

**Company Registration No. 04219971**

**Telco Holdings Limited**

**Annual Report and Financial Statements**

**For eleven month period ended 28 February 2021**



# **Telco Holdings Limited**

## **Annual Report and Financial Statements for the eleven month period ended 28 February 2021**

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# **Telco Holdings Limited**

## **Officers and professional advisers**

### **Directors**

T Harrison

K Ferry – Resigned 12 March 2021

P J Eayres – Appointed 12 March 2021

### **Company Secretary**

T S Morris

### **Registered office**

Soapworks

Ordsall Lane

Salford

United Kingdom

M5 3TT

### **Bankers**

HSBC Bank plc

8 Canada Square

London

E14 5HQ

# Telco Holdings Limited

## Directors' report

The Directors present their annual report on the affairs of Telco Holdings Limited (the Company), together with the unaudited financial statements for the period ended 28 February 2021.

### Principal activities

The principal activity of the Company is as a holding company for a non-trading subsidiary. The Directors do not expect any changes to the Company's principal activity in the future.

### Business review

The Company is not engaged in trading activities. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

In January 2021 the Company changed its fiscal year-end date from 31 March to 28 February. Therefore, all 2021 metrics include eleven months compared to twelve months for the 2020 comparatives.

### Results

The loss/(profit) for the financial period was £3,000 (2020: £4,000).

### Dividends

The Directors do not recommend the payment of a dividend for the period (2020: £nil).

### Going concern

The financial statements have been prepared on a going concern basis in view of the fact that TalkTalk Telecom Group Limited (formerly TalkTalk Telecom Group PLC) ("the Group"), has indicated that it is committed to provide sufficient funding to the Company to enable it to meet its liabilities as they fall due for the foreseeable future. The Directors have no reason to believe that the ultimate parent company will not be in a position to provide the support referred to above and accordingly, have prepared the financial statements on the going concern basis.

The Group meets its day-to-day working capital requirements through an overdraft facility, the details of which are set out in the 2021 Annual Report of the Group, which does not form part of this report. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility.

Taking the above into account, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### Risk management

Funding for all subsidiaries of the Group, including the Company, is arranged centrally. Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet the main financial risks the Directors consider relevant to this Company are credit risk, liquidity risk and interest rate risk. Credit risk is mitigated by the Company's credit control policies and the Group regularly monitors interest rate risk and does not trade or speculate in any derivative financial instruments. Liquidity risk is monitored by a central treasury function through regularly assessing the Group's short-term working capital and long-term funding requirements.

Management has reviewed the potential impact of Brexit and the COVID-19 pandemic, however due to the Company no longer trading management have concluded the impact will be limited.

### Strategic report and s172 exemption

The Company has taken advantage of the exemption for small companies under Section 414B of the Companies Act 2006 from preparing a Strategic Report and Section 414CZA from preparing a s172 report, for the period ended 28 February 2021.

### Directors

The Directors who served throughout the period and subsequently are shown on page 1.

### Employees

The Company did not have any employees during the current period or prior year.

# **Telco Holdings Limited**

## **Directors' report (continued)**

### **Directors' indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the period and remain in force at the date of this report.

### **Environment**

A full analysis of the environmental, social and community issues relating to the Company and, where relevant, the industry in which it operates are described in the 2021 Annual Report of the Group, which does not form part of this report. As a subsidiary entity, the Company operates in accordance with the policies of those of the Group.

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



P Eayres  
Director  
24 November 2021

## **Telco Holdings Limited**

### **Directors' responsibilities statement**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 (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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions 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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Telco Holdings Limited

## Income statement

For the eleven month period ended 28 February 2021

	Note	Eleven month period ended 28 February 2021 £'000	Year ended 31 March 2020 £'000
Net operating (expense)/income		(3)	4
<b>Operating (loss)/profit</b>	2	<u>(3)</u>	<u>4</u>
<b>(Loss)/profit before taxation</b>		<u>(3)</u>	<u>4</u>
Taxation	3	-	-
<b>(Loss)/profit for the financial year attributable to the owners of the Company</b>		<u><u>(3)</u></u>	<u><u>4</u></u>

The accompanying notes on pages 8 to 13 form an integral part of the financial statements.

All results for the current period and prior year arose from continuing activities.

There is no other comprehensive income or expenses recognised in either period other than shown in the income statement, consequently no Statement of Comprehensive Income has been presented.

# Telco Holdings Limited

## Balance sheet As at 28 February 2021

	Note	2021 £'000	2020 £'000
<b>Non-current assets</b>			
Investments	5	-	-
<b>Current assets</b>			
Trade and other receivables	6	21,653	21,630
Cash and cash equivalents		155	158
		<b>21,808</b>	<b>21,788</b>
<b>Current liabilities</b>			
Trade and other payables	7	(534)	(511)
<b>Total assets less current liabilities</b>		<b>21,274</b>	<b>21,277</b>
<b>Net assets</b>		<b>21,274</b>	<b>21,277</b>
<b>Equity</b>			
Share capital	8	647	647
Share premium		359	359
Retained earnings		20,268	20,271
<b>Total equity</b>		<b>21,274</b>	<b>21,277</b>

For the period ending 28 February 2021, the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The Directors have not required the Company to obtain an audit of its financial statements for the period in question in accordance with section 476.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The accompanying notes on pages 8 to 13 form an integral part of the financial statements.

The accounts have been prepared in accordance with the special provisions applicable to Companies subject to the small Companies regime.

These financial statements were approved and authorised for issue by the Board of Directors and signed on its behalf by:



P Eayres  
Director  
24 November 2021

## Telco Holdings Limited

### Statement of changes in equity

For the eleven month period ended 28 February 2021

	<b>Called-up share capital £'000</b>	<b>Share premium £'000</b>	<b>Retained earnings £'000</b>	<b>Total £'000</b>
At 31 March 2019	647	359	20,267	21,273
Total comprehensive income for the year	-	-	4	4
At 31 March 2020	647	359	20,271	21,277
Total comprehensive expense for the period	-	-	(3)	(3)
<b>At 28 February 2021</b>	<b>647</b>	<b>359</b>	<b>20,268</b>	<b>21,274</b>

The accompanying notes on pages 8 to 13 form an integral part of the financial statements.

# Telco Holdings Limited

## Notes to the financial statements

### For the eleven month period ended 28 February 2021

#### 1. Accounting policies and basis of preparation

##### *a) Authorisation of financial statements and statement of compliance with FRS 101*

The financial statements of Telco Holdings Limited (the "Company") for the period ended 28 February 2021 were authorised for issue by the Board of Directors on 24 November 2021 and the balance sheet was signed on the board's behalf by P Eayres. TalkTalk Telecom Group Limited (formerly TalkTalk Telecom Group PLC) ("the Group") is incorporated and domiciled in England and Wales under the Companies Act 2006. The Group was de-listed from the London Stock Exchange on 12 March 2021. The registered office of the Company is Soapworks, Ordsall Lane, Salford, United Kingdom, M5 3TT. The Company acts as a holding company for a non-trading subsidiary and the Directors do not expect any changes to the Company's principal activity in the future.

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

As permitted by FRS 101, the Company has taken advantage of the below listed disclosure exemptions available under that standard.

##### *b) Basis of preparation*

During the period, the financial year end of the Company was changed from 31 March to 28 February. Accordingly, the 2021 financial statements are prepared for the eleven month period ended 28 February 2021 compared to the twelve month period ended 31 March for the 2020 comparatives. As a result, the comparative figures stated in the income statement, statement of changes in equity, and the related notes are not comparable.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the eleven month period ended 28 February 2021. The financial statements have been prepared on the historical cost basis. The financial statements are prepared in Sterling, because that is the currency of the principal economic environment in which the Company operates.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- i. the requirements of IFRS7 Financial Instruments: Disclosure, as the equivalent disclosure are included in the consolidated financial statements of the Group, in which the Company is consolidated;
- ii. The requirements of paragraphs 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - Paragraph 79(a)(iv) of IAS1; and
  - The requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS1;
- iii. The requirements of IAS7 Statement of Cash Flows;
- iv. The requirements of paragraphs 30 and 31 of IAS8 Accounting Policies, Changes in Accounting Estimates and Errors; and
- v. the requirements of IAS24 related party transactions.

##### *c) Application of significant new or amended EU-endorsed accounting standards*

The following amended standards and interpretations were effective during the period, however, they have not had a material impact on the Company's financial statements.

- Amendments to IFRS 3 'Definition of a Business'
- Amendments to IAS 1 and IAS 8 'Definition of Material'
- Conceptual Framework 'Amendments to References to the Conceptual Framework in IFRS Standards'

# Telco Holdings Limited

## Notes to the financial statements

### For the eleven month period ended 28 February 2021

#### 1. Accounting policies and basis of preparation (continued)

##### *d) Significant accounting policies*

The Company's accounting policies are set out below. Where an accounting policy is generally applicable to a specific note, the policy is described within that note.

##### *Financial instruments*

Financial assets and financial liabilities, in respect of financial instruments, are recognised in the Company balance sheet when the Company becomes a party to the contractual provisions of the instrument.

##### **Classification and measurement of financial assets and liabilities**

Classification of financial assets is generally based on the business model in which the financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at amortised cost if it is held with the objective of collecting the contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. All other financial assets are measured at fair value through other comprehensive income or profit or loss.

##### *Measurement*

The financial instruments included on the Company balance sheet are measured at fair value or amortised cost. The measurement of this fair value can in some cases be subjective and can depend on the inputs used in the calculations. The different valuation methods are called 'hierarchies' and are described below:

- Level 1: Fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Fair values measured using inputs, other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly; and
- Level 3: Fair values measured using inputs for the asset or liability that are not based on observable market data.

##### *Trade and other receivables*

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as financial assets measured at amortised cost.

Interest income is recognised by applying the effective interest rate, except for short term receivables when the recognition of interest would be immaterial.

##### *Cash and cash equivalents*

Cash and cash equivalents consist of cash at bank and in hand and bank deposits.

##### *Financial liabilities and equity instruments*

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities and includes no obligation to deliver cash or other financial assets. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

##### *Preference shares*

The redeemable preference shares are classified as liabilities, as these shares are redeemable at the option of the shareholders.

##### *e) Going concern*

The financial statements have been prepared on a going concern basis in view of the fact that TalkTalk Telecom Group Limited (formerly TalkTalk Telecom Group PLC) ("the Group"), has indicated that it is committed to provide sufficient funding to the Company to enable it to meet its liabilities as they fall due for the foreseeable future. The Directors have no reason to believe that the ultimate parent company will not be in a position to provide the support referred to above and accordingly, have prepared the financial statements on the going concern basis.

The Group meets its day-to-day working capital requirements through an overdraft facility, the details of which  
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# Telco Holdings Limited

## Notes to the financial statements

### For the eleven month period ended 28 February 2021

#### 1. Accounting policies and basis of preparation (continued)

##### *a) Going concern (continued)*

are set out in the 2021 Annual Report of the Group, which does not form part of this report. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility.

Taking the above into account, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### *b) Group accounts*

The Company is exempt from preparing and delivering consolidated financial statements under Section 400 of the Companies Act 2006 as it is included in the consolidated financial statements of the larger group headed by TalkTalk Telecom Group Limited (formerly TalkTalk Telecom Group PLC) ("the Group").

##### *c) Significant accounting judgements, estimates and assumptions*

No key estimates have been identified in the preparation of these financial statements.

The principal items in the financial statements involving critical accounting judgements are as follows:

##### *Going concern – ultimate parent company support and Group forecast assumptions*

When the Directors review forecast assumptions used in the going concern assessment, they apply judgement on what is considered reasonably possible changes in trading performance, how likely sources of finance will be renewed and whether certain future commitments will crystallise.

#### 2. Operating (loss)/profit

Operating (loss)/profit is stated after (charging)/crediting:

	<b>Eleven month period ended 28 February 2021 £'000</b>	<b>Year ended 31 March 2020 £'000</b>
Net foreign exchange (loss)/gain	<b>(3)</b>	<b>4</b>

# Telco Holdings Limited

## Notes to the financial statements

### For the eleven month period ended 28 February 2021

#### 3. Tax on profit on ordinary activities

##### Accounting policy

Current tax, including UK corporation tax and overseas tax, is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

The difference between the total current tax of £nil (2020: £nil) and the amount calculated by applying the standard rate of UK corporation tax of 19% (2020: 19%) to the profit before taxation is as follows:

	<b>Eleven month period ended 28 February 2021 £'000</b>	<b>Year ended 31 March 2020 £'000</b>
<b>(Loss)/profit before taxation</b>	<b>(3)</b>	<b>4</b>
(Loss)/profit before taxation at standard UK corporation tax rate of 19% (2020: 19%)	1	1
Effects of:		
- group relief claimed	(1)	(1)
Total current tax	-	-

#### 4. Information regarding Directors and employees

The Company had no employees in the current period or prior year. The Directors received no remuneration in the current period or prior year for services to the Company.

Details of Directors' remuneration can be found in the financial statements of TalkTalk Telecom Group Limited (formerly TalkTalk Telecom Group PLC) ("the Group"). No recharges were made to the Company in respect of these costs.

# Telco Holdings Limited

## Notes to the financial statements

### For the eleven month period ended 28 February 2021

#### 5. Investments

##### Accounting policy

Investments are stated at cost, less any provision for impairment. The Company reviews the carrying amounts of its investments to determine whether there is any indication that those assets have suffered an impairment loss at each reporting date.

The directly held investment of the Company at 28 February 2021 is as follows:

Subsidiary undertaking	County of incorporation or registration	Registered office	Principal activity	Holding
Telco Global Distribution Limited	England & Wales	Soapworks <sup>(1)</sup>	Dissolved <sup>(2)</sup>	100%

(1) Full address: Soapworks, Ordsall Lane, Salford Quays. M5 3TT

(2) Dissolved as at 22 June 2021

The carrying value of Telco Global Distribution Limited at 28 February 2021 was £2 (2020: £2).

#### 6. Trade and other receivables

	28 February 2021 £'000	31 March 2020 £'000
Amounts due from group undertakings	21,653	21,630

Amounts due from group undertakings are interest free and repayable on demand.

#### 7. Trade and other payables

	28 February 2021 £'000	31 March 2020 £'000
511,000 (2020: 511,000) 0% redeemable preference shares of £1 each	511	511
Amounts due to group undertakings	23	-

The preference shareholders may at any time redeem all or any of the preference shares by serving notice on the Company specifying the date and the particular shares to be redeemed (note 8).

# Telco Holdings Limited

## Notes to the financial statements

### For the eleven month period ended 28 February 2021

#### 8. Share capital

	28 February 2021 £'000	31 March 2020 £'000
<b>Authorised, issued and fully paid:</b>		
6,464,823 (2020: 6,464,823) ordinary shares of 10p each	647	647
511,000 (2020: 511,000) 0% redeemable preference shares of £1 each	511	511

The 0% redeemable preference shares do not carry an entitlement to dividend and may be redeemed at par value at the option of the shareholders. In the event of a winding up, the preference shares rank ahead of the ordinary shares. Accordingly, these shares have been classified as liabilities in accordance with IAS 32 (note 7).

#### 9. Ultimate parent undertaking and controlling party

The Company is a subsidiary of Telecom Group Limited (formerly TalkTalk Telecom Group PLC) ("the Group"). TalkTalk Telecom Group Limited is a Company incorporated in England and Wales. The full period results of the Company were included in the 2021 Annual Report of TalkTalk Telecom Group Limited.

The principal place of business of the group is at Soapworks, Ordsall Lane, Salford Quays, M5 3TT. The consolidated financial statements of the group are available to the public and may be obtained from Companies House.

On 15 March 2021 TalkTalk was officially de-listed from the London Stock Exchange, following the acquisition of the Group by Tosca IOM Limited. From this date Tosca IOM Limited became the Ultimate Parent Undertaking. Tosca IOM Limited is owned by a number of private equity investors, none of which have a majority shareholding. Consolidated financial statements will be prepared by the Tosca IOM Group for the financial year ending 28 February 2022, which will include the full results of the Company.

#### 10. Related party transactions

The Company has taken advantage of the exemption under IAS 24 'Related Party Disclosures' for related party transactions with other group companies as 100% of the voting rights are controlled within the group.

TalkTalk Telecom Group Limited (formerly TalkTalk Telecom Group PLC) ("the Group"), has prepared consolidated accounts which include the results of the Company for the period and are available to the public.

#### 11. Post balance sheet event

On 15 March 2021 TalkTalk was officially de-listed from the London Stock Exchange, following the acquisition of the Company by Tosca IOM Limited.