

Company Registration No. 01847868

Connected World Services Distributions Limited

Annual Report and Financial Statements

For the 52 weeks ended 30 April 2022



Connected World Services Distributions Limited

Company Registration No. 01847868

Report and financial statements 2022

Contents	Page
Officers and professional advisers	1
Strategic Report	2
Directors' report	3
Statement of director's responsibilities	5
Profit and loss account	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9

Connected World Services Distributions Limited
Company Registration No. 01847868

Officers and professional advisers

Directors

Edward Connolly
Louise Withers

Secretary

S Thomas

Registered office

1 Portal Way
London
England and Wales
United Kingdom
W3 6RS

Connected World Services Distributions Limited

Company Registration No. 01847868

Strategic Report

This Strategic Report has been prepared for Connected World Services Distributions Limited ("the Company") and in preparing this Strategic Report the Directors of the Company ("Directors") have complied with s.414C of the Companies Act 2006.

PRINCIPAL ACTIVITY

The Company did not trade during the 52 weeks ended 30 April 2022 ("the period") and continues to wind down operations following the mutual termination of the reseller and managed services agreements in the comparative period, with the final day of trading on 12 July 2018. Following this date there has been no further trading under these agreements. As a result, the financial statements continue to be prepared on a basis other than the going concern.

REVIEW OF THE BUSINESS

The loss for the financial year 2021/22 was £93,000 (2020/21: 4,347,000 profit).

The Company is a wholly owned subsidiary of Currys plc.

Currys plc manages its operations on a divisional basis. For this reason, the Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of Currys plc and a description of the principal risks and uncertainties, which includes the Company, are discussed in Currys plc's annual report, which does not form part of this report.

PRINCIPAL RISKS AND UNCERTAINTIES AND FINANCIAL RISK MANAGEMENT

Funding for all subsidiaries of Currys plc, including Connected World Services Distributions Limited, is arranged centrally. The Company does not use derivatives to manage its financial risks. Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet, the main financial risks the Directors consider relevant to the Company are credit risk and liquidity risk. Credit risk is mitigated by the Company's credit control policies. Liquidity risk is mitigated by multi-currency revolving credit facilities. These policies are further explained in Note 25d and 25e of Currys plc's Annual Report and Accounts 2021/22.

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



Louise Withers
Director
26 January 2023

Registered office:
1 Portal Way
United Kingdom
London
W3 6RS
Company Registration No. 01847868

Connected World Services Distributions Limited

Company Registration No. 01847868

Directors' report

The Directors present their annual report on the affairs of the Company, together with the unaudited financial statements for the year ended 30 April 2022. Comparative figures are presented for the year ended 1 May 2021.

Directors

The Directors of the Company during the year and to the date of this report are listed on page 1. The Company had qualifying third party indemnity insurance for the benefit of its Directors throughout the period and at the date of the report.

Principal activities

The principal activity was to trade under a contractual reseller agreement with TalkTalk for the provision of Broadband Services. Both parties mutually agreed to terminate the reseller and managed services agreements with the final day of trading being 12 July 2018. Following this date there has been no further trading under these agreements.

Dividends

The Directors do not recommend the payment of a dividend this year (2020/21: £nil).

Financial risk management

Due to the nature of the Company's operations and the assets and liabilities contained within its balance sheet, the main financial risks the Directors consider relevant to the Company are credit risk and liquidity risk.

Credit risk

The Company's principal financial assets are bank balances and trade receivables.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of expected credit losses. The Company has adopted the simplified approach to calculating expected credit losses allowed by IFRS 9. Historical credit loss rates are applied consistently to groups of financial assets with similar risk characteristics. These are then adjusted for known changes in, or any forward-looking impacts on creditworthiness. Most groups of receivables have immaterial levels of credit risk.

The Company's bank balances and cash are centrally pooled with other subsidiaries of Currys plc. The credit risk on these centrally pooled bank and cash balances is limited as the counterparties are banks with high credit ratings assigned by international credit-rating agencies

Liquidity risk

Funding for all subsidiaries of Currys plc, including the Company, is arranged centrally. In order to ensure that sufficient funds are available for ongoing operations and future developments, Currys plc has multi-currency revolving credit facilities of £543m that mature in April 2026.

Going concern

As discussed in the Strategic Report on page 2, on 12 July 2018 the reseller and managed services agreements were terminated. Following the agreement to terminate the managed service agreement and cessation of trade, the Directors intend to wind down operation with the Company expected to become dormant in future periods. As such the financial statements continue to be prepared on a basis other than the going concern basis.

Environment

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

Connected World Services Distributions Limited
Company Registration No. 01847868

Directors' report (continued)

Donations

The Company did not make any charitable or political donations in the financial year (2020/21: £nil).

Future developments

As detailed above, 12 July 2018 was the final day of trading. Revenue share, agency fee and hardware payments due per the terms of the terminated agreements continue to be paid. The Company is expected to become dormant once these amounts have been paid and received.

Audit exemption

For the year ended 30 April 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 ("the Act") relating to subsidiary companies.

Directors' responsibilities:

- the members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476;
- the Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the board of Directors and signed on their behalf by:



Louise Withers

Director

26 January 2023

Registered office:

1 Portal Way

London

W3 6RS

Company Registration No. 01847868

Connected World Services Distributions Limited

Company Registration No. 01847868

Statement of directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced disclosure framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Connected World Services Distributions Limited

Company Registration No. 01847868

Profit and loss account**For the 52 weeks ended 30 April 2022**

		Period ended 30 April 2022 £'000	Period ended 1 May 2021 £'000
	Note		
Turnover		-	4,419
Gross profit		-	4,419
Other operating expenses		-	(1)
Operating profit		-	4,418
Net finance costs	4	(93)	(71)
(Loss) / profit before tax		(93)	4,347
Tax	5	-	-
(Loss) / profit after tax		(93)	4,347

All operating results are derived from continuing operations in the United Kingdom.

There are no other items of comprehensive income or expense other than the profit for the current or preceding. Accordingly, no separate statement of comprehensive income has been presented.

Connected World Services Distributions Limited

Company Registration No. 01847868

Balance sheet

As at 30 April 2022

	Note	30 April 2022 £'000	1 May 2021 £'000
Current assets			
Trade and other receivables	6	48,806	48,744
Cash and cash equivalents		1,014	1,217
Total Assets		49,820	49,961
Current liabilities			
Trade and other payables	7	(5)	(53)
Total Liabilities		(5)	(53)
Net Assets		49,815	49,908
Equity			
Share capital	8	4	4
Share premium account		863	863
Capital redemption reserve		400	400
Retained earnings		48,548	48,641
Equity attributable to owners of the Company		49,815	49,908

For the financial year in question the company was entitled to exemption under section 479a of the Companies Act 2006. No members have required an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The Directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These financial statements of Connected World Services Distributions Limited, registered number 01847868 were approved by the Board of Directors on **26 January 2023** and signed on their behalf by:



Louise Withers

Director

Registered office:

1 Portal Way

London

W3 6RS

Company Registration No. 01847868

Connected World Services Distributions Limited

Company Registration No. 01847868

Statement of changes in equity**For the period ended 30 April 2022**

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
At 2 May 2020	4	863	400	44,294	45,561
Profit for the period	-	-	-	4,347	4,347
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income and expense for the year	-	-	-	4,347	4,347
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 1 May 2021	4	863	400	48,641	49,908
Loss for the period	-	-	-	(93)	(93)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income and expense for the period	-	-	-	(93)	(93)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 April 2022	4	863	400	48,548	49,815

Connected World Services Distributions Limited

Company Registration No. 01847868

Notes to the financial statements

1. ACCOUNTING POLICIES

Basis of accounting

Connected World Services Distributions Limited ("the Company") is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006. The Company is domiciled in the United Kingdom and is registered in England and Wales with its registered office at 1 Portal Way, London, W3 6RS. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 2.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, these financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council, incorporating the Amendments to FRS 101 issued by the Financial Reporting Council.

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

The financial statements have been presented in UK Pounds Sterling, the functional currency of the Company derived from the Company's primary economic environment, and on the historical cost basis.

There are no new accounting standards, amendments to standards or IFRIC interpretations which are effective for the Company for the first time during the current financial year ended 30 April 2022 which have had an impact on the Company's results or net assets. Certain other new accounting standards, amendments to existing accounting standards and interpretations which are in issue but not yet effective, either do not apply to the Company or are not expected to have any material impact on the Company's net results or net assets.

The principal accounting policies are set out below.

Going concern

As discussed in the Strategic Report on page 2, on 12 July 2018 the reseller and managed services agreements were terminated. Following the agreement to terminate the managed service agreement and cessation of trade, the Directors intend to wind down operation with the Company expected to become dormant in future periods. As such the financial statements continue to be prepared on a basis other than the going concern basis.

Turnover

Turnover predominantly comprises revenue share from TV packages and broadband sales and funding for marketing support arising solely in the UK. Turnover is presented net of associated agent fees and VAT. The revenue share and agent fees are billed and settled separately and therefore are presented as trade receivables and trade payables respectively. Revenue share and agency fees are presented net in turnover as the overall commission received for each consumer connection provided is managed on a net basis. Revenue share and agency fees are recognised on a monthly basis on the cohort of consumers provided to the network in the month for which revenue share is due and agency fees are payable.

Connected World Services Distributions Limited

Company Registration No. 01847868

Notes to the financial statements (continued)

1. Accounting policies (continued)

Taxation

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

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

Current and deferred tax is recognised in the income statement except where it relates to an item recognised directly in reserves, in which case it is recognised directly in reserves.

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

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

The taxation liabilities of certain companies of the Group are reduced wholly or in part by the surrender of losses by fellow group companies.

Non-derivative financial assets

Financial assets are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the investment. The Company's financial assets comprise cash and cash equivalents, and those receivables which involve a contractual right to receive cash from external parties. Financial assets comprise all items shown in note 6.

When the Company recognises a financial asset, it classifies it in accordance with IFRS 9 depending on the Company's intention with regard to the collection, or sale, of contractual cash flows and whether the financial asset's cash flows relate solely to the payment of principal and interest on the principal outstanding. All of the Company's assets measured at amortised cost are subject to impairments driven by the expected credit loss (ECL) model. The Company has adopted the simplified approach to calculate lifetime expected credit losses. Historical credit loss rates are applied consistently to groups of financial assets with similar risk characteristics. These are then adjusted for known changes in, or any forward-looking impacts on creditworthiness.

Financial assets are derecognised when the contractual rights to the cash flows expire or the Company transfers the financial asset in a way that qualifies for derecognition in accordance with IFRS 9.

Trade and other receivables

Trade and other receivables are initially measured at their transaction price. Where there is a significant financing component, trade and other receivables are discounted at contract inception using a discount rate that is at an arm's length basis and such that would be reflected in a separate financing transaction between the Company and the customer. Other receivables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, trade and other receivables are measured at amortised cost.

Receivable balances with other Group entities are reviewed for potential impairment based on the ability of the counterparty to meet its obligations. The net current asset / liability position of the entity is considered and where the amount due to the Company is not covered, the estimated cashflows of the counterparty and subsidiary companies with the ability to distribute cash to it are considered.

Connected World Services Distributions Limited

Company Registration No. 01847868

Notes to the financial statements (continued)

1. Accounting policies (continued)

Other financial assets (continued)

Cash and cash equivalents

Cash and cash equivalents are classified as held at amortised cost, comprising cash at bank and in hand, bank overdrafts and short term highly liquid deposits which are subject to an insignificant risk of changes in value. Bank overdrafts are shown under current liabilities.

Non-derivative financial liabilities

The Company's financial liabilities are those which involve a contractual obligation to deliver cash to external parties at a future date. Financial liabilities comprise all items shown in note 7. Financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities (or a part of a financial liability) are derecognised when the obligation specified in the contract is discharged, cancelled or expires. In the event that the terms in which the Company are contractually obliged are substantially modified, the financial liability to which it relates is derecognised and subsequently re-recognised on the modified terms.

Trade and other payables

Trade and other payables are initially recorded at fair value and subsequently measured at amortised cost.

Critical accounting judgments and key sources of estimation uncertainty

Critical accounting judgements and estimates used in the preparation of the financial statements are continually reviewed and revised as necessary.

Whilst every effort is made to ensure that such judgements and estimates are reasonable, by their nature they are uncertain, and as such changes may have a material impact. The Directors consider that there are no critical accounting judgements or key sources of estimation uncertainty which affect these financial statements.

2. (Loss) / profit before tax

For the year ended 30 April 2022 the Company was entitled to exemption from audit under s.479A of the Companies Act 2006 relating to subsidiary companies. Therefore no remuneration was paid or accrued for audit services (2020/21: £nil). The Group's auditors received no fees for non-audit work in the current or prior period.

3. Directors' remuneration and employees

The Company had no employees during the year (2020/21: nil). The Directors did not receive any remuneration for services to the Company (2020/21: £nil).

Connected World Services Distributions Limited
Company Registration No. 01847868
Notes to the financial statements (continued)

4. Net finance income

	Period ended 30 April 2022 £'000	Period ended 1 May 2021 £'000
Other interest receivable from group undertakings	-	10
Finance income	-	10
Other interest payable to group undertakings	(91)	(48)
Bank interest payable	(2)	(33)
Finance costs	(93)	(81)
Net finance expense	(93)	(71)

5. Tax on profit

There is no current or deferred tax charge in either the current year or preceding period. A reconciliation of notional to actual tax expense is set out below:

	Period ended 30 April 2022 £'000	Period ended 1 May 2021 £'000
(Loss) / profit before tax	(93)	4,347
Tax on (loss) / profit at UK statutory rate of 19% (2020/21: 19%)	(18)	826
Tax losses surrendered / (claimed) within the group for nil consideration	18	(826)
Income tax expense	-	-

On 24 May 2021 the Finance Bill 2021 passed through all stages in the House of Commons and became substantively enacted, which included a legislative change to increase the rate of corporation tax to 25% with effect from 1 April 2023.

The Company had no deferred tax assets or liabilities.

Connected World Services Distributions Limited
Company Registration No. 01847868
Notes to the financial statements (continued)

6. Trade and other receivables

	30 April 2022 £'000	1 May 2021 £'000
Amounts owed by other Group entities	48,806	48,744
	48,806	48,744

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

Interest is charged at a margin below the Bank of England base rate and capitalised on a monthly basis where amounts owed by other Group entities comprises an unsecured loan. These are repayable on demand.

7. Trade and other payables

	30 April 2022 £'000	1 May 2021 £'000
Amounts due to other group companies	5	53
	5	53

Amounts due from other group undertakings comprise operating expenses owed from other group companies, do not bear interest and are payable within 60 days.

8. Share capital

	30 April 2022 £'000	1 May 2021 £'000
Called-up, allotted and fully paid:		
43,700 ordinary shares of 10p each	4	4

9. Parent undertaking and controlling party

The Company's immediate parent is Carphone Warehouse Europe Limited which is a wholly-owned subsidiary of Currys plc.

The Company's ultimate parent and controlling entity is Currys plc, a company incorporated in Great Britain and which is registered in England and Wales. Currys plc is the parent of the largest and smallest group which includes the Company and for which consolidated financial statements are prepared. Copies of its financial statements may be obtained from its registered office at 1 Portal Way, London W3 6RS.

On 5 September 2021 the Company's ultimate parent and controlling entity changed its name from Dixons Carphone plc to Currys plc.