turnover is wholly attributable to the principal activity of the company and arises primarily within the United Kingdom.

#### 5. Employees

Staff costs consist of:

	2020	2019
	£	£
Wages and salaries	682,277	719,125
Social security costs	86,972	82,102
Pension costs	22,544	25,776
	<u>791,793</u>	<u>827,003</u>

The average number of employees, including the director, during the year were 15 (2019: 17). The director did not receive any remuneration.

## Callstream Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 6. Operating profit

The operating profit is stated after charging / (crediting):

	2020	2019
	£	£
Depreciation	7,734	14,456
Amortisation	312,034	312,012
Impairment of intangibles	392,190	-
Operating leases	65,717	52,166
Fees payable to auditors		
- for audit	23,000	18,500
- for tax	3,800	3,700
- for other non-audit services	-	2,800
Foreign exchange	1,082	416
	<b>805,557</b>	<b>404,050</b>

#### 7. Taxation

	2020	2019
	£	£
<b>Corporation tax</b>		
Current tax on profits for the year	183,110	307,844
Adjustments in respect of previous periods	(174)	(316)
	<b>182,936</b>	<b>307,528</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(146)	(1,169)
Taxation on profit on ordinary activities	<b>182,790</b>	<b>306,359</b>

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%).

	2020	2019
	£	£
Profit on ordinary activities before tax	<b>250,587</b>	<b>1,307,340</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	47,612	248,395
<u>Effects of:</u>		
Expenses not deductible for taxation purpose	135,352	59,662
Capital allowances for year in excess of depreciation		(1,520)
Adjustments to tax charge in respect of prior periods	(174)	(316)
Effects of tax rate changes	-	138
Total tax charge for the year	<b>182,790</b>	<b>306,359</b>

There are no factors that may affect future tax charges. There were no unrecognised losses as at 31 December 2020 (2019 - Nil).

## Callstream Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 8. Intangible assets

	£
<b>Cost</b>	
As at 1 January 2020 and 31 December 2020	<u>5,262,883</u>
<b>Amortisation and impairment</b>	
At 1 January 2020	2,566,924
Charge for the year	312,034
Impairment for the year	<u>392,190</u>
At 31 December 2020	<u>3,271,148</u>
Net book value as at 31 December 2020	<u>1,991,735</u>
Net book value as at 31 December 2019	<u>2,695,959</u>

#### 9. Tangible assets

	£
<b>Cost</b>	
As at 1 January 2020 and 31 December 2020	<u>236,923</u>
<b>Depreciation</b>	
At 1 January 2020	211,860
Charge for the year	<u>7,734</u>
At 31 December 2020	<u>219,594</u>
Net book value as at 31 December 2020	<u>17,329</u>
Net book value as at 31 December 2019	<u>25,063</u>

#### 10. Debtors - amounts falling due within one year

	2020	2019
	£	£
Trade debtors	403,840	468,001
Amounts owed by group undertakings	2,290	212
Prepayments and other receivables	216,700	314,377
Deferred taxation	<u>2,617</u>	<u>2,471</u>
	<u>625,448</u>	<u>785,061</u>

The impairment loss recognised in profit or loss for the year in respect of bad and doubtful trade debtors was £38,787 (2019 - £22,912). The amounts owed by group undertakings arise during normal course of business, are unsecured, interest free and repayable on demand.

#### 11. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Trade creditors	-	11,621
Amounts owed to group undertakings	961,997	1,927,263
Corporation tax	90,535	153,148
Other taxation and social security	97,807	230,969
Accruals and deferred income	<u>165,268</u>	<u>228,584</u>
	<u>1,315,607</u>	<u>2,551,585</u>

The amounts owed to group undertakings arise during normal course of business, are interest free and repayable on demand.

## Callstream Limited

### Notes to the financial statements for the year ended 31 December 2020

#### 12. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
2,000 ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>

#### 13. Commitments under operating leases

	2020 £	2019 £
Within one year	44,640	31,655
In one to five years	<u>180,760</u>	<u>187,140</u>
	<u>225,400</u>	<u>218,795</u>

#### 14. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

#### 15. Ultimate Parent and Controlling Party

The company is wholly owned subsidiary of Callstream Group Limited. The company's ultimate holding company as at 31 December 2020 was Ziff Davis Inc. (formerly J2 Global Inc.). Pursuant to acquisition of Callstream Group Limited by DNN Corp through a share purchase agreement, with effect from 9 February 2021, the company's ultimate holding company is ESW Capital LLC, which is incorporated in the United States of America. The ultimate controlling party is Mr J Liemandt, by virtue of his being the sole voting member of ESW Capital LLC.

#### 16. Post balance sheet event

On 30 September 2021, the company sold its IP to ESW Technologies FZ-LLC, one of the related parties within ESW Capital LLC Group for a purchase consideration of £1.76 million. Also refer to Note 2.3 on going concern.