

REGISTERED NUMBER: 08401611 (England and Wales)

ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2022
FOR
LIKEWISE SERVICES UK LIMITED

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LIKEWIZE SERVICES UK LIMITED

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FOR THE YEAR ENDED 31ST DECEMBER 2022

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LIKEWIZE SERVICES UK LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2022

DIRECTORS:

D E Parkinson
J A Negro
Andrew 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
The Hanover Building
Corporation Street
Manchester
M2 4AH

BANKERS:

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

LIKEWIZE SERVICES UK LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2022

The Directors present their strategic report for the year ended 31st December 2022.

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. Likewize Services UK is a key member of a group of companies, to which Likewize Services UK supports as a fulfilment provider.

Revenue for the year was £289,764,000 (2021: £243,045,000) increase reflecting the increased growth in the fulfilment of devices. Supported by a new 3 year contract deal obtained with a large PLC insurance provider). The business and industry continue to see increased volume and demand of used device sales, this is offset partially by exit and wind down in no longer strategic activities such as the open distribution of new devices. Operating loss for the year was £4,246,000 (2021: loss £10,672,000). This is reflecting the early challenges seen in the first half of the year relating to high inventory at the end of 2021 impacting margins, along with substantial investment in the future of the Company (Reflected through increased depreciation) and a transition of legacy low margin contract services that are nearing completion term. Net assets at 31st December 2022 were £ 4,440,0000 (2021: £11,779,000), the decrease is caused by the loss for the year.

KEY PERFORMANCE INDICATORS

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

	2022	2021
	£'000	£'000
Turnover	289,764	243,045
Operating loss	(4,246)	(10,672)
Loss after tax	(7,339)	(5,840)
Total shareholder's funds	4,440	11,779
Current assets as a % of current liabilities	80	87
Average number of employees	345	373

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's principal financial instruments comprise cash and short-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. The Company has, like many seen increased inflationary costs and some currency fluctuations but does not see any principal risk or future uncertainties arising from these one-time situations.

Cash flow interest rate risk

The Company's exposure to the risk of changes in market interest rates relates to its overdraft and long-term borrowings, and 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.

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 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 with the result that the Company's exposure to bad debts is not significant.

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.

LIKEWISE SERVICES UK LIMITED

STRATEGIC REPORT - continued **FOR THE YEAR ENDED 31ST DECEMBER 2022**

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 manages the performance and development of its employees through a formal goal setting and review process.

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.

The directors are committed to ensuring colleagues are in a safe, supported, engaging, and rewarding workplace, with colleague wellbeing as a key priority. We have launched many initiatives over the last few years to support our teams, to create an environment where all colleagues can perform at their best.

To help us measure our progress we conduct an annual colleague engagement survey to benchmark the effectiveness of our engagement strategy. We are pleased to report an overall 15% increase in engagement year on year. The survey helps us to identify areas of improvement where we can focus our efforts. 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. Initiatives include:

Introduction of a health cash plan benefit - available to all colleagues, providing direct financial help with common medical and healthcare costs, such as optical, dental and prescription fees. The benefit covers all colleagues and any dependent children. Our health cash plan also covers several other wellbeing benefits contributing to the cost of physical and emotional therapy sessions.

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 introduction of drop-in sessions that colleagues can book into, for 121 support. There has also been regular communications and awareness around mental health across the business, 20 mental health first aiders have been trained across the business, to be a point of contact for colleagues.

The recruitment of a Learning and Development Manager to provide development opportunities for colleagues and our management teams. The recruitment of a Communications and Engagement lead, to ensure regular communication across the business, with a real focus of engagement activity throughout the year.

Regular 'Town Hall' meetings have been held to brief colleagues on key updates, and regular SLT round table meetings providing more informal forums for dialogue between leadership and colleagues.

STRATEGIC REPORT - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

Helping our lowest paid colleagues with cost-of-living increases by bringing forward pay rises ahead of anticipated winter increases in domestic energy prices, in addition to webinar events to identify ways to save and manage finances. Sharing company success with bonus scheme available to all colleagues subject to company performance criteria being achieved

Launching a Diversity, Equality and Inclusion (DEI) committee open to all colleagues, the committee plays a key role in defining the companies DEI agenda and activities through the year. In addition to training of all management grade colleagues to recognise the importance.

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.

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. Community volunteering employee 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.

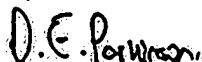
FUTURE DEVELOPMENTS

Post year-end financial performance has improved for Likewise Services UK, supported by signing 3 new major contracts with a retail store, network provider and OEM operator. Likewise Services UK continues to carefully monitor the interest and inflationary increases within 2023 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.

Despite the poor trading results 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. Brexit and the Russia/Ukraine conflict have not had any discernible impacts 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.

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



.....
Director – Daniel Parkinson

Date: 9th November 2023

LIKEWIZE SERVICES UK LIMITED

REPORT OF THE DIRECTORS **FOR THE YEAR ENDED 31ST DECEMBER 2022**

The Directors present their report with the financial statements of the Company for the year ended 31st December 2022.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year and prior year under review was that of the sourcing, processing and supply of 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 (2021: £Nil).

The Statement of income in the year represents the trading performance for the year ended 31st December 2022. The loss for the year after taxation, amounted to a loss of £7,339,000 (2021: loss of £5,840,000). The operating losses have increased due to a deferred tax credit within 2021 owing mainly to the change in corporation tax rates.

DIRECTORS

J A Negro has held office during the whole of the period from 1st January 2022 to the date of this report.

Gerry O'Keefe has held office from 1st January 2022 until resigning on the 1st September 2023.

Peter M Adams has held office from 1st January 2022 until resigning on the 30th June 2023.

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

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

Gerry O'Keefe has retired in year and is replaced by Andrew 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. Andrew 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 rate's have an impact on the Company as with many Companies, but the Company has a large portfolio of key customer contracts with long term contracts, that incorporate protectionary measures, in addition with 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 on its path to exit lower margin and riskier business relating mainly to traditional new device distribution and accessories channels, and continues to monitor carefully all areas of business this is reflected in managements 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 24). 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 2022, 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 2024 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.

Within August 2023 the Company obtained and utilised a further credit facility as a means to offer further funding as and required by the Business as it continues to enhance it's 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 31ST DECEMBER 2022**

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 2022				
	2022		2021	
	kWh	tonnes CO ₂ e	kWh	tonnes CO ₂ e
Scope 1 - Gas Consumption	1,287,937	235.1	1,396,741	255.8
Scope 2 - Purchased Electricity	2,231,300	431.5	2,461,667	522.7
Scopes 1 & 3 - Transport	41,355	10.4	11,289	2.8
Total	3,560,592	677.0	3,869,697	781.3
Intensity Ratio tonnes CO₂e per M£ Turnover	2.336		3.215	

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. The company where economically viable seeks to source renewable energy sources as a preference, other actions are under consideration at this point.

From 2021 actions the company had targeted to reduce overall electricity usage by 5% and an equivalent CO₂e reduction, it has managed to achieve a 10% reduction in usage through various energy saving items, such as more efficient equipment solutions and insulation methods.

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.

LIKEWISE SERVICES UK LIMITED

REPORT OF THE DIRECTORS-Continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

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: 9th November 2023

LIKEWIZE SERVICES UK LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31ST DECEMBER 2022

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
LIKEWIZE SERVICES UK LIMITED**

Opinion

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

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 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; and
- the related notes 1 to 25.

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**

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.

As a result of performing the above, we identified the greatest potential for fraud in the following area of revenue, and our specific procedures performed to address it are described below:

- We tested the design and implementation of controls in place on revenue recognition to mitigate the risk of material misstatement;
- Making use of analytics, matched all revenue bookings with cash and debtors obtaining an understanding for any deficiencies; and
- On a sample basis, tested revenue items tracing to underlying documentation and proof of delivery.

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: 10 November 2023**

LIKEWISE SERVICES UK LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2022

	Notes	2022 £'000	2021 £'000
Turnover		289,764	243,045
Cost of sales		<u>(273,320)</u>	<u>(234,749)</u>
GROSS PROFIT		16,444	8,296
Operating expenses		<u>(20,690)</u>	<u>(18,968)</u>
OPERATING LOSS	7	(4,246)	(10,672)
Impairment of Assets	23	(1,834)	
Net finance (costs) / Income	8	<u>(1,617)</u>	<u>188</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(7,697)	(10,484)
Tax credit on loss on ordinary activities	9	358	4,644
LOSS FOR THE FINANCIAL YEAR		<u>(7,339)</u>	<u>(5,840)</u>

The notes on pages 15 to 25 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
31ST DECEMBER 2022

	Notes	2022 £'000	2021 £'000
NON-CURRENT ASSETS			
Intangible assets	10	8,247	9,828
Tangible assets	11	8,166	10,066
Deferred tax and deposit	14	11,991	11,632
Investments	12	2	2
		<u>28,406</u>	<u>31,528</u>
CURRENT ASSETS			
Stock	13	16,283	43,906
Debtors	14	65,659	70,174
Cash at bank and in hand		5,857	7,078
		<u>87,799</u>	<u>121,158</u>
CREDITORS: amounts falling due within one year	15	(109,853)	(138,878)
NET CURRENT LIABILITIES		<u>(22,054)</u>	<u>(17,720)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,352</u>	<u>13,808</u>
Provisions for liabilities	16	(1,912)	(2,029)
NET ASSETS		<u><u>4,440</u></u>	<u><u>11,779</u></u>
CAPITAL AND RESERVES			
Called - up share capital	18	3,285	3,285
Other reserves		18,868	18,868
Retained losses		(17,713)	(10,374)
TOTAL SHAREHOLDER'S FUNDS		<u><u>4,440</u></u>	<u><u>11,779</u></u>

The financial statements and related notes on pages 15 to 25 were approved by the Board of Directors and authorised for issue on 9th November 2023 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 31ST DECEMBER 2022

	Called-up share capital £'000	Retained losses £'000	Other reserves £'000	Total equity £'000
Balance at 1st January 2021	3,285	(4,534)	18,868	17,619
Loss for the year	<u>-</u>	<u>(5,840)</u>	<u>-</u>	<u>(5,840)</u>
Balance at 31st December 2021	<u>3,285</u>	<u>(10,374)</u>	<u>18,868</u>	<u>11,779</u>
Loss for the year	<u>-</u>	<u>(7,339)</u>	<u>-</u>	<u>(7,339)</u>
Balance at 31st December 2022	<u><u>3,285</u></u>	<u><u>(17,713)</u></u>	<u><u>18,868</u></u>	<u><u>4,440</u></u>

LIKEWIZE SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31ST DECEMBER 2022**

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 supply of 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 considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Company operates. The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements.

Related party exemption

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the Group.

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.

Software development

Software development is the development of software 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 & warehouse equipment 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.

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 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.

LIKEWISE SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **FOR THE YEAR ENDED 31ST DECEMBER 2022**

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.

(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.

LIKEWIZE SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

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 operated by Likewize EMEA Limited. 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 31ST DECEMBER 2022**

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

Classification of intercompany balances

The Directors assess that all intercompany balances are current in nature as these are settled on a monthly basis through a Group wide off set exercise.

ii. Key accounting estimates and assumptions

Impairment of assets (Refer Note 23)

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 year end comparing the Company's value in use with carrying values of tangible assets, intangible assets and recoverability of deferred tax asset. 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 is required to be booked at December 2022, in relation to discontinued legacy operations, whereby the associated future cashflows are distinct and separable.

Provision against inventory (Refer Note 13)

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 one class of business, being that of the supply of communication products and fixed line telephony products and 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 31ST DECEMBER 2022

5. EMPLOYEES AND DIRECTORS

	2022	2021
	£'000	£'000
Wages and salaries	11,936	12,269
Social security costs	1,164	1,144
Pension costs	487	538
	<u>13,587</u>	<u>13,951</u>

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

	2022	2021
	No.	No.
Management and supervision	19	18
Other employees	326	355
	<u>345</u>	<u>373</u>

6. DIRECTORS' EMOLUMENTS

	2022	2021
	£'000	£'000
Aggregate emoluments	<u>-</u>	<u>-</u>

There are no director emoluments to disclose within 2022 (2021 – 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:

	2022	2021
	£'000	£'000
Depreciation - owned assets	2,721	2,554
Goodwill amortisation	586	586
Computer software amortisation	2,360	921
Audit fee	124	130
Operating lease rentals - land and buildings	1,564	1,564
Operating lease rentals - other	47	55
Cost of stock recognised as an expense	201,614	169,633
Loss on foreign exchange	295	1,141

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

LIKEWISE SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

8. NET FINANCE INCOME / (COSTS)

	2022	2021
	£'000	£'000
Interest payable on bank loans and overdrafts	(105)	(66)
Other interest payable and similar charges	(723)	(708)
	(828)	(774)
Inter company interest (payable)/receivable (note 14, 15)	(789)	962
Net finance costs	(1,617)	188

9. TAXATION

Analysis of the tax credit

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

	2022	2021
	£'000	£'000
Current tax:		
UK corporation tax	(358)	(4,644)
Tax on loss	(358)	(4,644)

UK corporation tax has been charged at 19% (2021 - 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:

	2022	2021
	£'000	£'000
Loss before tax	(7,697)	(10,484)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(1,462)	(1,992)
Effects of:		
Adjustments to tax charge in respect of previous periods	1,014	(117)
Amortisation of goodwill	111	111
Disallowed expenses	403	20
Effect of change in tax rate 19% to 25% (April 1 st 2023)	(424)	(2,666)
Total tax credit	(358)	(4,644)

The UK corporation tax rate for the year was 19% (2021: 19%). The current UK corporation tax rate will rise to 25% from 1 April 2023. This has had a material impact in year of £424,000 (2021: £2,666,000) in relation to the additional tax credit relating to the tax rate change.

LIKEWISE SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

10. INTANGIBLE ASSETS

	Goodwill £'000	Software £'000	Total £'000
COST			
At 1st January 2022	5,864	10,141	16,005
Additions	-	2,972	2,972
Asset Impairment	-	(3,324)	(3,324)
At 31st December 2022	<u>5,864</u>	<u>9,789</u>	<u>15,653</u>
AMORTISATION			
At 1st January 2022	(3,474)	(2,702)	(6,176)
Amortisation for year	(586)	(2,361)	(2,947)
Asset Impairment	-	1,717	1,717
At 31st December 2022	<u>(4,060)</u>	<u>(3,346)</u>	<u>(7,406)</u>
NET BOOK VALUE			
At 31st December 2022	<u>1,804</u>	<u>6,443</u>	<u>8,247</u>
At 31st December 2021	<u>2,390</u>	<u>7,439</u>	<u>9,829</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.

An asset impairment was triggered within 2022 resulting in an impairment of a distinct asset group, both the gross asset and accumulated depreciation were impaired for the associated asset group, further details are referred in Note 23.

11. TANGIBLE ASSETS

	Leasehold Improvements £'000	Computer and office equipment £'000	Fixtures and fittings £'000	Total £'000
COST				
At 1st January 2022	5,508	4,955	3,207	13,670
Additions	513	452	83	1,048
Asset Impairment	<u>(453)</u>	<u>-</u>	<u>-</u>	<u>(453)</u>
At 31st December 2022	<u>5,568</u>	<u>5,407</u>	<u>3,290</u>	<u>14,265</u>
DEPRECIATION				
At 1st January 2022	(503)	(1,756)	(1,345)	(3,604)
Charge for year	(888)	(1,264)	(570)	(2,722)
Asset Impairment	<u>227</u>	<u>-</u>	<u>-</u>	<u>227</u>
At 31st December 2022	<u>(1,164)</u>	<u>(3,020)</u>	<u>(1,915)</u>	<u>(6,099)</u>
NET BOOK VALUE				
At 31st December 2022	<u>4,404</u>	<u>2,387</u>	<u>1,375</u>	<u>8,166</u>
At 31st December 2021	<u>5,005</u>	<u>3,199</u>	<u>1,862</u>	<u>10,066</u>

LIKEWIZE SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

12. **FIXED ASSET INVESTMENTS**

	Shares in subsidiary undertaking £'000
COST	
At 1st January 2022	2
and 31st December 2022	<u>2</u>
NET BOOK VALUE	
At 31st December 2022	<u>2</u>
At 31st December 2021	<u>2</u>

Investment is in 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.

13. **STOCK**

	2022	2021
	£'000	£'000
Stock	<u>16,283</u>	<u>43,906</u>

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

14. **DEBTORS**

	2022	2021
	£'000	£'000
Trade debtors	20,925	23,942
Amounts owed by Group undertakings	42,588	43,822
Prepayments	<u>2,146</u>	<u>2,410</u>
	<u>65,659</u>	<u>70,174</u>
Amounts falling due after more than one year:		
Other debtors	90	90
Deferred tax Note 17	<u>11,901</u>	<u>11,542</u>
	<u>11,991</u>	<u>11,632</u>
Aggregate amounts	<u>77,650</u>	<u>81,806</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 £37,536k (Debtor 2021: £42,701k) are unsecured and repayable on demand. Interest accrues at 3% plus benchmark 3 month Bloomberg rate (2021: **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 31ST DECEMBER 2022

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'000	£'000
Trade creditors	31,864	58,768
Amounts owed to Group undertakings	64,934	66,356
Social security and other taxes	2,487	1,505
Accruals	<u>10,568</u>	<u>12,249</u>
	<u>109,853</u>	<u>138,878</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, £52,289k (2021: £50,061k) is repayable on demand and accrues interest at 2.25% plus USD 3 month Bloomberg benchmark rate LIBOR rate (2021: same). Although repayable on demand, these amounts are not expected to be recalled within the next 12 months in line with the letter of support received from the parent Company. The remaining group balances are relating to ongoing company trading balances.

16. PROVISIONS FOR LIABILITIES

	Dilapidation provision £'000
At 1st January 2022	2,029
Additional provision	86
Paid during the year	<u>(203)</u>
At 31st December 2022	<u>1,912</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. The payment in year relates to settlement of the Companies' old offices, to which was fully provided in the prior period. The increase in year is due to a new call centre office and interest accretion in year. Over 50% of the provision is expected to be utilised within 2024, with the remainder expecting to be utilised over a much longer period.

17. DEFERRED TAX

The deferred tax asset included in the Balance sheet of the Company is as follows:

	2022	2021
	£'000	£'000
Accelerated capital allowances	5,177	5,417
Tax losses carried forward	<u>6,724</u>	<u>6,126</u>
	<u>11,901</u>	<u>11,543</u>
	£'000	£'000
At the start of the year	11,543	6,899
Charge to statement of income and retained earnings	<u>358</u>	<u>4,644</u>
At the end of the year	<u>11,901</u>	<u>11,543</u>

LIKEWIZE SERVICES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST DECEMBER 2022

18. CALLED UP SHARE CAPITAL

			Retained	Other
Allotted, issued and fully paid:			2022	2021
Number:	Class:	Nominal	£'000	£'000
			value:	
3,285	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 EMEA Limited.
- The profit and loss reserve represents cumulative profits or losses.

19. CONTINGENT LIABILITIES

There are no contingent liabilities to report at the end of December 2022.

20. FINANCIAL COMMITMENTS

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

	Land and buildings	Land and buildings
	2022	2021
	£'000	£'000
Within one year	1,557	1,210
Between one and five years	4,081	5,639
Over five years	3,184	4,296

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 part 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 £487,398 (note 5) (2021: £538,000). No liability was outstanding at the year-end (2021: £nil).

23. IMPAIRMENT OF ASSETS

The company performs an annual impairment review, in 2022 there were legacy low margin business discontinued operations and contract terminations that led to an asset impairment review (6% Discount rate and 0% growth rate assumed) to these associated assets, these assets have been provided to their recoverable amounts, based on future discounted cashflow forecasts, separately identifiable in relation to these assets. The core assets of the strategic business remain unimpacted. The impairment is relating non-financial asset's in relation to historic business that the business has already exited or is soon to exit.

	Tangible Asset	Intangible Asset	Total
	£'000	£'000	£'000
Opening Balance	<u>227</u>	<u>1,607</u>	<u>1,834</u>
Fair Value	-	-	-
Impairment	227	1,607	1,834
Closing Balance	<u>-</u>	<u>-</u>	<u>-</u>

24. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

As at 31st December 2022, 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 group into which accounts of Likewize Services UK 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.

25. POST BALANCE SHEET EVENTS

Likewize Services UK Limited was a direct subsidiary of Likewize EMEA Limited until 3rd May 2023, at which point it became a subsidiary of WDC Limited as part of a planned internal restructure.

Likewize Services UK on the 24th February 2023 entered into an existing Likewize Global asset based lending facility. This allows Likewize Corp and certain participating members to draw down combined facility funds in relation to eligible accounts receivable.

On March 1, 2023, Genstar Capital LLC, a leading private equity firm based in San Francisco, California acquired a minority ownership interest in Likewize. As a result of this transaction, Genstar and Genstar's subsidiaries and affiliates became Likewize's related parties.

Within August 2023 the Company obtained and utilized new credit facility to further support the significant investment of the Company in its facilities and customer offering, the facility is used at the companies discretion.