

**Company Registration No. 01847868**

**Connected World Services Distributions Limited**

**Annual Report and Financial Statements**

**For the 52 weeks ended 1 May 2021**

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# **Connected World Services Distributions Limited**

Company Registration No. 01847868

## **Report and financial statements 2021**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Directors' report</b>	<b>4</b>
<b>Statement of director's responsibilities</b>	<b>6</b>
<b>Profit and loss account</b>	<b>7</b>
<b>Balance sheet</b>	<b>8</b>
<b><i>Statement of changes in equity</i></b>	<b>9</b>
<b>Notes to the financial statements</b>	<b>10</b>

# **Connected World Services Distributions Limited**

Company Registration No. 01847868

## **Report and financial statements 1 May 2021**

### **Officers and professional advisers**

#### **Directors**

	<b>Appointed</b>	<b>Resigned</b>
Edward Connolly	12 November 2020	
Louise Withers		
Antreas Athanassopoulos		27 November 2020

#### **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 1 May 2021 ("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. Revenue share, agency fee and hardware payments due per the terms of the terminated agreements continue to be paid. As a result, the financial statements continue to be prepared on a basis other than the going concern.

#### **REVIEW OF THE BUSINESS**

The profit for the financial year 2020/21 was £4,347,000 (2019/20: loss of £43,000).

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 26d and 26e of Currys plc's 2020/21 annual report.

# **Connected World Services Distributions Limited**

Company Registration No. 01847868

## **Strategic Report (continued)**

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



Louise Withers

Director

Signing Date: 06 April 2022

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 1 May 2021. Comparative figures are presented for the year ended 2 May 2020.

#### **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 during the current and proceeding period 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.

#### **Dividends**

The Directors do not recommend the payment of a dividend this year (2019/20: £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 £551m that mature in April 2025.

**Connected World Services Distributions Limited**  
Company Registration No. 01847868

**Directors' report (continued)**

**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.

**Donations**

The Company did not make any charitable or political donations in the financial year (2019/20: £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 1 May 2021 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  
Signing Date: 06 April 2022  
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 1 May 2021

		Period ended 1 May 2021 £'000	Period ended 2 May 2020 £'000
	Note		
Turnover		4,419	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		4,419	-
Other operating expenses		(1)	(18)
		<hr/>	<hr/>
Operating profit / (loss)		4,418	(18)
Net finance costs	3	(71)	(25)
		<hr/>	<hr/>
Profit / (loss) before tax	4	4,347	(43)
Tax	6	-	-
		<hr/>	<hr/>
Profit / (loss) after tax		4,347	(43)
		<hr/>	<hr/>

All operating profits / (loss) 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 1 May 2021**

	<b>Note</b>	<b>1 May 2021 £'000</b>	<b>2 May 2020 £'000</b>
<b>Current assets</b>			
Trade and other receivables	7	48,744	55,613
Cash and cash equivalents		1,217	-
<b>Total Assets</b>		<b>49,961</b>	<b>55,613</b>
<b>Current liabilities</b>			
Trade and other payables	8	(53)	(4,424)
Overdraft	9	-	(5,628)
<b>Total Liabilities</b>		<b>(53)</b>	<b>(10,052)</b>
<b>Net Assets</b>		<b>49,908</b>	<b>45,561</b>
<b>Equity</b>			
Share capital	10	4	4
Share premium account		863	863
Capital redemption reserve		400	400
Retained earnings		48,641	44,294
<b>Equity attributable to owners of the Company</b>		<b>49,908</b>	<b>45,561</b>

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 06 April 2022 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 1 May 2021**

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
At 27 April 2019	4	863	400	44,337	45,604
Loss for the period	-	-	-	(43)	(43)
Other comprehensive income and expense recognised directly in equity	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income and expense for the year	-	-	-	(43)	(43)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 2 May 2020	4	863	400	44,294	45,561
Profit for the period	-	-	-	4,347	4,347
Other comprehensive income and expense recognised directly in equity	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income and expense for the period	-	-	-	4,347	4,347
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 1 May 2021	<b>4</b>	<b>863</b>	<b>400</b>	<b>48,641</b>	<b>49,908</b>

**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 1 May 2021 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 7.

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 notes 8 and 9. 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.

###### *Borrowings*

Borrowings in the Company's balance sheet represent bank loans drawn under uncommitted facilities. Borrowings are initially recorded at fair value less attributable transaction costs. Transaction fees such as bank fees and legal costs associated with the securing of financing are capitalised and amortised through the income statement over the term of the relevant facility. All other borrowing costs are recognised in the income statement in the period in which they are incurred.

Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

###### *Trade and other payables*

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

#### **2. 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.

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

**3. Net finance income**

	<b>Period ended 1 May 2021 £'000</b>	<b>Period ended 2 May 2020 £'000</b>
Other interest receivable from group undertakings	10	148
Finance income	10	148
Other interest payable to group undertakings	(48)	-
Bank interest payable	(33)	(173)
Finance costs	(81)	(173)
<b>Net finance expense</b>	<b>(71)</b>	<b>(25)</b>

**4. Profit before tax**

Profit before tax is stated after charging the following:

	<b>Period ended 1 May 2021 £'000</b>	<b>Period ended 2 May 2020 £'000</b>
Cost of stock recognised as an expense	-	4,179
Other expenses	1	18
	<b>1</b>	<b>18</b>

For the year ended 1 May 2021 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 (2019/20: £nil). The Group's auditors received no fees for non-audit work in the current or prior period.

**5. Directors' remuneration and employees**

The Company had no employees during the year (2019/20: nil). The Directors did not receive any remuneration for services to the Company (2019/20: £nil).

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

**6. Tax on profit**

There is no current or deferred tax charge in either the current year or preceding period:

	<b>Period ended 1 May 2021 £'000</b>	<b>Period ended 2 May 2020 £'000</b>
<b>Current tax</b>		
UK corporation tax at 19% (2019/20: 19%)	-	-
<b>Tax charge</b>	-	-

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. As the Bill was not substantively enacted at the balance sheet date, its effects are not included in these financial statements. The Company had no deferred tax assets or liabilities.

A reconciliation of notional to actual tax expense is set out below:

	<b>Period ended 1 May 2021 £'000</b>	<b>Period ended 2 May 2020 £'000</b>
<b>Profit / (loss) before tax</b>	<b>4,347</b>	<b>(43)</b>
Tax on (loss) / profit at UK statutory rate of 19% (2019/20: 19%)	826	(8)
Tax losses surrendered / (claimed) within the group for nil consideration	(826)	8
<b>Income tax expense</b>	<b>-</b>	<b>-</b>



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

**7. Trade and other receivables**

	<b>1 May 2021 £'000</b>	<b>2 May 2020 £'000</b>
Amounts owed by other Group entities	<b>48,744</b>	<b>55,613</b>
	<b>48,744</b>	<b>55,613</b>

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.

**8. Trade and other payables**

	<b>1 May 2021 £'000</b>	<b>2 May 2020 £'000</b>
Amounts due to other group companies	<b>53</b>	<b>4,424</b>
Trade Creditors	<b>-</b>	
	<b>53</b>	<b>4,424</b>

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

**9. Overdraft**

	<b>1 May 2021 £'000</b>	<b>2 May 2020 £'000</b>
Overdraft	<b>-</b>	<b>5,628</b>
	<b>-</b>	<b>5,628</b>

Certain bank accounts are part of a notional pooling mechanism whereby each bank only monitors net aggregate borrowings against group overdraft limits thus allowing subsidiary companies to borrow on overdraft or to deposit surplus cash via their own bank accounts. Interest is charged on overdrawn balances and paid on surplus cash at intercompany rates of base rate plus 1.3% for overdrafts and at a margin below base rate for surplus cash balances.

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

**10. Share capital**

	1 May 2021 £'000	2 May 2020 £'000
<b>Called-up, allotted and fully paid:</b>		
43,700 ordinary shares of 10p each	<u>4</u>	<u>4</u>

**11. Parent undertaking and controlling party**

The Company's immediate parent is The 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.

**12. Subsequent events**

On 15 September the Company's ultimate parent and controlling entity changed its name from Dixons Carphone plc to Currys plc.