

Registration number: 06977942

Daisy Telecoms Limited

Annual Report and Financial Statements

for the year ended 31 March 2020



Daisy Telecoms Limited

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Daisy Telecoms Limited

Directors and advisors

| | |
|-----------------------------|--|
| Directors | S Smith D McGlennon |
| Registered office | Lindred House 20 Lindred Road Brierfield Nelson BB9 5SR United Kingdom |
| Bankers | Bank of Scotland 19/21 Spring Gardens Manchester M2 1FB |
| Independent auditors | PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Hardman Square Manchester M3 3EB United Kingdom |

Daisy Telecoms Limited

Directors' report for the year ended 31 March 2020

The directors present their annual report and the audited financial statements for Daisy Telecoms Limited ("the Company") for the year ended 31 March 2020. The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime under the Companies Act 2006.

Principal activity

The principal activity of the Company is that of an investment holding company.

The net exceptional administrative expense in the year is £98,229,000 (2019: £1,000).

Proposed dividend

The directors do not recommend the payment of a dividend (2019: £nil).

Directors

The directors who were in office during the year end and up to the date of signing the financial statements are given below:

S Smith

D McGlennon

Directors' and officers' liability insurance and indemnity

The Group has indemnity insurance in place on behalf of its directors during the year which remains in force at the date of this report. The articles of association of certain associated companies also contain indemnification provisions in favour of Group directors to the extent permitted by law. In addition, Daisy Holdings Limited, an associated company, has previously made qualifying third-party indemnity provisions for the benefit of certain directors of the Company which remained in place throughout the year and continue to be in force at the date of this report.

Strategic report

The directors have taken advantage of the small company exemptions provided by section 414B of the Companies Act 2006 from preparing a strategic report.

Charitable and political donations

The Company made no charitable donations or political donations during the year (2019: £nil).

Policy on payment to suppliers

The Company's supplier payment policy is to agree terms and conditions for business transactions with suppliers. Suppliers are made aware of the Company's terms of payment. Payment is then made subject to these terms and conditions being met.

Going concern

Under company law, the directors are required to consider whether it is appropriate to prepare the financial statements on the basis that the Company is a going concern. The Company is in a net assets position and could call on dividends from its subsidiary undertakings, which hold sufficient net assets to settle the Company's payables to group undertakings if these were to be called in, therefore the going concern basis continues to be adopted in preparing the financial statements.

The directors have also considered the ongoing Covid-19 global pandemic and the potential impact that this may have on the Company. Based on the nature of the Company's operations and the minimal impact to date that the pandemic has had on these operations, the directors do not believe that it represents a significant risk to the Company.

Daisy Telecoms Limited

Directors' report for the year ended 31 March 2020 (continued)

Financial risk management

The Company is exposed to limited risks due to the fact that it is an investment holding company.

Engagement with employees and other business relationships

Regular feedback is sought from key suppliers and customers. For further details on engagement with stakeholders see the Daisy Group Holdings Limited consolidated financial statements.

Post balance sheet events

There were no post balance sheet events impacting the entity.

Disclosure of information to the auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- (a) so far as the directors are aware, there is no relevant information of which the Company's auditors are unaware; and
- (b) each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Independent auditors

PricewaterhouseCoopers LLP were re-appointed as the Company's auditors on 30 August 2019. A resolution to re-appoint PricewaterhouseCoopers LLP as the Company's auditors will be proposed at the next directors' meeting.

Approved by the board on 17 May 2021 and signed on its behalf by:



.....
S Smith
Director

Daisy Telecoms 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law. 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;

The directors 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.

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.

Approved by the board on 17 May 2021 and signed on its behalf by:



.....
S Smith
Director

Daisy Telecoms Limited

Independent auditors' report to the members of Daisy Telecoms Limited

Report on the audit of the financial statements

Opinion

In our opinion, Daisy Telecoms Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 March 2020; the Statement of income and retained earnings for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Daisy Telecoms Limited

Independent auditors' report to the members of Daisy Telecoms Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Daisy Telecoms Limited

Independent auditors' report to the members of Daisy Telecoms Limited (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



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Michael Timar (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

17 May 2021

Daisy Telecoms Limited

Statement of income and retained earnings for the year ended 31 March 2020

| | Note | Year ended 31 March 2020 £ 000 | Year ended 31 March 2019 £ 000 |
|---|------|--------------------------------------|--------------------------------------|
| Net exceptional administrative expenses | 6 | <u>(98,229)</u> | <u>(1)</u> |
| Operating loss | | (98,229) | (1) |
| Income from shares in group undertakings | 7 | <u>98,229</u> | <u>-</u> |
| Result/(loss) before tax | | - | (1) |
| Tax on result/(loss) | 8 | <u>-</u> | <u>-</u> |
| Result/(loss) for the financial year | | - | (1) |
| Profit and loss account brought forward | | 17,419 | (33,263) |
| Capital contribution | | <u>-</u> | <u>50,683</u> |
| Profit and loss account carried forward | | <u>17,419</u> | <u>17,419</u> |

The Company recognised a dividend in specie in the year in relation to an intercompany receivable balance of £98,229,000 that was transferred to it from its subsidiary undertaking, Daisy IT Group Limited.

On 28 February 2019, Daisy Communications Ltd, waived its intercompany receivables of £50.7 million due from the Company, which has been recognised as a capital contribution in the profit and loss account.

All results in the current and prior year derive from continuing activities.

The Company has recognised no other comprehensive income and expenses, in the current or prior year, other than those shown above in the statement of income and retained earnings, and therefore no separate statement of comprehensive income has been prepared.

Daisy Telecoms Limited

Balance sheet as at 31 March 2020

| | Note | 31 March 2020 £ 000 | 31 March 2019 £ 000 |
|---|------|------------------------|------------------------|
| Fixed assets | | | |
| Investments | 9 | <u>116,026</u> | <u>214,255</u> |
| Current assets | | | |
| Debtors | 10 | 60,524 | - |
| Creditors: amounts falling due within one year | 11 | <u>(159,131)</u> | <u>(196,836)</u> |
| Net current liabilities | | <u>(98,607)</u> | <u>(196,836)</u> |
| Total assets less current liabilities | | <u>17,419</u> | <u>17,419</u> |
| Net assets | | <u>17,419</u> | <u>17,419</u> |
| Capital and reserves | | | |
| Called up share capital | 12 | - | - |
| Profit and loss account | | <u>17,419</u> | <u>17,419</u> |
| Total shareholders' funds | | <u>17,419</u> | <u>17,419</u> |

The financial statements have been prepared in accordance with the small companies regime under the Companies Act 2006.

These financial statements on pages 9 to 18 were approved by the Board of Directors on 17 May 2021 and signed on behalf by:



S Smith

Director

Registered number: 06977942

Daisy Telecoms Limited

Notes to the financial statements for the year ended 31 March 2020

1 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and Financial Reporting Standard 102 Section 1A (FRS 102 Section 1A) issued by the Financial Reporting Council. The principal accounting policies, which have been applied consistently throughout the current and prior year, are set out below.

The functional currency of the Company is considered to be pounds sterling because that is the operational currency of the primary economic environment in which the Company operates.

The Company is a private limited company, limited by shares, and is incorporated and domiciled in the UK and registered in England and Wales. The address of its registered office is Lindred House, 20 Lindred Road, Brierfield, Nelson, BB9 5SR.

The Company has taken advantage of the exemption (Companies Act 2006 s400) not to prepare group financial statements on the basis that the Company is included within the consolidated group financial statements of Daisy Group Holdings Limited which are publically available.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken exemptions available to it in the preparation of its financial statements. Exemptions have been taken in relation to the presentation of a cash flow statement, financial instrument disclosures, intra-group transactions and remuneration of key management personnel.

Going concern

Under company law, the directors are required to consider whether it is appropriate to prepare the financial statements on the basis that the Company is a going concern. The Company is in a net assets position and could call on dividends from its subsidiary undertakings, which hold sufficient net assets to settle the Company's payables to group undertakings if these were to be called in, therefore the going concern basis continues to be adopted in preparing the financial statements.

The directors have also considered the ongoing Covid-19 global pandemic and the potential impact that this may have on the Company. Based on the nature of the Company's operations and the minimal impact to date that the pandemic has had on these operations, the directors do not believe that it represents a significant risk to the Company.

Fixed asset investments

Investments in subsidiary undertakings held as fixed assets are stated at cost less provision for any impairment. In the opinion of the directors the value of such investments is not less than shown at the balance sheet date. Impairments to investments are charged to exceptional administrative expenses in the income statement. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Daisy Telecoms Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)

1 Accounting policies (continued)

Impairment of assets

Assets are tested for impairment whenever there is an indication that an asset may be impaired.

An impairment loss is recognised in the income statement if the recoverable amount (being the higher of fair value less costs to sell and value in use) of an asset or cash generating unit falls below its carrying value in the balance sheet.

Such impairment losses may be reversed in subsequent periods if there is an indication that the impairment loss recognised in prior periods may no longer exist or may have decreased.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements into which the Company has entered. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

All financial assets and liabilities are initially measured at the transaction price (including transaction costs), except for those financial assets classified at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments, discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset in the statement of financial position only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Daisy Telecoms Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)

1 Accounting policies (continued)

Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Exceptional items

Items that are material in size, individually or in aggregate, and non-operating or non-recurring in nature are presented as exceptional items in the profit and loss account, within the relevant account heading. The directors are of the opinion that the separate recording of exceptional items provides helpful information about the Company's underlying business performance.

2 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Management continually evaluates the estimates, assumptions and judgements based on available information and experience. There were no critical judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Daisy Telecoms Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)

2 Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment as at the acquisition date and thereafter for all non-financial assets at each reporting date. If any indications of impairment exist the recoverable amount is estimated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3 Directors' emoluments

None of the directors received any remuneration for their services to the Company during the year (2019: £nil). Any remuneration received by the directors was borne by a fellow group company.

4 Employee information

Excluding the directors, there were no employees in the current or prior year. Administrative services were provided by group companies with no recharge.

5 Auditors' remuneration

Audit fees for the current year were borne by other subsidiaries in the Daisy group of companies with no recharge. There were no non-audit fees paid in the current or prior year.

6 Net exceptional administrative expenses

| | Year ended 31 March 2020 £ 000 | Year ended 31 March 2019 £ 000 |
|-----------------------|--------------------------------------|--------------------------------------|
| Investment impairment | 98,229 | 1 |

The Company recognised a dividend in specie in the year in relation to an intercompany receivable balance of £98,229,000 that was transferred to it from its subsidiary undertaking, Daisy IT Group Limited and which, as a result, reduced the net assets of Daisy IT Group Limited by this value. Consequently, the Company has booked an impairment of £98,229,000 in its investment in Daisy IT Group Limited in the year, which has been recognised in exceptional administrative expenses in the statement of income and retained earnings.

In the prior year the Company impaired its investment in Freedom4 Limited as the company was struck off.

Daisy Telecoms Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)

7 Income from shares in group undertakings

| | Year ended 31 March 2020 £ 000 | Year ended 31 March 2019 £ 000 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| Dividend received from subsidiaries | <u>98,229</u> | <u>-</u> |

8 Tax on result/(loss)

| | Year ended 31 March 2020 £ 000 | Year ended 31 March 2019 £ 000 |
|--------------------------|--------------------------------------|--------------------------------------|
| Total current tax charge | <u>-</u> | <u>-</u> |

There has been no tax charge in the current or prior year. The total tax charge for the year is the same as the standard rate of corporation tax in the UK (2019: the same as the standard rate of corporation tax in the UK) of 19% (2019: 19%). The differences are explained below:

| | Year ended 31 March 2020 £ 000 | Year ended 31 March 2019 £ 000 |
|------------------------------|--------------------------------------|--------------------------------------|
| Result/(loss) before tax | <u>-</u> | <u>(1)</u> |
| Total tax at 19% (2019: 19%) | <u>-</u> | <u>-</u> |
| Total tax for the year | <u>-</u> | <u>-</u> |

The Finance (No.2) Act 2015 introduced a reduction in the main rate of corporation tax from 20% to 19% from 1 April 2017 and from 19% to 18% from 1 April 2020. These reductions were substantively enacted on 26 October 2015. The Finance Act 2016 introduced a further reduction in the main rate of corporation tax to 17% from 1 April 2020. This was substantively enacted on 6 September 2016.

A budget resolution to cancel the reduction in the main rate from 19% to 17% was given statutory effect under the Provisional Collection of Taxes Act 1968 and substantively enacted on 17 March 2020. Accordingly, deferred tax balances that are expected to reverse after 1 April 2020 are valued at 19%.

There is no recognised or unrecognised deferred tax in the current or prior year.

Daisy Telecoms Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)

9 Investments

| | Shares in subsidiary undertakings £ 000 |
|-----------------------------------|--|
| Cost | |
| At 1 April 2019 and 31 March 2020 | 226,173 |
| Impairment | |
| At 1 April 2019 | 11,918 |
| Charge for the year | 98,229 |
| At 31 March 2020 | 110,147 |
| Net book amount | |
| At 31 March 2020 | 116,026 |
| At 31 March 2019 | 214,255 |

The Company recognised a dividend in specie in the year in relation to an intercompany receivable balance of £98,229,000 that was transferred to it from its subsidiary undertaking, Daisy IT Group Limited and which, as a result, reduced the net assets of Daisy IT Group Limited by this value. Consequently, the Company has booked an impairment of £98,229,000 in its investment in Daisy IT Group Limited in the year, which has been recognised in exceptional administrative expenses in the statement of income and retained earnings.

At 31 March 2020 the Company's direct investments in subsidiary undertakings, all of which are registered in England and Wales, were as follows:

| Name | % of issued share capital held | Direct/indirect holding | Principal business activity |
|--|--------------------------------------|----------------------------|-----------------------------|
| Daisy Corporate Services Limited | 100% | Direct | Dormant |
| Daisy Partner Services Limited | 100% | Direct | Dormant |
| Surgery Line Limited | 100% | Direct | Dormant |
| Daisy Surgery Line Limited | 100% | Direct | Dormant |
| Daisy Digital Media Limited | 100% | Direct | Dormant |
| SpiriTel Limited | 100% | Direct | Dormant |
| Criffel Micro Business Systems Limited | 100% | Direct | Dormant |
| Control Circle Limited | 100% | Direct | Dormant |
| Daisy Wholesale Limited | 100% | Direct | Dormant |
| Trend Network Services | 100% | Direct | Dormant |
| Scalable Communications Limited | 100% | Direct | Dormant |
| Alternative Networks Limited | 100% | Direct | Dormant |
| Servo Computer Services Limited | 100% | Direct | Dormant |
| Daisy IT Group Limited | 100% | Direct | Dormant |
| Daisy IT Continuity Consulting Limited | 100% | Direct | Dormant |
| Network Disaster Recovery Limited | 100% | Direct | Dormant |
| Daisy IT Services Limited | 100% | Direct | Dormant |
| Digital Wholesale Services Limited | 100% | Direct | Dormant |

Daisy Telecoms Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)

9 Investments (continued)

The registered address for all the subsidiaries with the exception of Criffel Micro Busines Systems Limited, is Lindred House, 20 Lindred Road, Brierfield, Nelson, BB9 5SR. The address for the above mentioned company is Campsie House, 4 Lister Way, Hamilton International Technology Park, Blantyre, Glasgow G72 0FT, Scotland.

The directors believe that the carrying value of the investments is supported by the underlying net assets and the on-going profitability of the businesses.

10 Debtors

| | 31 March 2020 | 31 March 2019 |
|------------------------------------|---------------|---------------|
| | £ 000 | £ 000 |
| Amounts owed by group undertakings | <u>60,524</u> | <u>-</u> |

Amounts owed by group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

11 Creditors: amounts falling due within one year

| | 31 March 2020 | 31 March 2019 |
|------------------------------------|----------------|----------------|
| | £ 000 | £ 000 |
| Amounts owed to group undertakings | <u>159,131</u> | <u>196,836</u> |

Amounts owed to group undertakings are unsecured, interest-free, have no fixed date of repayment and are repayable on demand.

12 Called up share capital

Allotted, called up and fully paid shares

| | 2020 | | 2019 | |
|----------------------------|----------|----------|----------|----------|
| | Number | £ | Number | £ |
| Ordinary shares of £1 each | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> |

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

Daisy Telecoms Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)

13 Contingent liabilities

Daisy Group Limited, a fellow group company, has debt facilities in place which are secured through fixed and floating charges over the assets of the Company and its subsidiary undertakings. The total indebtedness against these senior and revolving facilities at 31 March 2020 was £818.2 million (2019: £788.5 million).

Another fellow group company, Daisy Midco Limited, has a payment in kind facility in place which is also secured through fixed and floating charges over the assets of the Group. The total indebtedness of this facility at 31 March 2020 was £350.6 million (2019: £291.9 million) including capitalised interest of £43.5 million (2019: £5.6 million).

The directors do not expect any material loss to arise in respect of the group security arrangements in place.

14 Post balance sheet events

There were no post balance sheet events impacting the entity.

15 Related undertakings

The ultimate parent undertaking and controlling party is Daisy Holdco Limited, a company incorporated on 15 December 2020 that acquired the previous ultimate parent undertaking, Daisy Group Holdings Limited, on 8 February 2021 by way of a share for share exchange as part of the steps plan to effect the demerger of the Digital Wholesale Solutions division from the Daisy Group. Daisy Group Holdings Limited is the smallest and largest group to consolidate these financial statements. Copies of the consolidated financial statements can be obtained from the Companies House website.

The Company's immediate parent undertaking is Daisy Intermediate Holdings Limited, a company registered in England and Wales.

The Company's direct subsidiaries have been detailed in note 9.

The registered address of the ultimate and immediate parent undertaking is Lindred House, 20 Lindred Road, Brierfield, Nelson, BB9 5SR.