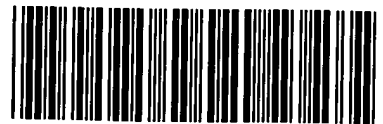


REGISTERED NUMBER: 08401611 (England and Wales)

ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
FOR
LIKEWISE SERVICES UK LIMITED

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LIKEWISE SERVICES UK LIMITED
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FOR THE YEAR ENDED 31 DECEMBER 2023

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LIKEWIZE SERVICES UK LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2023

DIRECTORS:

D E Parkinson
J A Negro
A J Morris

REGISTERED OFFICE:

Unit 2, Crewe Logistics Park, Jack Mills Way
Shavington
Crewe
Cheshire
CW2 5XF

REGISTERED NUMBER:

08401611 (England and Wales)

AUDITOR:

Deloitte LLP
100 Embankment
Cathedral Approach
Manchester
M3 7FB

BANKERS:

Barclays Bank PLC
PO Box 202
36 Town Road
Hanley
Stoke on Trent
Staffordshire
ST1 2PJ

LIKEWISE SERVICES UK LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors present their strategic report for the year ended 31 December 2023.

REVIEW OF BUSINESS

The Company's principal activity is the sourcing, processing and fulfilment of mobile phone products and the provision of business process outsourcing services to the telecoms and insurance industry. The statement of income and retained earnings and the balance sheet are set out on pages 12 and 13.

The Directors are pleased with the significant progress that has been made to date where the Company continues to gain market share with large high-profile banking, retail and telecom providers. Likewise Services UK Limited is a key member of a group of companies, to which Likewise Services UK Limited supports as a fulfilment and repair provider for mobile phones.

Revenue for the year was £238.5m (2022: £289.8m). The decrease reflects the exit of open market distribution of new mobile devices and accessories and focus on the fulfilment of it's used devices combined with insurance market distribution and repair to which further three year contracts with a large PLC bank and OEM were signed in period. The business and industry continue to see increased volume and demand of used device sales, non-strategic activities such as the open distribution of new devices were significantly decreased year on year owing to the exit of these business lines. Operating loss for the year was £1.1m (2022: loss £4.2m). This is reflecting large business improvements seen all year, offset by a poor final quarter, in relation to an unusual market drop in used device pricing impacting usual margins, in addition to the final full year of legacy loss-making contracts to be exited in 2024. Net assets as at 31 December 2023 were £21.0m (2022: £4.4m), the increase mainly resulting from capital provided by the parent Company to support the vital services the Company provides across the Group.

KEY PERFORMANCE INDICATORS

The Company's key financial and other performance indicators for the year were as follows:

	2023	2022
	£'000	£'000
Turnover	238,508	289,764
Operating loss	(1,084)	(4,246)
Loss after tax	(3,911)	(7,339)
Total shareholder's funds	20,961	4,440
Current assets as a % of current liabilities	90	80
Average number of employees	328	345

The turnover of the Company has decreased year over year owing to prior year exit of non-core activities, mainly in relation to its historical distribution and accessories business. The Company has also implemented a stricter pricing strategy to focus capital on higher margin purchases, so a portion of the turnover decrease within 2023 reflects this, in turn however the benefits of this strategy are seen within the improved operating results year over year. As the Company completes its final exit of non-core services within 2024, the operating results are anticipated to substantially improve.

Shareholder's funds have improved year on year despite the loss after tax position, due to support in the form of a £22.3m capital contribution from the Company's parent Likewise Services Group, as support towards recent investments and the costs to exit discontinued operations.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's principal financial instruments comprise cash and long term deposits. The main purpose of these financial instruments is to finance the Company's operations. The Company has various other financial assets and liabilities such as trade debtors and trade creditors, which arise directly from its operations.

Cash flow interest rate risk

The Company's exposure to the risk of changes in market interest rates relates to its overdraft and short-term borrowings, cash and short-term deposits, which have fixed and floating interest rates. All surplus funds are managed daily to ensure maximisation of interest receivable or reduction of interest payable in the medium term.

Inflation risk

The Company is consistently monitoring inflationary risk, the highest of which come through procurement of goods, and provision of labour, the Company operates with suppliers outside of fixed terms at regular intervals, which ensures that the Company can adjust selling prices in the same period as any inflationary increases incurred. Recent examples of inflation have been labour increases, which has not seen any adverse impact on sales volumes.

LIKEWIZE SERVICES UK LIMITED

STRATEGIC REPORT - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

Foreign currency risk

The Company has transactional currency exposures arising from sales and purchases in currencies other than their functional currency. The Company uses spot currency contracts, or use of a global multi-currency cashpool to eliminate currency exposures on all transactions once the Company has entered into a firm commitment for a sale or purchase.

Credit risk

The Company extends credit only to recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, trade debtor balances are monitored on an on-going basis to ensure that the Company's exposure to bad debts is minimised.

Liquidity risk

The Company aims to maintain a balance between continuity of funding and flexibility by ensuring that sufficient borrowing facilities are in place by reference to forecast debt levels.

The Directors have acted in accordance with their duties as detailed in section 172 of the UK Companies Act 2006. We have disclosed section 172 statement in the Directors' report (Page 6).

FUTURE DEVELOPMENTS

Post year-end financial performance has improved for Likewize Services UK Limited, supported by signing three new major contracts with a retail store, network provider and OEM operator. Likewize Services UK Limited continues to carefully monitor the interest and inflationary increases within 2024 and the impact that it may have on its supply chain, people and clients. To date this has not impacted operations or significantly the financial results of the Company.

The Directors are satisfied with the future prospects of the business and continue to invest in all areas of the business, specifically investment in a new insurance contract with a major banking customer and works towards a reimplementation of a new ERP platform. The business is expected to return to profitability in the future based on continued focus on cost control, efficiencies from investment and change in business strategy with a move towards providing services which have more stable margins.

Although there remains uncertainty with sterling and the UK economy, the Company still maintains a strong balance sheet to allow it to take advantage of any new opportunities that arise in the next financial year. The Russia/Ukraine conflict has not had any discernible impact on the business. The Company is monitoring the ongoing inflationary/interest increases seen across many businesses and the public, but the Company views the services it offers as crucial even in the event of any economically challenging times.

The widespread adoption of artificial intelligence across the economy is seen as a benefit to both the Company and the wider Likewize Group to which it supports.

Approved by the Board of Directors and signed on its behalf by:



.....
Director – Daniel Parkinson

Date: 16 October 2024

LIKEWIZE SERVICES UK LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors present their report with the financial statements of the Company for the year ended 31 December 2023.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year and prior year under review was that of the sourcing, processing, repair and supply of used mobile phone products and the provision of business process outsourcing services to the telecoms industry.

DIVIDENDS AND RESULTS

No dividends were declared and paid in the current year and in the period after the balance sheet date up to the date of signing the accounts (2022: £Nil).

The income statement in the year represents the trading performance for the year ended 31 December 2023. The loss for the year after taxation, amounted to a loss of £3.9m (2022: loss of £7.3m). The operating losses have decreased due to improved performance in used device inventory management.

DIRECTORS

J A Negro has held office during the whole of the period from 1st January 2023 to the date of this report.

G O’Keeffe has held office from 1st January 2023 until resigning on the 1st September 2023.

P M Adams has held office from 1st January 2023 until resigning on the 30th June 2023.

D E Parkinson was appointed on the 30th June 2023.

A J Morris was appointed on the 1st September 2023.

G O’Keeffe retired in year and is replaced by A J Morris who has previously been regulated as a senior manager by the Financial Conduct Authority (Reference Number: AXM02357), from 2006, in CF1, CF3, CF17, CF29, SIMF1, SMF3 and SMF1 authorised roles, responsible for insurance distribution and insurance mediation. He has extensive knowledge of the regulatory framework and achieving good consumer outcomes. A J Morris also has over 20 years of experience in helping to grow innovative device technology protection services and has held various senior leadership positions at Assurant, LSG, Barclays, GE, Apple Financial Services and Sun Microsystems Finance. Whilst maintaining the Company’s successes particularly within the sales of used devices and fulfilment of insurance devices, he will further drive the development of innovative, consumer-focused programs that will accelerate the Company’s expansion in addition to increasing strategic customers of core services.

GOING CONCERN

Inflationary and interest rates have an impact on the Company as with many companies, however the Company has a large portfolio of key customer contracts with long term contracts, that incorporate protectionary measures, in addition to the relevant services that the Company offers, the products are both a key and desirable commodity in any economic situation which gives high demand for its services.

The Company has continued its path to exit lower margin and riskier businesses relating mainly to traditional new device distribution and accessories and continues to monitor carefully at a granular level of detail all areas of business this is reflected in management’s going concern analysis.

The Company is a subsidiary within the Likewize Group of companies ("the Group") whose ultimate parent entity is Brightstar Capital Partners (see Note 23). The Company is under common management of the Group and is able to benefit from Group support when needed. This support is in the form of a USD 100m facility provided to Likewize Services UK Limited from Likewize Netherlands IHB, a fellow Likewize Group company. This facility expires in December 2032, with an automatic renewal and is repayable on demand. In assessing the actual and potential future impacts the Group sensitised forecasts and projections have been considered through to December 2025 which show that the Group should be able to meet its liabilities as they fall due. The cash balances and available unutilised facilities allow more than sufficient headroom even when the business model is stress tested. As well as a base-case scenario that forecasts profitable trading, the Company has prepared a reasonably possible worst-case scenario that assumes the Company will be loss-making for the next 12 months and therefore depend on increased utilisation of its Group facility. In this scenario the Company would have sufficient funding availability, assuming the Group facility remains available for the next 12 months.

During August 2023 the Company obtained and utilised a further credit facility as a means to offer further funding as and when required by the business as it continues to enhance its facilities and technology systems in order to continue to strive to deliver the highest quality customer service offerings within the industry.

LIKEWIZE SERVICES UK LIMITED

REPORT OF THE DIRECTORS-Continued **FOR THE YEAR ENDED 31 DECEMBER 2023**

GOING CONCERN – continued

As the Company is dependent on the continued operational existence of the Likewize Group together with access to the Group facility, in assessing the going concern position of the Company the Directors have also considered the forecast financial performance and position of the Group. Likewize Corp has provided a letter of support stating that it will provide any necessary funding to ensure that the Company has adequate funding to meet its financial liabilities as they fall due for a period of 12 months after the date of signing of these financial statements. The Directors have assessed the willingness and ability of the Group to provide such support and, taking into consideration additionally the cash that is expected to be generated by the Company, having made enquiries of the Directors of Likewize Corp, are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

EMPLOYMENT OF DISABLED PERSONS

The Company is an equal opportunity employer and accordingly has a policy giving full and fair consideration to applicants for employment from registered disabled people. In cases where disablement occurs whilst in service, Company policy is, wherever practicable, to continue employment and to arrange for any necessary re-training. Opportunities for training, career development and promotion apply equally across the Company to disabled and non-disabled employees alike.

STREAMLINED ENERGY AND CARBON REPORT (SECR)

In accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 we disclose our Group UK energy and Greenhouse Gas emissions. Our SECR reporting is aligned with the Group's consolidated financial statements.

UK GHG Emissions & Energy use Financial Year ending 31 December 2023				
	2023		2022	
	kWh	tonnes CO ₂ e	kWh	tonnes CO ₂ e
Scope 1 - Gas Consumption	1,239,200	252.2	1,287,937	235.1
Scope 2 - Purchased Electricity	2,154,538	446.1	2,231,300	431.5
Scopes 1 & 3 - Transport	85,944	20.7	41,355	10.4
Total	3,479,683	719.0	3,560,592	677.0
Intensity Ratio tonnes CO₂e per M£ Turnover	3.01		2.336	

METHODOLOGY

Greenhouse gas emissions are reported in gross tonnes CO₂e in line with the requirements set out in the UK Government's Environmental Reporting Guidelines (March 2019 version) and use the UK Government GHG (Green House Gas) Conversion Factors for Company Reporting (2022 version 2.0). The operational control approach for the Group's UK activities has been applied and is guided by the GHG Protocol – Corporate Standard (revised edition). Emissions from electricity are location based and report grid purchased electricity (Scope 2). Natural gas emissions are calculated based on Gross Calorific Values and transport on Net Calorific Values.

ENERGY EFFICIENCY ACTION

Within the reporting period 26,022 kWh of electricity was generated from on-site photovoltaic panels avoiding the equivalent of 5.0 tonnes CO₂e from grid supplied electricity. An emissions reduction plan is in place, with short and long term targets: a 23% absolute reduction in emissions by 2025 from 2022 baseline data, up to a 91% reduction in emissions by 2045 from 2022 baseline levels. The carbon reduction plan contains a glidepath of year-on-year emissions reductions. Each cope 3 category contains a series of actions to be undertaken to reduce GHG emissions. 2022 efficiency actions have been obtained with the renewal of Gas & Electricity from a highly renewable energy solution, the increased Gas & Electricity is owing to the running of two main warehousing sites, which has ceased effective August 2024.

EMPLOYEE INVOLVEMENT AND PARTICIPATION

The Company's policy is to consult and discuss with employees, matters likely to affect employees' interests. Information on matters of concern to employees is given through team briefings, internal publications and notice boards which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Company's performance.

LIKEWIZE SERVICES UK LIMITED

REPORT OF THE DIRECTORS-Continued **FOR THE YEAR ENDED 31 DECEMBER 2023**

DIRECTORS' DUTIES

The Directors have acted in accordance with their duties as detailed in section 172 of the UK Companies Act 2006, which are as follows:

A Director of a Company must act in the way he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members, and in doing so have regard (amongst other matters) to-

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the Company's employees;
- (c) the need to foster the Company's business relationships with suppliers, customers and others;
- (d) the impact of the Company's operations on the community and the environment;
- (e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly as between members of the Company.

The following paragraphs summarise how the Directors have fulfilled their duties:

Decision making, performance review and risk management

The Board meets regularly to review ongoing performance and formalise day-to-day management decisions taking into account the business risks as necessary. Each year the Board undertakes a detailed review of its strategy and its performance and on this basis prepares its business plan for the following five years. This business plan forms the basis for financial budgets, resource planning and investment decisions.

Employees

The Company is committed to being a responsible business. Its employees are key to its long-term success and as such the Board considers their interests and has a means of understanding their views through regular discussion forums. The Company values colleague development and has recently introduced a talent management review process which measures and recognises performance.

The Directors of the Company recognise that our colleagues are at the centre of our business. Our colleagues resolve thousands of problems for consumers every day when their tech gets lost, stolen, in need of an upgrade or if they need help to do something. Everyone plays a role in delivering the best experience for our clients and their customers.

The Directors are committed to ensuring colleagues are in a safe, supported, engaging workplace. We have introduced many initiatives that enable our colleagues to thrive and perform at their best, with wellbeing at the core of our people strategy.

To help us measure our progress we conduct an annual colleague engagement survey, collating the survey results alongside those gained through our other channels of colleague feedback, we are able to collate a clear view of the employee landscape and identify areas of improvement.

Over the last year the financial challenges of the rising cost of living have added to the pressures that our colleagues have been experiencing and has been a specific area of focus. Continued initiatives include:

Investment in the recruitment of a mental health consultant to help build our mental health framework and to ensure that colleagues receive support they need in the workplace. This includes the continuation of drop-in sessions that colleagues can book into, for 121 supports, as well as the introduction of an additional day dedicated to wellbeing strategy design and delivery.

Alongside our 121 consultant, we have also designed our own in-house training programme which has developed 26 Wellbeing Champions, representing all areas of the business. Our champions are available to signpost colleagues to various platforms of available support and advocate for wellbeing in the workplace.

Quarterly company wide meetings have been held to brief colleagues on key business updates, celebrate milestones and recognise colleagues. Our Senior Leadership Team host regular drop-in sessions to allow informal dialogue and enable colleagues from all areas to connect and share ideas.

REPORT OF THE DIRECTORS-Continued
FOR THE YEAR ENDED 31 DECEMBER 2023

Helping our colleagues with cost of living increases through our multifaceted benefits package means that colleagues can make significant savings on day-to-day items, as well as one-off purchases and healthcare through discounts and cash back.

Launching colleague-led forums, driven by passionate people who focus on initiatives varying from Community, Social, Wellbeing and ED&I has shaped our people agenda and guided our focus areas of deliverables. We continue to partner with external shareholders to share best practice and welcome ideas to drive continuous improvement for our colleagues.

Business relationships

The Company's expansion strategy is predominantly focused on organic growth. Its suppliers and customers, both existing and new, are critical to its success and as such there is passionate focus by the Board and its employees in maintaining and nurturing relationships to ensure long-term success for all.

A key component in doing this is through regular engagement through open communications, and monitoring and reporting relevant key performance indicators.

Community and environment

The Company is based in Crewe, Cheshire and as it continues to expand it is committed to remaining within Crewe and supporting employment opportunities for the people in the locality. The Company has and continues to consider the environmental impact of its operations and strives to improve its efficiency each year. The Company also offers community volunteering opportunities through partnerships with local organisations and our charity partner Caudwell Children.

Shareholders

The Board is committed to openly engaging with its shareholders through regular dialogue. It is important that the shareholders understand the Company's strategy and objectives and these are discussed and any feedback obtained is appropriately considered.

Business conduct

The Board is committed to professional conduct across the Company, this is actioned through regular Company wide training and offering appropriate facilities in which to operate.

Future Developments

The Directors have outline the future developments of the Company within the strategic report of these financial statements in line with the Company strategy.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

The auditor, Deloitte LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on its behalf by:

D.E. Parkinson

.....
Director – Daniel Parkinson

Date: 16 October 2024

LIKEWIZE SERVICES UK LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclosure 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.

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 102 "The Financial Reporting Standards 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 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 the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
LIKEWISE SERVICES UK LIMITED**

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Likewise Services UK Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity;
- the statement of cashflows; and
- the related notes 1 to 26.

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).

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 auditor's 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 UK, including the Financial Reporting Council's (the 'FRC'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 auditor's 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.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
LIKEWISE SERVICES UK LIMITED (Continued)**

Responsibilities of Directors

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, 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.

Auditor's 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 auditor's 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.

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

Extent to which the audit was considered 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.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the Directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's business sector.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax, analytics and valuations regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
LIKEWISE SERVICES UK LIMITED (CONTINUED)**

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements.
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management in-house and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

Opinions 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.

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 or the Directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

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.

Carl Acton

**Carl Acton BA (Hons), BFP FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Manchester, United Kingdom
Date: 16 October 2024**

LIKEWISE SERVICES UK LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £'000	2022 £'000
Turnover	4	238,508	289,764
Cost of sales		<u>(225,472)</u>	<u>(273,320)</u>
GROSS PROFIT		13,036	16,444
Administrative expense		<u>(14,120)</u>	<u>(20,690)</u>
OPERATING LOSS	7	(1,084)	(4,246)
Impairment of assets		-	(1,834)
Net finance costs	8	<u>(3,654)</u>	<u>(1,617)</u>
LOSS ON ORDINARY ACTIVITIES		(4,738)	(7,697)
Tax credit on loss on ordinary activities	9	827	358
LOSS FOR THE FINACIAL YEAR		(3,911)	(7,339)

The notes on pages 16 to 27 form an integral part of the financial statements.

All results are derived from continuing operations.

There have been no income or expenses attributable to the shareholders other than the profit on ordinary activities after taxation shown in the Income Statement. Accordingly no separate statement of comprehensive losses has been presented.

LIKEWISE SERVICES UK LIMITED (REGISTERED NUMBER: 08401611)

BALANCE SHEET
31 DECEMBER 2023

	Notes	-2023 £'000	2022 £'000
NON-CURRENT ASSETS			
Intangible assets	10	7,657	8,247
Tangible assets	11	9,628	8,166
Deferred tax	17 & 14	12,728	11,991
Non current assets		129	90
Investments	12	-	2
		<u>30,142</u>	<u>28,406</u>
CURRENT ASSETS			
Stock	13	35,465	16,283
Debtors	14	29,718	65,659
Cash at bank and in hand		316	5,857
		<u>65,499</u>	<u>87,799</u>
CREDITORS: amounts falling due within one year	15	(72,815)	(109,853)
NET CURRENT LIABILITIES		<u>(7,316)</u>	<u>(22,054)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>22,826</u>	<u>6,352</u>
Provisions for liabilities	16	(1,865)	(1,912)
NET ASSETS		<u><u>20,961</u></u>	<u><u>4,440</u></u>
CAPITAL AND RESERVES			
Called - up share capital	18	3,285	3,285
Share premium	18	22,300	-
Other reserves	18	17,000	18,868
Retained losses		(21,624)	(17,713)
TOTAL SHAREHOLDER'S FUNDS		<u><u>20,961</u></u>	<u><u>4,440</u></u>

The financial statements and related notes on pages 16 to 27 were approved by the Board of Directors and authorised for issue on 16 October 2024 and were signed on its behalf by:

D.E. Parkinson

.....
Director – Daniel Parkinson

LIKEWISE SERVICES UK LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Called-up share capital £'000	Share premium £'000	Retained losses £'000	Other reserves £'000	Total equity £'000
Balance at 1st January 2022	<u>3,285</u>	<u>-</u>	<u>(10,374)</u>	<u>18,868</u>	<u>11,779</u>
Loss and total comprehensive expense during the year	-	-	(7,339)	-	(7,339)
Balance at 31 December 2022	<u>3,285</u>	<u>-</u>	<u>(17,713)</u>	<u>18,868</u>	<u>4,440</u>
Loss and total comprehensive expense during the year	-	-	(3,911)	-	(3,911)
Share issue (Note 18)	-	22,300	-	(1,868)	20,432
Balance at 31 December 2023	<u>3,285</u>	<u>22,300</u>	<u>(21,624)</u>	<u>17,000</u>	<u>20,961</u>

LIKEWISE SERVICES UK LIMITED (REGISTERED NUMBER: 08401611)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £'000	2022 £'000
Cash flow from operating activities			
Cash (used in)/generated from operations	24	(19,219)	4,416
Interest paid		(3,481)	(1,617)
Net cash (used in) / generated from operative activities		(22,700)	2,799
Investing Activities			
Purchase of Intangible assets	10	(628)	(2,972)
Purchase of tangible fixed assets	11	(4,513)	(1,048)
Net cash used in Investing activities		(5,141)	(4,020)
Financing activities			
Proceeds from Share issue	18	22,300	-
Net cash generated from financing activities		22,300	-
Net decrease in cash and cash equivalents		(5,541)	(1,221)
Cash and cash equivalents at beginning of year		5,857	7,078
Cash and cash equivalents at end of year		316	5,857

LIKEWIZE SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2023**

1. STATUTORY INFORMATION

Likewise Services UK Limited is a private company, and incorporated in the United Kingdom limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the Company Information page.

The principal activity of the Company in the year under review was that of the fulfilment and repair of used mobile phone products and the provision of business process outsourcing services to the telecoms industry.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The functional and presentational currency of Likewise Services UK Limited is Pounds Sterling because that is the currency of the primary economic environment in which the Company operates.

Related party

The Company has not had any material related party transactions within the period that have not been concluded under normal market conditions.

Revenue recognition

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied and credits received from third parties and is recognised once relevant performance criteria have been satisfied.

Goodwill

Goodwill on acquisitions represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. It is amortised on a straight-line basis over an estimated useful economic life of up to ten years with provision made for any impairments.

Intangible assets

Software development is the development of software for the ability to serve customer contracts, which can also include business intellectual property or licences required for the ability to serve customer contracts. The estimated economic life is the lower of the customer contract expiry date and five years.

Tangible assets

Fixture & Fittings & leasehold improvements associated to the business premises have an estimated economical life for depreciation of 5 years, computer and office equipment associated to the business has an economical life of 3 years.

Leasehold improvements associated to the warehouse facilities have an economical life of 10 years in line with the long-term investment and associated lease of the facilities.

Gross cost is considered as measured according to its historical cost, which is the actual purchase cost and the costs associated with bringing assets to its intended use. Depreciation method is done via the straight line method per the periods identified above.

Operating leases

Operating leases are recognised on a straight-line basis over the relevant lease terms, minimum lease payments are disclosed within the relevant time bands on the disclosure note.

Impairment of non-financial assets

Per FRS 102 section 27 the Company prepares an impairment assessment as to whether any of the cash generating units or asset groups are subject to impairment considering the various indicators of impairment are relevant as per the standard.

LIKEWIZE SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES - continued

Investments

Fixed asset investments are stated at cost unless, in the opinion of the Directors, there has been a permanent diminution in value, in which case an appropriate adjustment is made.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is calculated using the average cost method and includes the normal cost of transporting stock to its present location and condition.

Finance income and expenses

Finance income and expenses are recognised in the Profit and loss account in the period to which they relate.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

New Supplier financing was entered into within 2023, to maximise capital available for strategic stock purchases, supplier financing when committed through issued bills of exchange is recognised on the balance sheet at the total repayable value within creditors, key terms are presented within the Creditors note.

(ii) 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.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

LIKEWISE SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES - continued

Taxation

Current tax is calculated on the basis of the laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Foreign currencies

Assets and liabilities of branches denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. The results of overseas branches are translated into sterling at average rates of exchange for the period.

Defined contribution pension scheme

The Company contributes to a Group defined contribution pension scheme. Contributions and pension costs are based on pension costs across the Group as a whole. Pension costs are accounted for on the basis of contributions payable during the year.

LIKEWIZE SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors have considered the process of applying the Company's accounting policies and have decided, in their opinion, there is no significant effect on the amounts recognised in the financial statements in respect of judgements and estimates.

i. Critical judgement in applying the Company's accounting policies

Deferred tax asset balances

The Directors have also assessed with detailed future forecasts the likely future recoverability of the deferred tax asset and recognised the full balance accordingly.

To support in the critical estimation estimates are continually evaluated and supported from both historical basis, and confirmed changes within the business, that even whilst applying stress testing give high confidence of recoverability. The relevant balance as at 31 December 2023 was 12.7m (Note 17).

ii. Key sources of estimation uncertainty

Impairment of assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The Directors have carried out a detailed impairment assessment at the year end comparing the Company's value in use with carrying values of tangible assets and intangible assets.

In making this analysis management has exercised critical judgement when estimating future cashflows and assessing an appropriate discount rate. Based on the analysis, an impairment loss was required to be booked in the prior year December 2022, in relation to discontinued legacy operations, whereby the associated future cashflows are distinct and separable, no further impairment was considered appropriate at the end of December 2023.

Provision against inventory

The Directors exercise judgement when making estimates for obsolete and slow-moving inventory at year end. The assessment is made by comparing the carrying value of inventories with their selling price less costs to complete and sell. When selling price less costs to complete and sell is lower than carrying value, the inventory is impaired and the carrying amount must be reduced to that lower amount.

4. TURNOVER AND SEGMENTAL ANALYSIS

The Company operates within two main classes of business, being that of the supply & repair of mobile phone accessories and also warehousing services. The disaggregation of turnover, results and net assets by class of business and geographical market has not been disclosed because the Directors are of the opinion that this disclosure would be seriously prejudicial to the Company's interests.

LIKEWIZE SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

5. EMPLOYEES AND DIRECTORS

	2023	2022
	£'000	£'000
Wages and salaries	9,625	11,936
Social security costs	861	1,164
Pension costs	416	487
	<u>10,902</u>	<u>13,587</u>

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

	2023	2022
	No.	No.
Management and supervision	14	19
Other employees	314	326
	<u>328</u>	<u>345</u>

6. DIRECTORS' EMOLUMENTS

There are no Director emoluments to disclose within 2023 (2022 – Nil) as the Directors are being paid by a different Company within the Likewize Group structure. This is not recharged to Likewize Services UK Limited.

7. OPERATING LOSS

The operating loss is stated after charging/(crediting)

	2023	2022
	£'000	£'000
Depreciation - owned assets & impairment	2,730	4,553
Goodwill amortisation	586	586
Computer software amortisation & impairment	1,169	2,361
Audit fee	115	124
Operating lease rentals - land and buildings	1,027	1,564
Operating lease rentals - other	74	47
Cost of stock recognised as an expense	154,934	201,614
(Gain) / loss on foreign exchange	(2,620)	295

No non-audit services were provided by the Company's auditor to the Company in either year.

LIKEWIZE SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

8. NET FINANCE COSTS

	2023	2022
	£'000	£'000
Interest payable on bank loans and overdrafts	(44)	(105)
Other interest payable and similar charges	<u>(1,378)</u>	<u>(723)</u>
Total external interest payable	(1,422)	(828)
Intercompany interest payable	<u>(2,232)</u>	<u>(789)</u>
Net finance costs	<u><u>(3,654)</u></u>	<u><u>(1,617)</u></u>

9. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2023	2022
	£'000	£'000
Deferred tax:		
Total tax credit	<u>(827)</u>	<u>(358)</u>
Total tax credit to income statement	<u><u>(827)</u></u>	<u><u>(358)</u></u>

UK corporation tax has been charged at 23.52% (2022 - 19%).

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is different to the standard rate of corporation tax in the UK. The difference is explained below:

	2023	2022
	£'000	£'000
Loss before tax	<u>(4,738)</u>	<u>(7,697)</u>
Loss multiplied by standard rate of corporation tax in the UK	(1,114)	(1,462)
Effects of:		
Adjustments to tax charge in respect of previous periods	(30)	1,014
Amortisation of goodwill	136	111
Disallowed expenses	228	403
Effect of change in tax rate 19% to 25% (1 st April 2023)	<u>(47)</u>	<u>(424)</u>
Total tax credit	<u><u>(827)</u></u>	<u><u>(358)</u></u>

The UK corporation tax rate for the year rose to 25% at the beginning of April 2023 (2022: 19%) therefore we have used a blended rate of 25.52%. This has had a immaterial impact in year of £47,000 (2022: £424,000) in relation to the additional tax credit relating to the tax rate change.

Pillar Two legislation has been enacted in the UK as from 1st January 2024. Based on an assessment performed, as to potential exposure, the Pillar Two effective tax rates in all jurisdictions in which the Company operates are above 15% and management is not currently aware of any circumstances under which this might change. Therefore, the Company does not expect a potential exposure to Pillar Two top up taxes.

LIKEWISE SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

10. INTANGIBLE ASSETS

	Goodwill £'000	Software £'000	Total £'000
COST			
At 1st January 2023	5,864	9,789	15,653
Additions	-	628	628
Reclassification	-	537	537
	<u>5,864</u>	<u>10,954</u>	<u>16,818</u>
At 31 December 2023			
AMORTISATION			
At 1st January 2023	(4,060)	(3,346)	(7,406)
Amortisation	(586)	(1,136)	(1,722)
Reclassification	-	(33)	(33)
	<u>(4,646)</u>	<u>(4,515)</u>	<u>(9,161)</u>
At 31 December 2023			
NET BOOK VALUE			
At 31 December 2023	<u>1,217</u>	<u>6,440</u>	<u>7,657</u>
At 31 December 2022	<u>1,804</u>	<u>6,443</u>	<u>8,247</u>

Goodwill on acquisition represents the excess of the fair value in consideration given over the fair value of the identifiable net assets acquired. It is amortised on a straight-line basis over an estimated useful economic life of ten years with provision made for any impairments.

11. TANGIBLE ASSETS

	Leasehold improve- ments £'000	Computer and office equipment £'000	Fixtures and fittings £'000	Total £'000
COST				
At 1st January 2023	5,568	5,407	3,290	14,265
Additions	3,177	1,241	95	4,513
Reclassification	-	84	(407)	(323)
	<u>8,745</u>	<u>6,732</u>	<u>2,978</u>	<u>18,455</u>
At 31 December 2023				
DEPRECIATION				
At 1st January 2023	(1,164)	(3,020)	(1,915)	(6,099)
Charge for year	(748)	(1,422)	(376)	(2,548)
Reclassification	-	(182)	-	(182)
	<u>(1,912)</u>	<u>(4,624)</u>	<u>(2,291)</u>	<u>(8,827)</u>
At 31 December 2023				
NET BOOK VALUE				
At 31 December 2023	<u>6,833</u>	<u>2,108</u>	<u>687</u>	<u>9,628</u>
At 31 December 2022	<u>4,404</u>	<u>2,387</u>	<u>1,375</u>	<u>8,166</u>

LIKEWISE SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

12. **INVESTMENTS**

	Shares in subsidiary undertaking £'000
COST	
At 1st January 2023	2
Write-off	<u>(2)</u>
At 31 December 2023	<u>-</u>
 NET BOOK VALUE	
At 31 December 2023	<u>-</u>
At 31 December 2022	<u>2</u>

Investment in relation to Likewize Services UK Limited Magyarországi Fióktelepe Company domiciled in Hungary, Népfürdő utca 22. Building B, 13th floor, 1138 Budapest. The principal activity of the investment was in relation to distribution of mobile phones during 2023 this entity was dissolved from the Hungarian register.

13. **STOCK**

	2023 £'000	2022 £'000
Stock	<u>35,465</u>	<u>16,283</u>

In the opinion of the Directors, there is no material difference between the carrying amount of inventories and their replacement cost.

14. **DEBTORS**

	2023 £'000	2022 £'000
Trade debtors	13,262	20,925
Amounts owed by Group undertakings	11,594	42,588
Prepayments	<u>4,862</u>	<u>2,146</u>
	<u>29,718</u>	<u>65,659</u>
 Amounts falling due after more than one year:		
Other debtors	129	90
Deferred tax (refer Note 17)	<u>12,728</u>	<u>11,901</u>
Total non-current assets	<u>12,857</u>	<u>11,991</u>
 Aggregate amounts	<u>42,575</u>	<u>77,650</u>

Of amounts owed by Group undertakings, being those of fellow Likewize subsidiaries and part of the consolidated group of companies with the parent of Likewize Corp £11,594k (Debtor 2022: £37,536k) are unsecured and repayable on demand. Interest accrues at 3% plus benchmark 3 months Bloomberg rate (2022: unchanged). Deferred tax has been classed as amounts falling due after more than one year, based on current forecasts, the comparative prior year has also been reclassified for comparability.

LIKEWIZE SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£'000	£'000
Trade creditors	48,244	31,864
Amounts owed to Group undertakings	1,958	64,934
Social security and other taxes	1,406	2,487
Accruals	5,628	10,568
Borrowings	<u>15,579</u>	<u>-</u>
	<u>72,815</u>	<u>109,853</u>

Of amounts owed to Group undertakings being those of fellow Likewize subsidiaries and part of the consolidated group of companies with the parent of Likewize Corp, the balances are relating to ongoing Company trading balances and are invoiced typically on standard 30 days.

Borrowings consists solely of a new extended trade payable facility in relation to invoices from a large OEM. This is a short-term facility operating on individually issued bills of exchange, as of December 2023 the bills outstanding had an implied annual interest rate of 10.46%.

16. PROVISIONS FOR LIABILITIES

	Dilapidation provision
	£'000
At 1st January 2023	1,912
Additional provision	<u>(47)</u>
At 31 December 2023	<u>1,865</u>

The Company is required to perform dilapidation repairs to restore the properties it occupies to agreed specifications prior to the properties being vacated at the end of their lease terms. The dilapidation provision reflects the estimated costs for such.

17. DEFERRED TAX

The deferred tax asset with no fixed expiry date are included in the Balance sheet of the Company is as follows:

	2023	2022
	£'000	£'000
Accelerated capital allowances	5,930	5,177
Tax losses carried forward	6,798	6,724
	<u>12,728</u>	<u>11,901</u>
	£'000	£'000
At the start of the year	11,901	11,543
Credit to income statement (note 9)	827	358
At the end of the year	<u>12,728</u>	<u>11,901</u>

LIKEWIZE SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

18. CALLED - UP SHARE CAPITAL

			Retained	Other
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2023	2022
			£'000	£'000
3,285,048	Ordinary	1	<u>3,285</u>	<u>3,285</u>

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

- The other reserves represent capital contributions from the Company's immediate parent Likewize Services Group Limited.
- The profit and loss reserve represents cumulative profits or losses.

The Company's share premium is made up entirely of a share issue in the year for £22,300,000.

19. CONTINGENT LIABILITIES

There are no contingent liabilities to report at the end of December 2023.

20. FINANCIAL COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings	Land and buildings
	2023	2022
	£'000	£'000
Within one year	1,537	1,557
Between one and five years	4,280	4,081
Over five years	<u>2,073</u>	<u>3,184</u>
Total	<u>7,890</u>	<u>8,822</u>

21. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the disclosure exemptions available in FRS 102 section 33 in relation to balances and transactions between wholly-owned entities within Brightstar Capital Partners Group of companies. There were no other related party transactions other than with wholly owned Group companies.

22. PENSION COSTS

The Company operates a defined contribution Group personal pension plan. The total pension cost for the period was £416,000 (note 5) (2022: £487,398). No liability was outstanding at the year-end (2022: £nil).

LIKEWIZE SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

23. **ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

As at 31 December 2023, the Directors regarded Brightstar Capital Partners, a US based private equity firm, as the ultimate parent company and the Company's controlling party. The smallest and largest group into which accounts of Likewize Services UK Limited is consolidated is Likewize Corp, a Company incorporated in the United States of America (Company number 2796374). The registered office of the Company is at 1900 W Kirkwood Blvd Suite 1600C Southlake, TX 76092. Likewize Services UK Limited is not applying any disclosure exemptions as the consolidated parent accounts are not publicly available for the 2023 period.

24. **CASH GENERATED FROM OPERATIONS**

	2023	2022
	£'000	£'000
Loss for the year after tax	(3,911)	(7,339)
Adjustments for:		
Finance costs	3,654	1,617
Depreciation and impairment of tangible fixed assets	2,548	4,553
Amortisation and impairment of intangible assets	1,722	2,947
Tax provision	(827)	(358)
Investment write-off	2	-
Movements in working capital:		
(Increase) / decrease in stocks	(19,182)	27,623
Decrease in debtors	35,941	4,514
Decrease in creditors	(37,211)	(29,025)
Other Reserves	(1,868)	-
Increase in debtors due after one year	(40)	-
Decrease in creditors due after one year	(47)	(116)
Cash (used in) / generated from operations	(19,219)	4,416

25. **ANALYSIS OF CHANGES IN NET DEBT**

	1 January 2023	Cash flows	31 December 2023
	£'000	£'000	£'000
Cash at bank and in hand	5,857	(5,541)	316
Net Debt	5,857	(5,541)	316

LIKEWIZE SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

26. **POST BALANCE SHEET EVENTS**

On the 1st June 2024 Likewize Services UK Limited purchased the business and the assets as a going concern from Likewize Repair limited.

Within 2024 the Company started the use of a finance lease in relation to an advanced automation grading system, as part of the ongoing investment within the Company.

None of the post balance sheet events have any financial effect on the financial statements for the 2023 period.