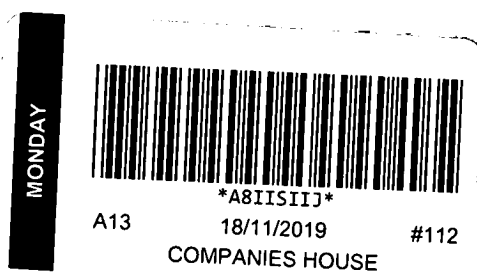


Telecommunications Management Limited

Report and Financial Statements

YEAR ENDED 31 MARCH 2019

Company Registration Number 3592271



TELECOMMUNICATIONS MANAGEMENT LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019

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TELECOMMUNICATIONS MANAGEMENT LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2019

Directors of the company

C F Wigoder
A Lindsay
N Schoenfeld
C Wetherall

Secretary and registered office

D Baxter
Network HQ
508 Edgware Road
The Hyde
London
NW9 5AB

Independent auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Lloyds Bank PLC
25 Gresham Street
London
EC2V 7HN

TELECOMMUNICATIONS MANAGEMENT LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019

REVIEW OF THE BUSINESS

Amounts included in the annual accounts relate to the provision of fixed wire telecommunication services to business and public-sector customers, and mobile telecommunications services to residential customers. The Company's parent company, Utility Warehouse Limited, facilitates access to the necessary infrastructure for the provision of these services, for which the Company is duly charged by the parent company.

The profit on ordinary activities before taxation for the year ended 31 March 2019, set out on page 8, was £325,709 (2018: £302,823). The Company does not have any financial instruments other than debtors and creditors arising from its normal business activities. Any risks in respect of financial instruments of the ultimate parent company, Telecom Plus PLC are disclosed in its accounts.

The resulting financial position of the Company is set out in the balance sheet on page 9.

DEVELOPMENT AND PERFORMANCE

The Company has traded satisfactorily during the year and is expected to continue to do so.

Services

The table below sets out the number of key services supplied by the Company.

	2019	2018
Fixed Telephony (calls and NGN)	8,340	9,460
Fixed Telephony (line rental)	5,345	5,870
Broadband	2,252	2,224
Mobile	27,555	12,839
Total	43,492	30,393

PRINCIPAL RISKS AND UNCERTAINTIES

The principal specific risks arising from the Company's business model, and the measures taken to mitigate those risks, are set out below.

Information technology risk

The Company is dependent on its proprietary billing and membership management software for the successful operation of its business model. This software is developed and maintained in accordance with the changing needs of the business by a team of highly skilled, motivated and experienced individuals. The Company relies on this software and any failure in its operation could negatively impact service to customers and potentially be damaging to the Company's brand.

All significant changes which are made to the billing and membership management software are tested as extensively as reasonably practicable before launch and are ultimately approved by the Chief Technology Officer and Billing departments in consultation with the Chief Executive as appropriate.

Back-ups of both the software and underlying billing and membership data are made on a regular basis and securely stored off-site. The parent Company also maintains a disaster recovery facility in a warm standby state in the event of a failure of the main system, designed to ensure that a near-seamless service to customers can be maintained.

The parent Company has full strategic control over the source code behind its billing and membership management system, thereby removing any risk of future software development not being able to meet the precise requirements of the Company.

**TELECOMMUNICATIONS MANAGEMENT LIMITED
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

Data security risk

The Company processes sensitive personal and commercial data during the course of its business. The Company looks to protect customer and corporate information and data and to keep its infrastructure secure. A significant breach of cyber security could result in the Company facing prosecution and fines, loss of commercially sensitive information, financial losses from fraud and theft, lost productivity from not being able to process orders and invoices, and unplanned costs to restore and improve the Company's security. This could damage the Company's brand and Partner confidence which might take an extended period of time to rebuild. Ultimately, individuals' welfare could be put at risk in the event that the Company was not able to provide services or personal data was misappropriated. The Company uses high specification firewalling, network segmentation, and multifaceted network and endpoint anti-viral mitigation systems; external consultants are also used to conduct penetration testing of the Company's internal and external IT infrastructure.

The Information Commissioner's Officer ('ICO') upholds information rights in the public interest and the Company is a data controller registered with the ICO. If the Company fails to comply with all the relevant legislation concerning information security it could be subject to enforcement action and significant fines.

Legislative and regulatory risk

The Company is subject to varying laws and regulations, including possible adverse effects from European regulatory intervention. The telecommunications market in the UK is regulated by Ofcom. Amendments to the regulatory regime could have an impact on the Company's ability to achieve its financial goals and any failure to comply may result in the Company being fined and lead to reputational damage which could impact the Company's brand.

Fraud and bad debt risk

Fraud and bad debt within the telephony industry may arise from customers using the services, or being provided with a mobile handset, without intending to pay their supplier. The amounts involved are generally relatively small as the Company has sophisticated call traffic monitoring systems to identify material occurrences of usage fraud. The Company is able to immediately eliminate any further usage bad debt exposure by disconnecting any telephony service that demonstrates a suspicious usage profile, or falls into arrears on payments.

Infrastructure risk

The provision of services to the Company's customers is reliant on the efficient operation of third party physical infrastructure. There is a risk of disruption to the supply of services to customers through any failure in the infrastructure e.g. damage to communications networks. However, as the infrastructure is generally shared with other suppliers, any material disruption to the supply of services is likely to impact a large part of the market as a whole and it is unlikely that the Company would be disproportionately affected. In the event of any prolonged disruption isolated to the Company's principal supplier services required by customers could in due course be sourced from another provider.

The construction of 'local monopoly' fibre telephony networks to which the Company's access may be limited as a reseller could restrict the Company's ability to compete effectively for customers in certain areas.

Single site risk

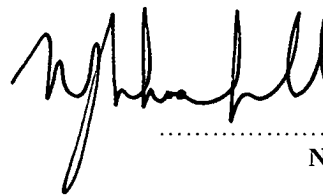
The parent company operates from one principal site and, in the event of significant damage to that site through fire or other issues, the operations of the Company could be adversely affected. In order to mitigate, where possible, the impact of this risk the parent Company has in place appropriate disaster recovery arrangements.

UK withdrawal from the EU risk

The Directors do not anticipate that, as a UK centric business supplying core services (where any increases in costs tend to be passed through into retail prices), the UK's potential withdrawal from the EU ("Brexit") will have any material negative

impact on the Company's earnings or growth. It is not expected that Brexit will have a significant impact on the security of supply of the services the Company provides given its arrangements with key suppliers.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'N Schoenfeld', written over a dotted line.

N Schoenfeld
Director
30th July 2019

**TELECOMMUNICATIONS MANAGEMENT LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2019**

The directors have pleasure in presenting their report and the audited financial statements for the year ended 31 March 2019.

ACTIVITIES

The principal activity of the Company is the supply of fixed wire and mobile telecommunication services to business and public sector customers and prepay mobile telephony to retail consumers. Information on the principal risks and the development of the Company are set out in the Strategic Report on pages 1 -3. The Company did not make any political donations during the period.

DIRECTORS

The directors of the Company during the year were:

C F Wigoder
A Lindsay
N Schoenfeld
C Wetherall

REGISTERED OFFICE

Network HQ
508 Edgware Road
The Hyde
London
NW9 5AB

FUTURE PROSPECTS

The Company has traded satisfactorily during the year and is expected to continue to do so.

DIVIDENDS

The directors recommend that no dividend is paid (2018: Nil).

DISCLOSURE OF INFORMATION

So far as the directors are aware, there is no information needed by the Company's auditor in connection with preparing their report of which they are 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's auditor is aware of that information.

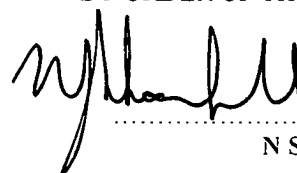
DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company maintains appropriate insurance to cover directors' and officers' liability and has provided an indemnity, as permitted by the Companies Act 2006, in respect of all of the Company's directors which was in force throughout the financial year and remains in force. Neither the insurance nor the indemnity provides cover where a director has acted fraudulently or dishonestly.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

BY ORDER OF THE BOARD



N Schoenfeld
Director
30th July 2019

**TELECOMMUNICATIONS MANAGEMENT LIMITED
DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2019**

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TELECOMMUNICATIONS MANAGEMENT LIMITED

Opinion

We have audited the financial statements of Telecommunications Management Limited ("the company") for the year ended 31 March 2019 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet and Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
TELECOMMUNICATIONS MANAGEMENT LIMITED (CONTINUED)**

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

David Neale (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square, London
E14 5GL
United Kingdom
30th July 2019

TELECOMMUNICATIONS MANAGEMENT LIMITED
PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

		Year ended 31 March 2019 £	Year ended 31 March 2018 £
Turnover	Note 2	3,726,195	3,940,610
Cost of sales		(2,013,713)	(1,982,322)
Gross profit		<u>1,712,482</u>	<u>1,958,288</u>
Distribution costs		(638,725)	(699,449)
Administrative expenses		(748,048)	(956,016)
Operating profit	4	<u>325,709</u>	<u>302,823</u>
Profit on ordinary activities before taxation		325,709	302,823
Tax on profit on ordinary activities	5	(62,262)	(57,942)
Profit on ordinary activities after taxation		<u><u>263,447</u></u>	<u><u>244,881</u></u>

All amounts relate to continuing activities.

The Company has no other comprehensive income for the year.

The notes on pages 11 to 16 form part of these financial statements.

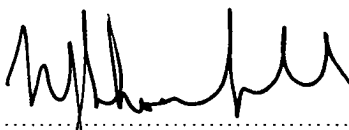
TELECOMMUNICATIONS MANAGEMENT LIMITED
BALANCE SHEET
YEAR ENDED 31 MARCH 2019

	Note	31 March 2019	31 March 2018
		£	£
FIXED ASSETS			
Property, plant and equipment		13,654	-
CURRENT ASSETS			
Debtors	6	8,414,953	8,162,687
Stock		3,416	13,345
Cash		2,785	10,226
		<u>8,421,154</u>	<u>8,186,258</u>
CREDITORS: amounts falling due within one year	7	<u>(601,963)</u>	<u>(616,860)</u>
NET CURRENT ASSETS		<u>7,819,191</u>	<u>7,569,398</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,832,845</u>	<u>7,569,398</u>
NET ASSETS		<u>7,832,845</u>	<u>7,569,398</u>
CAPITAL AND RESERVES			
Called up share capital	8	2	2
Profit and loss account		7,832,843	7,569,396
SHAREHOLDERS' FUNDS		<u>7,832,845</u>	<u>7,569,398</u>

The notes on pages 11 to 16 form part of these financial statements.

The Board of Directors approved these financial statements on 30th July 2019.

Signed and authorised for issue on behalf of the Board of Directors:



.....
N Schuenfeld
Director

TELECOMMUNICATIONS MANAGEMENT LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2019

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 April 2017	2	7,324,515	7,324,517
Profit for the year	-	244,881	244,881
Other Comprehensive Income	-	-	-
Balance at 31 March 2018	2	7,569,396	7,569,398
Balance at 1 April 2018	2	7,569,396	7,569,398
Profit for the year	-	263,447	263,447
Other Comprehensive Income	-	-	-
Balance at 31 March 2019	2	7,832,843	7,832,845

The notes on pages 11 to 16 form part of these financial statements.

TELECOMMUNICATIONS MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2019

1 ACCOUNTING POLICIES

Telecommunications Management Limited (“the Company”) is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (“FRS 101”). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company’s parent undertaking, Telecom Plus PLC includes the Company in its consolidated financial statements. The consolidated financial statements of Telecom Plus PLC are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 508 Edgware Road, London, NW9 5AB.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Disclosures in respect of transactions with fellow wholly owned subsidiaries and parent company Telecom Plus PLC;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

Adopted new standards, amendments and IFRIC interpretations

The Company has applied the following standards for the first time in the reporting period ending 31 March 2019:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers

The company has changed its accounting policies following the adoption of IFRS 9 and IFRS 15. The adoption of these new standards did not have any material impact on either the current or previous periods and therefore the financial statements have not been restated. There are no other amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2019 that have had a material impact on the company.

As the consolidated financial statements of Telecom Plus PLC include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosure required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

On 1 April 2017, the two £1 ordinary shares in the Company were transferred from Telecom Plus PLC to a wholly-owned subsidiary of Telecom Plus PLC, Utility Warehouse Limited.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

TELECOMMUNICATIONS MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2019

Critical accounting estimates, judgements and assumptions

In the process of applying the accounting policies, which are described below, the Directors have made judgements, estimations and assumptions regarding the future. The Directors have not identified any significant estimates or judgements in relation to these financial statements.

(a) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. The directors have prepared these accounts on a going concern basis.

(b) Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

(c) Pensions

The Company makes contributions to certain employees' personal pension plans. These are charged to the profit and loss account in the year in which they become payable.

(d) Cash flow statement

The Company has taken advantage of the exemption from presenting a cash flow statement under the terms of FRS 101.

(e) Revenue recognition

The Company principally generates revenue from providing fixed and mobile telecommunications services including line rental and call charges. Revenue is recognised during the period in which the services are supplied and any unbilled revenue is accrued at each period end.

(f) Related parties

The company, as a wholly owned subsidiary undertaking of Utility Warehouse Limited which is in turn wholly owned by Telecom Plus PLC, the ultimate parent company, has taken advantage of an exemption contained in FRS 101 in preparing its financial statements. This exemption allows the company not to disclose details of transactions with other group companies or investees of the group qualifying as related parties, as the consolidated financial statements of Telecom Plus PLC, in which the company is included, are publicly available.

TELECOMMUNICATIONS MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2019

(g) Going concern

The company's business activities, together with the factors likely to affect its future development, performance and policies are set out in the strategic report on page 1.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In the autumn of 2019 management will begin the process of re-evaluating their debt facilities which are due to expire in December 2020. No material issues are noted and the directors accordingly continue to adopt the going concern basis in the financial statements.

2 TURNOVER

Turnover is wholly attributable to the principal activity of the Company and arises solely within the United Kingdom.

3 DIRECTORS AND EMPLOYEES

Directors' emoluments

	Year ended 31 March 2019 £	Year ended 31 March 2018 £
Salaries, fees and other benefits	192,834	184,125
Pension contributions	2,400	7,500
	<u>195,234</u>	<u>191,625</u>

The directors of the Company are paid by the parent company, Utility Warehouse Limited. The amounts included in the table above represent the allocation of directors' emoluments to the Company.

Employee costs during the period

	2019 £	2018 £
Wages and salaries	292,752	283,923
Social security costs	32,587	30,953
Pension contributions	16,992	15,949
	<u>342,331</u>	<u>330,825</u>
	 2019	 2018
Average number employed by the Company (excluding directors)	<u>2</u>	<u>2</u>

TELECOMMUNICATIONS MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2019

4 OPERATING PROFIT

Operating profit is stated after charging:

	2019 £	2018 £
Auditor's remuneration – audit of the financial statements	19,000	18,000
	<u> </u>	<u> </u>

Fees paid to the Company's auditor for non-audit services were £Nil (2018: £Nil).

5 TAX CHARGE ON PROFIT ON ORDINARY ACTIVITIES

	2019 £	2018 £
The tax charge comprises:		
UK corporation tax at 19% (2018: 19%)	61,885	57,536
Adjustments to tax charge in respect of prior years	-	374
Other short term timing differences	377	32
	<u>62,262</u>	<u>57,942</u>
Total tax charge for the year	<u>62,262</u>	<u>57,942</u>

Factors affecting the tax charge for the year

Profit on ordinary activities before tax	325,709	302,823
	<u> </u>	<u> </u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	61,885	57,536
Other short term timing differences	377	32
Adjustments to tax charge in respect of prior years	-	374
	<u>62,262</u>	<u>57,942</u>
	<u> </u>	<u> </u>

Factors which may affect future tax charges

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 17% (effective 1 April 2020) were substantively enacted on 26 October 2015 and 6 September 2016 respectively. This will reduce the Company's future current tax charge accordingly.

TELECOMMUNICATIONS MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 MARCH 2019

6 DEBTORS

	2019 £	2018 £
Trade debtors	257,403	241,362
Amounts owed by parent company	8,080,863	7,815,280
Prepayments and accrued income	76,687	106,045
	<u>8,414,953</u>	<u>8,162,687</u>

Amounts owed by group undertakings incur no interest and are repayable on demand.

7 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	28,614	32,772
Social security and other taxes	115,552	102,151
Corporation tax	783	555
Accruals and deferred income	256,896	283,606
Other creditors	200,118	197,776
	<u>601,963</u>	<u>616,860</u>

8 CALLED UP SHARE CAPITAL

	2019 £	2018 £
Called up, allotted and fully paid		
2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

9 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in FRS 101 extended to wholly-owned subsidiary undertakings whose voting rights are controlled within a group. Consequently no disclosure has been made regarding any transactions with other entities within the Telecom Plus PLC group.

10 ULTIMATE PARENT COMPANY AND CONTROLLING ENTITY

At 31 March 2019, the ultimate parent company and controlling entity was Telecom Plus PLC. Telecom Plus PLC is a company registered in England and Wales and incorporated in the UK. The financial statements of the ultimate parent company and controlling entity are available from the registered office, Network HQ, 508 Edgware Road, The Hyde, London NW9 5AB.

11 FINANCIAL INSTRUMENTS

The Company has given a guarantee in respect of the Parent company's indebtedness to its bankers. At 31 March 2019, the Group had total revolving credit facilities of £150,000,000 (2018: £150,000,000). These facilities are available to the Group until 14 December 2020. As at 31 March 2019 £60,000,000 of the facilities was drawn down (2018: £40,000,000 drawn down).

TELECOMMUNICATIONS MANAGEMENT LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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12 SUBSIDIARIES

The Company owns 100% of ordinary share capital of five dormant non-trading subsidiaries as listed below:

Ip mobile Limited
One Penny Mobile Limited
One Penny Telecoms Limited
Penny Mobile Limited
Penny Telecom Limited

The registered office of each company referred to in this note is: Network HQ, 508 Edgware Road, London, NW9 5AB. All companies are registered in England & Wales.