

Registered number:
02804354

CHARTERHOUSE VOICE & DATA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2023

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CHARTERHOUSE VOICE & DATA LIMITED

COMPANY INFORMATION

Directors	D J Brooks J E Roffey M Tyne (resigned 30 April 2022)
Registered number	02804354
Registered office	17 St. Helen's Place London EC3A 6DG
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2A 1AG
Bankers	Santander UK PLC Bridle Road Bootle Merseyside L60 4GB
Solicitors	Foot Anstey LLP Salt Quay House 4 North East Quay Sutton Harbour Plymouth PL4 0BN

CHARTERHOUSE VOICE & DATA LIMITED

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CHARTERHOUSE VOICE & DATA LIMITED

GROUP STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2023

Introduction

The directors have pleasure in presenting their strategic review of the group for the year ended 31 March 2023 (FY23). The comparative period is the 12 months ending 31 March 2022 (FY22).

Principal activity

The principal activity of the Group throughout the period continued to be that of providing IT services and products in the unified communication, networking, Microsoft Teams, and cyber security areas.

Business review

This has been a strong period of sales for the Group with turnover of £69.2m (*12-month period to 2022: £63.6m*), driven by organic growth in our Cyber & Microsoft Teams income streams. EBITDA (pre-Exceptional costs) was £4.8m (*2022: £4.9m*), where Revenue and Gross Profit growth has been used to fund investment in our people and technology.

After a period of M&A (FY21/FY22), all acquired business have now been integrated with our main trading entity and during FY23 the Group established a focus around our three market brands, Charterhouse, Symity and Pentesec as well as implementing a new management structure. This led to changes in the leadership team and some restructuring activity to align the business with this approach. We have continued the investment in our security operations centre (SOC), offering a range of managed services and other recurring revenue cyber security services. The organisational restructure and investment in the SOC, along with agreement with HRMC on an assessment of prior period(s) VAT (note 28) have largely driven the Group to incur £4.1m of Exceptional costs during FY23 (FY22: £3.1m) as detailed further in note 11.

Our sales focus across traditional unified communication streams has been the development of recurring revenue service lines, with the continued acceleration of cloud deployments across this space. The network business unit has overseen the development of Local Area Network income streams, particularly in the Public Sector during the period. We have invested in the cyber security and Microsoft Teams business streams, and this has driven revenue growth in FY23, something we expect to continue as we expand and leverage strategic partnerships and capabilities in these areas.

The business continues to operate through several CCS (Crown Commercial Services) frameworks, including current public frameworks RM6116 (Network Services 3), RM6100 (Technology Services 3), RM3764 (Cyber Security Services 3), RM1043 (Digital Outcomes and Specialists), G-Cloud 13, in addition to continuing to deliver services contracted under previous frameworks including RM3808 (Network Services 2) and G-Cloud 12. In addition, the business operates on several other procurement frameworks including JISC and YPO. This means working with key Public Sector organisations and good momentum is being seen in this area.

CHARTERHOUSE VOICE & DATA LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2023

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to several risks. The key business risks affecting the company are considered to relate to the UK economy in general, including the potential impact of recession and inflation levels, interest rate markets and the cost of borrowing, competition, credit and liquidity risk.

The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of exposure to risk and the related finance costs.

UK Economy

Inflationary pressures are managed through the alignment of customer pricing with supplier charges, and our right to apply price increases as incurred. Overhead and Employee costs are managed by identifying and executing efficiency schemes (e.g., graduate and apprenticeship schemes). Like inflationary pressures, the impact of a UK recession would be managed by cost base rationalisation where turnover is impacted.

Interest rates

The Group is exposed to increasing interest rates as a portion of borrowings are based on SONIA. Interest rate hedging has been considered but the Group has so far determined that this is not necessary and generates sufficient cash to manage this risk.

Competitive Risk

The market for the group's solutions and services remains highly competitive with pressure on margins, and clients and projects are selected carefully.

Credit risk

The Group's principal financial asset subject to credit risk arises from its trade debtors. This is managed through controlled credit allocation and cash collection processes. This is further mitigated through a diversified customer base meaning that no one customer represents a significant proportion of the Company's trade.

Liquidity risk

The Group manages risk through regular short and medium-term cash forecasts which are reviewed in detail by management.

CHARTERHOUSE VOICE & DATA LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2023

Financial key performance indicators

The Group uses several financial key performance indicators to effectively measure its ongoing development and to monitor the performance of the various operation divisions within the Company.

These include:

	2023	2022	Variance
	£000s	£000s	
Trading performance			
Turnover	69,216	63,591	8.4%
Gross profit	27,525	24,363	13.0%
Gross profit %	39.8%	38.5%	
EBITDA pre Exceptionals	4,817	4,917	(2.1%)
Balance Sheet:			
Cash at Bank	2,993	4,688	(36.2)%

CHARTERHOUSE VOICE & DATA LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2023

Other key performance indicators
Environment

The Company completed a thorough environmental audit throughout 2022 culminating in the adoption of a bold plan to achieve Carbon Net-Zero by 2030. This Net Zero target is 20 years ahead of the 2050 target set out in the standard Carbon Reduction Plan requirements. Charterhouse supports the UN Sustainable Development Goals and the Paris Agreement to reduce greenhouse gas (GHG) emissions.

The Company has now published a Carbon Reduction Plan on its website, outlining the Company's plan to achieve a significant reduction in carbon emissions over the coming years. The Company has already actioned many supporting plans to demonstrate the commitment to achieving Carbon Net-Zero.

These disclosures are made in accordance with Streamlined Energy & Carbon Reporting Guidelines. The data included covers the FY22/23 financial year. We have had our figures verified by a third party environmental consultancy.

Calculation of greenhouse gas emissions has been completed using the UK Government Greenhouse Gas Reporting Factors 20223.

	Input value		Metric tonnes CO ₂ e	
	FY22	FY23	FY22	FY23
Gas	96,39k kWh	14,770 kWh	17.66	2.70
Electricity	232,497 kWh	178,498 kWh	49.37	36.96
Company Cars	5,960 litres	1,559 litres	13.07	3.59
Business Mileage	219,468 miles	269,327 miles	60.81	74.75
Total			140.91	118.00

Intensity ratio: 0.457 Metric tonnes per FTE (0.573 FY22) which is a decrease of almost 22% on the prior year.

Notes regarding calculations:

- We have calculated company car emissions based on an average of the conversion factors for the average biofuel blends of Diesel and Petrol, and on a Gross CV basis.
- We have calculated Business Mileage (Personal Vehicles) based on average car conversion factors and unknown fuel types.
- Intensity Ratio calculated as follows: Scope 1 & Scope 2, plus Business Mileage (Scope 3) emissions based on a full time employee mean of 258 (246 FY22).

CHARTERHOUSE VOICE & DATA LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2023

Operations

The operating quality standards throughout the Group have been certified to ISO9001:2015. In addition, the Company's information security standards have been certified to ISO27001:2017.

Section 172 statement

Under section 172 of the Companies Act 2006, the Directors have a duty to promote the success of the Company for the benefit of its members as a whole. This includes having due regard to the broad range of stakeholders of the Company, such as its workforce, customers, suppliers, shareholders, as well as the impact of the Company on the wider community and environment.

The Company engages with its shareholders on a regular basis through the presentation of monthly financial information.

The Company has developed teams specifically to focus on customer experience and customer success which regularly seek feedback from customers to support continual improvement. The Company's technical experts continue to offer thought-leadership to customers and the wider community through free webinars on key technology and industry developments.

The Company maintains a sharp focus on strategic suppliers, has several best-in-class partner accreditations, and has introduced several roles focused on partner relationship management. The Company has further enhanced and refined its supplier onboarding and review process to ensure consistency and quality in supply chains. The Supplier Code of Conduct developed by the Company includes key principles in relation to health and safety, data protection, modern slavery, and anti-bribery.

The Directors have sought employee feedback and engagement through a variety of means, including in-person meetings, surveys, monthly virtual town-hall meetings, and through the Company's management structures. The Company implemented a variety of initiatives following employee engagement, including implementing changes to policies and procedures, and delivering improvements in employee benefits and entitlements.

The Company maintains a key focus on delivering its Environment, Social and Governance (ESG) strategy. The Company sought input from external experts and has developed and published a Carbon Reduction Plan which sets out an ambitious Net Zero target. Please refer to our Energy & Carbon Reporting for more information.

The Company has very active community engagement through a variety of initiatives. The Company's Social Value Policy underpins these efforts, and the Company's Charity Committee is very active throughout the year in fundraising activities for chosen charities. The Company has also offered employees a volunteering day to further support initiatives within local communities.

Future outlook

The wider economic environment is expected to remain challenging, the inflationary pressures and risk of recession in the UK market. The external commercial environment is expected to remain competitive, but we believe that our experienced leadership team along with the investments we have and are continuing to make in our staff and infrastructure will enable us to continue to progress the level of performance in the future.

This report was approved by the board on 21 December 2023 and signed on its behalf.

Joe Roffey
J E Roffey
Director

CHARTERHOUSE VOICE & DATA LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 MARCH 2023**

The directors present their report and the financial statements for the year ended 31 March 2023.

Results and dividends

The loss for the period, after taxation, amounted to £3,499k (2022: loss £2,405k).

Dividends for the period amounted to £Nil (2022: £Nil).

Directors

The directors who served during the period were:

D J Brooks
J E Roffey
M Tyne (resigned 30 April 2022)

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 Standard 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 and profit or loss of the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CHARTERHOUSE VOICE & DATA LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2023**

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company will continue for the foreseeable future, assessed as a period of 12 months from the signing of the financial statements.

Internal forecasts are regularly updated, and the latest Board reviewed forecasts reflects the Group's experience and expectations of the current macro-economic climate, and shows sufficient liquidity, headroom and compliance with senior debt commitments as disclosed in the Accounts of Clayton Topco. The forecast cash flows have been sensitised to assess the Group's resilience to the principal risks facing the Group, including those risks that would threaten the business model, future performance, and liquidity. Operational cost control and rationalisation would represent options available to management to mitigate risk in such a sensitised scenario. In addition to these mitigation options, the Group can also rely on the continued support of Clayton Topco and August Equity during the Going Concern period. In this regard Clayton Topco and August Equity have provided the directors with a letter of support, at the time of the approval of the financial statements, which indicates their continued support of the business during the Going Concern period.

The Directors note that the level of uncertainty which macro-economic climate poses to the Group remains at large, but the assessment performed, including the confirmation of support obtained by the directors, means they conclude that the group has sufficient cash reserves to remain liquid, for at least 12 months from the date of these financial statements. Accordingly, these financial statements have been prepared on a going concern basis.

Future developments

We look forward with a strong organisation with support from its stakeholders, that gives clients and supplier's confidence that they should work with Charterhouse Voice and Data to deliver both now and in the future. Our strategic intent is to expand across the UK and develop further capabilities to deliver the best-in-class unified communications and security solutions to our customer base.

Qualifying third party indemnity provisions

There is Directors and Owners Liability Insurance in place throughout the period.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

Auditor

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

This report was approved by the board on 21 December 2023 and signed on its behalf.

Joe Roffey
J E Roffey
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTERHOUSE VOICE & DATA LIMITED (CONTINUED)

Opinion

We have audited the financial statements of Charterhouse Voice & Data Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the consolidated statement of comprehensive income, the consolidated balance sheet, the company balance sheet, the consolidated statement of changes in equity, the company statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2023 and of the group's and the parent company's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as inflation and a rise in interest rates, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTERHOUSE VOICE & DATA LIMITED
(CONTINUED)**

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 group's and the parent 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

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.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTERHOUSE VOICE & DATA LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the parent company and the industry in which they operate through our general commercial and sector experience and discussions with management. We determined that the most significant are those related to the financial reporting framework, being FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006, and the relevant tax compliance regulations in the UK;
- We obtained an understanding of how the group and the parent company are complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes, and correspondence received from regulatory bodies;
- We assessed the susceptibility of the Group and Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included evaluation of the processes and controls established to address the risks related to irregularities and fraud and testing of journal entries. In particular, these included entries relating to management estimates, large, or unusual transactions;
- The engagement leader's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's knowledge of the industry in which the client operates and understanding of, and practical experience through training and participation with audit engagements of a similar nature;



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTERHOUSE VOICE & DATA LIMITED (CONTINUED)

- Audit procedures performed by the engagement team included:
 - evaluation of the procedures and controls established to address the risks related to irregularities and fraud;
 - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions; and
 - identifying and testing related party transactions.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- Relevant laws and regulations and potential fraud risks were communicated to all engagement team members. We remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Grant Thornton UK LLP

Matthew Flowers
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
21 December 2023

CHARTERHOUSE VOICE & DATA LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2023**

		31 March 2023 £000	31 March 2022 £000
	Note		
Turnover	4	69,216	63,591
Cost of sales		<u>(41,691)</u>	<u>(39,228)</u>
Gross Profit		27,525	24,363
Administrative expenses		(22,708)	(19,446)
Exceptional administrative expenses	11	(4,149)	(3,064)
Impairment, depreciation and amortisation	5	(3,958)	(4,327)
Total Administrative expenses		(30,814)	(26,838)
Operating loss	5	(3,290)	(2,474)
Interest (payable) / receivable	9	25	(6)
Loss before taxation		(3,265)	(2,480)
Tax credit on loss / (tax)	10	<u>(234)</u>	<u>76</u>
Loss for the financial period		<u>(3,499)</u>	<u>(2,405)</u>
Loss for the financial period attributable to:			
Owners of the parent company		<u>(3,499)</u>	<u>(2,405)</u>
		<u>(3,499)</u>	<u>(2,405)</u>
Total comprehensive loss for the period attributable to:			
Owners of the parent company		<u>(3,499)</u>	<u>(2,405)</u>
		<u>(3,499)</u>	<u>(2,405)</u>

There were no recognised gains and losses for 2023 or 2022 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2023 (2022: £Nil).

The notes on pages 17 to 41 form part of these financial statements.

CHARTERHOUSE VOICE & DATA LIMITED
REGISTERED NUMBER:02804354

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

		31st March 2023 £000	31st March 2022 £000
	Note		
Fixed assets			
Intangibles	12	23,705	27,118
Tangibles	13	859	1,704
Investments	14	5	5
		<u>24,569</u>	<u>28,828</u>
Current assets			
Stock	15	143	411
Debtors: amounts falling due within one year	16	27,942	35,027
Cash at bank and in hand	17	2,993	4,688
		<u>31,078</u>	<u>40,126</u>
Creditors: amounts falling due within one year	18	<u>(57,255)</u>	<u>(67,216)</u>
Net current (liabilities)		<u>(26,177)</u>	<u>(27,090)</u>
Total assets less current liabilities		<u>(1,608)</u>	<u>1,737</u>
Creditors: amounts falling due after more than one year			
Deferred Tax	19	(266)	(112)
		(266)	(112)
Net assets / (liabilities)		<u><u>(1,874)</u></u>	<u><u>1,625</u></u>
Capital and reserves			
Called up share capital		50	50
Profit and loss account		<u>(1,924)</u>	<u>1,575</u>
		<u><u>(1,874)</u></u>	<u><u>1,625</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 December 2023.

Joe Roffey
J E Roffey
 Director

The notes on pages 17 to 41 form part of these financial statements.

CHARTERHOUSE VOICE & DATA LIMITED
REGISTERED NUMBER:02804354

COMPANY BALANCE SHEET
AS AT 31 MARCH 2023

		31st March 2023 £000	31st March 2022 £000
	Note		
Fixed assets			
Intangibles	12	23,705	27,118
Tangibles	13	859	1,704
Investments	14	<u>33,827</u>	<u>33,827</u>
		58,391	62,649
Current assets			
Stock	15	143	411
Debtors: amounts falling due within one year	16	27,942	34,976
Cash at bank and in hand	17	<u>2,993</u>	<u>4,688</u>
		31,078	40,075
Creditors: amounts falling due within one year	18	<u>(92,607)</u>	<u>(102,568)</u>
Net current (liabilities)		<u>(61,529)</u>	<u>(62,493)</u>
Total assets less current liabilities		(3,138)	156
Creditors: amounts falling due after more than one year			
Deferred Tax	19	<u>(266)</u>	<u>(279)</u>
		(266)	(279)
Net assets		<u><u>(3,404)</u></u>	<u><u>(124)</u></u>
Capital and reserves			
Called up share capital		50	50
Profit and loss account brought forward		(174)	2,599
Loss for the period		(3,280)	(1,997)
Other changes in the profit and loss account		<u>-</u>	<u>(775)</u>
Profit and loss account carried forward		<u>(3,454)</u>	<u>(174)</u>
		<u><u>(3,404)</u></u>	<u><u>(124)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 December 2023.

J E Roffey *Joe Roffey*
 Director

The notes on pages 17 to 41 form part of these financial statements.

CHARTERHOUSE VOICE & DATA LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2023**

	Called up Share capital	Profit and loss account	Total Equity
	£000	£000	£000
At 31 March 2022	50	1,575	1,625
Loss for the Period	-	(3,499)	(3,499)
Total Comprehensive Loss for the period	-	(3,499)	(3,499)
At 31 March 2023	<u>50</u>	<u>(1,924)</u>	<u>(1,874)</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2022**

	Called up Share capital	Profit and loss account	Total Equity
	£000	£000	£000
At 31 March 2021	50	4,556	4,606
Loss for the Period	-	(2,405)	(2,405)
Total Comprehensive Loss for the period	-	(2,405)	(2,405)
Acquisition pre-hive up	-	(372)	(372)
Deferred tax on acquisition reserves	-	(205)	(205)
At 31 March 2022	<u>50</u>	<u>1,575</u>	<u>1,625</u>

The notes on pages 17 to 41 form part of these financial statements.

CHARTERHOUSE VOICE & DATA LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2023**

	Called up Share capital	Profit and loss account	Total Equity
	£000	£000	£000
At 31 March 2022	50	(174)	(124)
Comprehensive Income for the period			
Loss for the Period	-	(3,280)	(3,280)
	<hr/>	<hr/>	<hr/>
Total Comprehensive Income for the period	-	(3,280)	(3,280)
	<hr/>	<hr/>	<hr/>
At 31 March 2023	<u>50</u>	<u>(3,454)</u>	<u>(3,404)</u>

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2022**

	Called up Share capital	Profit and loss account	Total Equity
	£000	£000	£000
At 31 March 2021	50	2,823	2,873
Comprehensive Income for the period			
Loss for the Period	-	(1,997)	(1,997)
	<hr/>	<hr/>	<hr/>
Total Comprehensive Income for the period	-	(1,997)	(1,997)
	<hr/>	<hr/>	<hr/>
Acquisition reserves pre Hive up		(775)	(775)
	<hr/>	<hr/>	<hr/>
Deferred tax on acquisition reserves		(225)	(225)
	<hr/>	<hr/>	<hr/>
At 31 March 2022	<u>50</u>	<u>(174)</u>	<u>(124)</u>

The notes on pages 17 to 41 form part of these financial statements.

CHARTERHOUSE VOICE & DATA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

1. General information

Charterhouse Voice & Data Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at 17 St. Helen's Place, London EC3A 6DG.

The principal activity of the Company throughout the period continued to be that of providing a broad line of unified communications solutions and services, cyber security products and services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared on a going concern basis in pounds sterling, functional currency, rounded to the nearest thousand.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No Statement of Cash Flows has been presented for the parent company and immediate Group;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the company as a whole; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the company as a whole.

The following principal accounting policies have been applied:

CHARTERHOUSE VOICE & DATA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The parent has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7;

This information is included in the consolidated financial statements of Clayton Topco Limited as at 31 March 2023 and these financial statements may be obtained from Companies House.

2.3 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies in line with those used by the Group. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102.

CHARTERHOUSE VOICE & DATA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

2.4 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company will continue for the foreseeable future, assessed as a period of 12 months from the signing of the financial statements.

Internal forecasts are regularly updated, and the latest Board reviewed forecasts reflects the Group's experience and expectations of the current macro-economic climate, and shows sufficient liquidity, headroom and compliance with senior debt commitments as disclosed in the Accounts of Clayton Topco. The forecast cash flows have been sensitised to assess the Group's resilience to the principal risks facing the Group, including those risks that would threaten the business model, future performance, and liquidity. Operational cost control and rationalisation would represent options available to management to mitigate risk in such a sensitised scenario. In addition to these mitigation options, the Group can also rely on the continued support of Clayton Topco and August Equity during the Going Concern period. In this regard Clayton Topco and August Equity have provided the directors with a letter of support, at the time of the approval of the financial statements, which indicates their continued support of the business during the Going Concern period.

The Directors note that the level of uncertainty which macro-economic climate poses to the Group remains at large, but the assessment performed, including the confirmation of support obtained by the directors, means they conclude that the group has sufficient cash reserves to remain liquid, for at least 12 months from the date of these financial statements. Accordingly, these financial statements have been prepared on a going concern basis.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Research and development

CHARTERHOUSE VOICE & DATA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

In the research phase of an internal project, it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Pensions**Defined contribution pension plan**

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the group in independently administered funds.

2.10 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences

CHARTERHOUSE VOICE & DATA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

2.12 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life of 10 years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. Software assets are amortised over 3 years on a straight line basis. Trademarks associated with Pentesec Limited are amortised over 10 years on a straight line basis. Customer Relationships associated with recurring contracts are amortised over the contract terms on a straight line basis. Other intangible assets are amortisation straight line over five years.

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 3 to 10 years
Office equipment	- 3 to 10 years

Fixtures and Fittings and Office equipment generally depreciated over 3 years but can be more depending on the useful life of the asset.

CHARTERHOUSE VOICE & DATA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 Associates and joint ventures

An entity is treated as a joint venture where the group is a party to a contractual agreement with one or more parties from outside the group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.17 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

CHARTERHOUSE VOICE & DATA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

2.18 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.19 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.20 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the period that the group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.22 Financial instruments

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an

CHARTERHOUSE VOICE & DATA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which approximates the amount that the group would receive for the asset if it were to be sold at the balance sheet date.

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

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

The directors consider that the critical accounting policies where judgements and estimations have been applied relate to intangible asset lives, in particular the useful economic life and residual values of goodwill, Customer relationships and trademarks.

The group has considered whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified by applying key judgements like evaluation of performance of the cash generating units (CGUs), internal and external factors that may impact the business of the CGUs, the recoverable value of the CGUs is assessed through estimation of the future cash flows from the CGUs and the selection of appropriate discount rates in order to calculate the net present value of those cash flows.

CGU forecasts have also been used to determine contingent consideration for acquired businesses.

The directors have concluded that the carrying values of the tangible and intangible assets are appropriate.

4. Turnover

An analysis of turnover by class of business is as follows:

	31 March 2023 £000	31 March 2022 £000
Sales	<u>69,216</u>	<u>63,591</u>

All turnover arose within the United Kingdom.

CHARTERHOUSE VOICE & DATA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

5. Operating loss

The operating loss is stated after charging:

	31 March 2023 £000	31 March 2022 £000
Depreciation of fixed assets	267	303
Amortisation of intangible assets, including goodwill	3,687	4,024
Other operating lease rentals	<u>369</u>	<u>293</u>

6. Auditor's remuneration

	31 March 2023 £000	31 March 2022 £000
Fees payable to the group's auditor and its associates for the audit of the group's annual financial statements	<u>250</u>	<u>275</u>

Fees payable to the group's auditor and its associates in respect of:

Accountancy service	-	16
Taxation compliance services	-	69
All other services	-	125
	<u>-</u>	<u>210</u>

For FY23 and FY22, Charterhouse Voice and Data is taking on the cost of the all the other entities within the Clayton Topco group.

7. Employees

Staff costs were as follows:

	Group 31 March 2023 £000	Group 31 March 2022 £000	Company 31 March 2023 £000	Company 31 March 2022 £000
Wages and salaries	13,221	13,611	13,221	11,122
Social security costs	1,986	1,782	1,986	1,383
Cost of defined contribution scheme	546	301	546	235
	<u>15,753</u>	<u>15,694</u>	<u>15,753</u>	<u>12,740</u>

CHARTERHOUSE VOICE & DATA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

The average monthly number of employees, including the directors, during the period was as follows:

	Group 31 March 2023 £000	Group 31 March 2022 £000	Company 31 March 2023 £000	Company 31 March 2022 £000
	No.	No.	No.	No.
Sales & Marketing Staff	62	61	62	55
Service & Delivery Staff	146	140	146	98
Administrative Staff	44	45	44	38
	252	246	252	191

8. Directors' remuneration

	Company 31 March 2023 £000	Company 31 March 2022 £000
Directors' emoluments	599	637

The highest paid director received remuneration of £302,582 (2022 £169,383). The directors are defined as the key management personnel of the company.

9. Interest payable / (receivable) and similar expenses

	31 March 2023 £000	31 March 2022 £000
Bank interest payable / (receivable)	(25)	6

CHARTERHOUSE VOICE & DATA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

10. Taxation

	31 March 2022 £000	31 March 2022 £000
Corporation tax		
Current tax on loss for the period	-	33
Adjustments in respect of previous periods	80	(621)
	<u>80</u>	<u>(237)</u>
Total current tax / (credit)	<u><u>80</u></u>	<u><u>(588)</u></u>
Deferred tax		
Origination and reversal of timing differences	(16)	(296)
Adjustments in respect of prior balances	175	757
Effect of tax rate change on opening balance	(5)	51
Total deferred tax	<u><u>154</u></u>	<u><u>512</u></u>
Taxation on loss on ordinary activities	<u><u>234</u></u>	<u><u>(76)</u></u>

Factors affecting tax charge for the period/year

The standard rate of corporation tax in the UK for 2023 and 2022 were 19%. The tax assessed for the period/year is higher than 2022. The differences are explained below:

	31 March 2023 £000	31 March 2022 £000
(Loss) on ordinary activities before tax	<u><u>(3,265)</u></u>	<u><u>(2,480)</u></u>
(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	(620)	(471)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	701	633
Adjustments to tax charge in respect of prior periods	80	(621)
Adjustments to tax charge in respect of prior periods - deferred tax	175	745
Remeasurement of deferred tax for changes in tax rates	(5)	51
Deferred tax not recognised	-	(101)
Group relief surrendered / (claimed)	(52)	(289)
Other movements	(45)	(23)
Total tax charge for the period/year	<u><u>234</u></u>	<u><u>(76)</u></u>

CHARTERHOUSE VOICE & DATA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

Factors that may affect future tax charges

The UK Budget announcements on 3 March 2021 included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023.

11. Exceptional

	31 March	31 March
	2023	2022
	£000	£000
Acquisition and integration costs (1)	-	740
Consultancy fees and exceptional pay (2)	947	963
Restructuring costs (3)	1,140	382
Creation of Security Operations Centre (SOC) (4)	1,169	640
HMRC VAT assessment (5)	426	-
Other (6)	467	339
Total Exceptional costs	4,149	3,064

(1) Specific costs incurred in relation to M&A and integration activity.

(2) Costs of interim and project staff where costs incurred are either (a) expected to be one-off and short term in nature or (b) specific to an exceptional project or initiative.

(3) Material and one-off costs relating to restructuring activities undertaken by the business, including recruitment and settlement costs.

(4) Costs relating to the initial set-up and ramping up phase of the Security Operations Centre, which is part of the Company's Cyber Security proposition.

(5) Disputed VAT treatment relating to previous periods, where an assessment has been raised by HMRC. The Company will attempt to recover these amounts from associated Customers as there is no loss of revenue to HMRC (see note 28).

(6) Other Exceptional costs that do not fit in to the above categories, including early termination fees related to former office lease/office move and advisory costs.

CHARTERHOUSE VOICE & DATA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

12. Intangible assets**Group**

	Other Intangibles £000	Computer Software £000	Trademarks & Customer Relationships £000	Goodwill £000	Total £000
COST					
At 1st April 2022	62	1,329	1,893	33,527	36,811
Additions	164	110	-	-	274
At 31st March 2023	226	1,439	1,893	33,527	37,085
AMORTISATION					
At 1st April 2022	-	712	1,251	7,730	9,693
Charge for the year	-	299	118	3,270	3,687
At 31st March 2023	-	1,011	1,369	11,000	13,380
At 31st March 2023	226	428	524	22,527	23,705
At 31st March 2022	62	617	642	25,797	27,118

Amortisation of intangible fixed assets is included in administration expenses.

CHARTERHOUSE VOICE & DATA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

12. Intangible assets (continued)

CVD Company

	Other Intangibles £000	Computer Software £000	Trademarks & Customer Relationships £000	Goodwill £000	Total £000
At 1st April 2022	62	1,328	1,548	32,387	35,325
Additions	164	110	-	-	274
At 31st March 2023	226	1,439	1,843	32,387	35,600

AMORTISATION

At 1st April 2022	-	710	906	6,591	8,207
Charge for the year	-	299	118	3,270	3,687
At 31st March 2023	-	1,009	1,024	9,861	11,894

At 31st March 2023	226	429	524	22,526	23,705
At 31st March 2022	62	618	642	25,796	27,118

Amortisation of intangible fixed assets is included in administration expenses.

CHARTERHOUSE VOICE & DATA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

13. Tangible fixed assets**Group**

	Fixtures and fittings £000	Office equipment £000	Long-term leasehold property £000	Total £000
Cost or valuation				
At 31st March 2022	746	932	1,180	2,858
Additions	-	145	-	145
Disposals			(854)	(854)
At 31st March 2023	746	1,077	326	2,149
Amortisation				
At 31st March 2022	601	481	72	1,154
Charge for the year	36	139	92	267
Disposals	-	-	(131)	(131)
At 31st March 2023	637	620	33	1,290
At 31st March 2023	109	457	293	859
At 31st March 2022	145	451	1,108	1,704

CHARTERHOUSE VOICE & DATA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

13. Tangible fixed assets (continued)

CVD Company

	Fixture & Fittings £000	Office Equipment £000	Long Term Leasehold Property £000	Total £000
Cost or valuation				
At 1 st April 2022	691	820	1,208	2,719
Additions	-	145	-	145
Disposals	-	-	(854)	837
Reclassification	55	112	(28)	139
At 31st March 2023	746	1,077	326	2,149
Amortisation				
At 31st March 2022	546	369	100	1,015
Charge for the year	36	139	92	267
Disposals	-	-	(131)	(131)
Reclassification	55	112	(28)	(139)
At 31st March 2023	637	620	33	1,290
At 31st March 2023	109	457	293	859
At 31st March 2022	145	451	1,108	1,704

CHARTERHOUSE VOICE & DATA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

14. Fixed asset investments

Group

**Investments in
associates
£000**

Cost or valuation

At 1 April 2022 5

At 31 March 2023 5

Net book value

At 31 March 2023 5

At 31 March 2022 5

This is an investment of 50% in a joint venture named Charterhouse Voice & Data (West) LLP, a Limited Liability Partnership incorporated in England and Wales on 28 June 2011.

Company

	Investments in subsidiary companies £000	Investments in associates £000	Total £000
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Cost or valuation

At 1 April 2022	35,597	5	35,602
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At 31 March 2023	<u>35,597</u>	<u>5</u>	<u>35,602</u>
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Impairment

At 1 April 2022	1,775	-	1,775
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Charge for the period	-	-	-
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At 31 March 2023	<u>1,775</u>	<u>-</u>	<u>1,775</u>
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Net book value

At 31 March 2023	<u>33,822</u>	<u>5</u>	<u>33,827</u>
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At 31 March 2022	<u>33,822</u>	<u>5</u>	<u>33,827</u>
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The company's capital investment in Charterhouse Voice & Data (West) LLP amounts to £5,000.

CHARTERHOUSE VOICE & DATA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
NetConnection Systems Limited	17, St. Helen's Place, London, EC3A 6DG	Dormant	Ordinary	100 %
Lloyds Business Communications Limited	17, St. Helen's Place, London, EC3A 6DG	Dormant	Ordinary	100 %
Lloyds Business Networks Limited	17, St. Helen's Place, London, EC3A 6DG	Dormant	Ordinary	100 %
Lloyds IP Limited	17, St. Helen's Place, London, EC3A 6DG	Dormant	Ordinary	100 %
Digital Exchange Products Limited	17, St. Helen's Place, London, EC3A 6DG	Dormant	Ordinary	100 %
Symity Limited	17, St. Helen's Place, London, EC3A 6DG	Dormant	Ordinary	100 %
Pentesec Limited	17, St. Helen's Place, London, EC3A 6DG	Dormant	Ordinary	100 %

All the subsidiary companies above are directly owned by Charterhouse Voice & Data Limited.

15. Stocks

	Group 31 March 2023 £000	Group 31 March 2022 £000	Company 31 March 2023 £000	Company 31 March 2022 £000
Finished goods	<u>143</u>	<u>411</u>	<u>143</u>	<u>411</u>

CHARTERHOUSE VOICE & DATA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

16. Debtors

	Group	Group	Company	Company
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade debtors	11,196	15,459	11,196	15,459
Amounts owed by group undertakings	9,395	6,665	9,395	6,665
Other debtors	1,157	1,195	1,157	1,195
Prepayments and accrued income	6,041	11,453	6,041	11,453
Corporation Tax	153	255	153	203
	27,942	35,027	27,942	34,975

17. Cash and cash equivalents

	Group	Group	Company	Company
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	£000	£000	£000	£000
Cash at bank and in hand	2,993	4,688	2,993	4,688

18. Creditors: Amounts falling due within one year

	Group	Group	Company	Company
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade creditors	7,215	8,692	7,215	8,692
Amounts owed to group undertakings	32,948	32,332	68,541	67,924
Amounts owed to related undertakings	-	78	-	78
Other taxation and social security	1,477	3,052	1,477	3,052
Other creditors	1,600	4,047	1,359	3,807
Accruals and deferred income	14,015	19,015	14,015	19,015
	57,255	67,216	92,607	102,568

Group Group Company Company

CHARTERHOUSE VOICE & DATA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

	31 March 2023 £000	31 March 2023 £000	31 March 2023 £000	31 March 2022 £000
Deferred tax liability	266	112	266	279
	<u>266</u>	<u>112</u>	<u>266</u>	<u>279</u>

19. Deferred Taxation

Group

	31 March 2023 £000	31 March 2022 £000
At beginning of period	(112)	549
Charged to profit or loss	(154)	(511)
Deferred Tax adjustments	-	(150)
At end of period	<u>(266)</u>	<u>(112)</u>

Company

	31 March 2023 £000	31 March 2022 £000
At beginning of period	(279)	559
Charged to profit or loss	13	(613)
Deferred Tax on acquisition reserves	-	(225)
At end of period	<u>(266)</u>	<u>(279)</u>

The deferred tax asset / (liability) is made up as follows:

	Group 31 March 2023 £000	Group 31 March 2022 £000	Company 31 March 2023 £000	Company 31 March 2022 £000
Fixed asset timings differences	(452)	(402)	(452)	(457)
Short term timing differences	111	91	111	91
Losses and other deductions	75	199	75	87
Total Deferred Tax Asset / (Liability)	<u>(266)</u>	<u>(112)</u>	<u>(266)</u>	<u>(279)</u>

CHARTERHOUSE VOICE & DATA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

20. Share capital

	31 March 2023 £000	<i>31 March 2022 £000</i>
Allotted, called up and fully paid		
50,000 (2022 50,000) Ordinary shares of £1 each	<u>50</u>	<u>50</u>

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

21. Reserves**Profit and loss account**

Includes all current & prior periods retained profits and losses.

Share capital

Represents the nominal value of shares that have been issued.

22. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £546,167 (2022: £301,095). Contributions totalling £96,799 (2022: £66,231) were payable to the fund at the balance sheet date and are included in creditors.

23. Commitments under operating leases

At 31 March 2023 the group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 31 March 2023 £000	<i>Group 31 March 2022 £000</i>	Company 31 March 2023 £000	<i>Company 31 March 2022 £000</i>
Not later than 1 year	723	289	723	289
Later than 1 year and not later than 5 years	703	348	703	348
Later than 5 years	-	-	-	-
	<u>1,426</u>	<u>637</u>	<u>1,426</u>	<u>637</u>

CHARTERHOUSE VOICE & DATA LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2023**

24. Related party transactions

The group has taken advantage of the exemption contained in FRS102 Section 22 and has not disclosed transactions or balances with entities which form part of the group and are 100% owned.

Other related party transactions:

Charterhouse Voice & Data (West) LLP is an LLP in which Charterhouse Voice & Data Limited is a corporate member. During the period the company received a profit share from the LLP of £364,000 (2022: £134,000). Charterhouse Voice & Data Limited invoiced Charterhouse Voice & Data (West) LLP £204,000 (2022: £67,433) in respect of services provided in the period. The company received services from the LLP to the value of £nil (2022: £376,328). At the period end the company was owed £383,000 (2022: £Nil) by the LLP. At the period end, included in trade creditors was an amount of £120,000 (2022: £77,824) due to the LLP.

Charterhouse Voice & Data Ltd was a tenant at Gate House, 5 Chapel Place, Rivington Street, London, EC2A 3SB for part of the period (1 April 2022 to 31 December 2022) and was charged £175,500 for rent (2022: £234,000). The landlord of these premises was Gate House (Chapel Place) LLP. Mark Brooks-Wadham (non-executive director) and D Doherty (former director – resigned 23rd February 2022) of the company, both hold a 50% share in Gate House (Chapel Place) LLP. This is considered to be the market rental. In addition, due to early termination of the lease on 31 December 2022, there was an additional payment to the Gate House (Chapel Place) LLP of £100,000 in the period.

August Equity are a mobile and UC customer of Charterhouse Voice & Data Limited, Sales invoices (excluding VAT) in the period totalled £13,462.

25. Controlling party

The immediate parent company at 31 March 2023 is Caretidy Two Limited, a company incorporated in England and Wales on 2 July 2014.

The only group in which the results of the company are consolidated to 31 March 2023 is that headed by Clayton Topco Limited. The group financial statements of this company are available to the public and may be obtained from the registered office, 17 St. Helen's Place, London EC3A 6DG or Companies House, Cardiff.

The ultimate controlling party is funds managed by August Equity LLP, a limited liability partnership registered in England and Wales.

26. Subsequent events

In October 2023 the Company reluctantly agreed with HMRC's position relating to the VAT treatment on use of hardware funds associated with mobile contracts. An assessment was raised by HMRC for £426k which relates to prior periods so has been treated as an Exceptional cost. There has been no loss of revenue for HMRC, and it is the intention of the Company to recover these amounts from associated customers, who in turn should be entitled to claim these amounts as part of their VAT returns. No contingent assets have been recognised for amounts to be recovered.