VOICEWORKS (SPORT) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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Company registered number: 12612971

COMPANY INFORMATION

DIRECTORS	CD Everitt MA Lee SA Hind
COMPANY SECRETARY	CD Everitt
REGISTERED NUMBER	12612971
REGISTERED OFFICE	7th Floor, XYZ Building 2 Hardman Boulevard Spinningfields Manchester M3 3AQ
INDEPENDENT AUDITORS	Bennett Brooks & Co Limited Chartered Accountants and Statutory Auditors St George's Court Winnington Avenue Northwich Cheshire CW8 4EE

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DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 December 2022.

Statement of Directors' responsibilities in respect of the financial statements

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

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 101 "Reduced Disclosure Framework", 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 the 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 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

Results and dividends

The loss for the year ended 31 December 2022, after taxation, amounted to £538,000 *(2021: £279,000)*. Turnover for the year ended 31 December 2022 was £699,000 (*2021: £340,000*).

The Directors do not recommend payment of a final dividend (2021: £Nil).

Financial key performance indicators

The business uses key performance indicators which are monitored on a regular basis and include listening figures such as downloads as well as financial indicators such as advertising revenue per thousand listens, revenue per download, EBITDA and operating margins. Variance analysis is performed monthly and variances are monitored and discussed within a formal meeting structure.

Directors

The Directors who served during the year and to the date of the financial statements were:

CD Everitt
MA Lee
SA Hind

DIRECTORS' REPORT (Continued)

Future developments

The Company's principal activities are the production of audio content for businesses and the provision of a Sports podcast network.

The Company's aim is to grow its sports social podcast network through increased advertising revenues and downloads and to deliver high quality branded podcasts for businesses.

Qualifying third party indemnity provisions

The Company has granted indemnity in favour of its Directors and officers against the financial exposure that they may incur in the context of their professional duties as Directors and officers of the Company.

Principal Risks and Uncertainties

The Company is a subsidiary of Communicorp UK Limited. From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. The principal risks in the view of the Directors are outlined below.

Liquidity risk: In order to maintain liquidity and to ensure that sufficient funds are available for ongoing operations and future developments, the Company has access to intercompany funds from other Group companies.

Operational and Commercial risks: Audience levels, if they were to decline, could erode the Company's position and its ability to grow advertising revenues. To address this, the Company works closely with its podcast providers to help grow their audiences and promotes the network to advertisers.

Interest rate risk: Interest rate risk arises from intercompany balances that bear interest at the Bank of England base rate +2% The Directors have reviewed the Company's exposure to interest rates and have concluded that the risk is appropriate in relation to the financial results of the Company.

Inflation: Inflation impacts on the cost of the services provided to the Company and on its customers. The Company ensures that costs are reviewed monthly to ensure value for money is being achieved and where applicable passes on additional costs to customers through increased pricing.

Going Concern

These financial statements have been prepared on a going concern basis because the Directors have received confirmation from its parent Company, Communicorp UK Limited, that it will provide sufficient financial support to the Company to enable it to meet its financial liabilities when they fall due for at least twelve months from the date of signing the 2022 financial statements. Further information on the status of the Group and Communicorp UK Limited as a going concern can be found in the Group financial statements of Communicorp UK Limited.

DIRECTORS' REPORT (Continued)

Independent Auditors

In accordance with section 487 of the Companies Act 2006, a resolution for the reappointment of Bennett Brooks & Co. Limited as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

Subsequent events

No events have taken place since the reporting date which would warrant adjustment to, or disclosure in, the financial statements for the year ended 31 December 2022.

This report has been prepared in accordance with the provisions relating to small companies within Part 15 of the Companies Act 2006 and the Directors have taken advantage of the exemption from preparing a strategic report.

This report was approved by the board on 6 September 2023 and signed on its behalf by:

CD Everitt
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VOICEWORKS (SPORT) LIMITED

Opinion

We have audited the financial statements of Voiceworks (Sport) Limited (the 'Company') for the year ended 31 December 2022 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Directors' Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information, except for the extent otherwise explicitly stated in our report, and we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to provide a Strategic Report or in preparing the Directors' Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Auditors' responsibilities for the audit of the financial statements (continued)

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and regulations which govern the preparation of financial statements, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to increase revenue, through management bias in manipulation of accounting estimates or accounting for significant transactions outside the normal course of business.

Audit procedures performed included:

- Enquiry of management around actual and potential litigation and claims and instances of non-compliance with laws and regulations;
- Auditing the risk of management override of controls, through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing financial statement disclosures and agreeing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

Jason Leach FCA (Senior Statutory Auditor)
for and on behalf of Bennett Brooks & Co Limited
Chartered Accountants & Statutory Auditors
St George's Court
Winnington Avenue
Northwich
Cheshire
CW8 4EE

Date 6 September 2023

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Turnover	4	**699**	*340*
Cost of sales		**(609)**	*(158)*
Gross profit		**90**	*182*
Administrative expenses		**(768)**	*(520)*
Operating loss	5	**(678)**	*(338)*
Interest payable and similar expenses	8	**(31)**	*(7)*
Loss before tax		**(709)**	*(345)*
Tax on loss	9	**171**	*66*
Loss for the financial year		**(538)**	*(279)*

There were no recognised gains and losses for 2022 or 2021 other than those included in the income statement above.

The notes on pages 11 to 23 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note		2022 £000		2021 £000
Fixed assets					
Tangible assets	10		-		32
Intangible assets	10		43		-
			43		32
Current assets					
Debtors	12	275		113	
Cash at bank and in hand	11	2		11	
		277		124	
Creditors: amounts falling due within one year	13	(1,137)		(435)	
Net current liabilities			(860)		(311)
Total assets less current liabilities			(817)		(279)
Net liabilities			(817)		(279)
Capital and reserves					
Called up share capital	15		-		-
Profit and loss account			(817)		(279)
Total equity			(817)		(279)

Company registered number 12612971.

The financial statements on pages 8 to 23 were approved by the Board of Directors on 6 September 2023 and signed on its behalf by.

CD Everitt
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2021	-	-	-
Loss for the year	-	(279)	**(279)**
At 31 December 2021	-	(279)	(279)
At 1 January 2022	-	**(279)**	**(279)**
Loss for the year	-	(538)	**(538)**
At 31 December 2022	-	(817)	(817)

The notes on pages 11 to 23 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General Information

Voiceworks (Sport) Limited is a private Company limited by shares, registered number 12612971, incorporated in England and Wales and domiciled in the UK. The address of its registered office is 7th Floor, XYZ Building, 2 Hardman Boulevard, Spinningfields, Manchester, England, M3 3AQ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards), but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

These financial statements are presented in UK sterling, which is the Company's functional currency. All financial information presented in UK sterling has been rounded to the nearest thousand.

These financial statements have been prepared on a going concern basis because the Directors have received confirmation from its parent Company, Communicorp UK Limited, that it will provide sufficient financial support to the Company to enable it to meet its financial liabilities when they fall due for at least twelve months from the date of signing the 2022 financial statements. Further information on the status of the Group and Communicorp UK Limited as a going concern can be found in the Group financial statements of Communicorp UK Limited.

2.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
    - i. Paragraph 79(a)(iv) of IAS 1;
    - ii. Paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
    - iii. Paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions (continued)

- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements)
  - 38B–D (additional comparative information);
  - 111 (statement of cash flows information); and
  - 134–136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a Group.

2.3 New standards, amendments and IFRS IC interpretation

There are no new or amendments to accounting standards, or IFRS IC interpretations that are effective for the year ended 31 December 2022 that have had a material impact on the Company's financial statements.

The following principal accounting policies have been applied:

2.4 Revenue

The Company derives is revenue from the provision of audio content to businesses and from advertising revenue from its Sports Social Podcast Network. Revenue excludes Value Added Tax and agencies' discounts and is recognised only when the service(s) has been provided. Advertising revenue is recognised once an advert is played out and also conforms with the standards set out by the IAB (Internet Advertising Bureau). If it is probable that volume related discounts will be granted to customers, then the discount is recognised as a reduction of revenue as and when the sales are recognised.

2. Accounting policies (continued)

2.5 Tangible assets

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

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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

Office Equipment	25% - 33%

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Income Statement.

2.6 Intangible assets

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

Amortisation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Amortisation is provided on the following basis:

Computer Software	25% - 33%

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Income Statement.

2. Accounting policies (continued)

2.7 Leases

The Company does not contract any assets under lease agreements. Communicorp UK Limited, the Company's parent Company, contracts all leases for the Communicorp UK Group relating to cars and charges the Company based on its usage of those assets on a straight-line basis. There are no contracts in place between the Communicorp UK Limited and Company for the usage of its assets. IFRS 16 allows a recognition exemption for assets which are cancellable and have a term of 12 months or less and the Company considers that all charges for the use of assets from Communicorp UK Limited would come under this exemption. Payments to Communicorp UK Limited associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in the profit or loss.

2.8 Interest receivable and interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit or loss. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the Income Statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

2.9 Trade receivables and other debtors

Trade receivables and other debtors are recognised initially at fair value. Subsequent to initial recognition the Company applies the IFRS 9 simplified approach to measuring credit losses which uses a lifetime expected loss allowance for all trade receivables and other debtors.

2.10 Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations. The contributions are recognised as an expense in the Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date in the countries where the Company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

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

Critical accounting estimates and judgments

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 has no critical judgements to disclose, apart from those involving estimation (which are dealt with separately), that the Directors have made in the process of applying the Company's accounting policies.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Useful economic lives of property, plant and equipment and intangible assets

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 10 for the carrying amount of the property plant and equipment and note 2.5 for the useful economic lives for each class of assets.

(b) Impairment of trade receivables

The Company applies the IFRS 9 simplified approach to measuring credit losses which uses a lifetime expected loss allowance for all trade receivables (debtors). To measure the expected credit losses trade receivables have been grouped in accordance with the days past due. Expected loss rates are based on the payment profile of sales over the preceding 12 months trading conditions and the historical credit losses experienced within this period. In addition, the Company uses forward-looking indicators to adjust its historical credit loss rates as appropriate. Most trade receivables are however short-term in nature and are generally settled within 30-60 days after the service has been provided and therefore the Company places a higher weighting on the preceding 12-month period of historical credit losses as the best estimate of current market conditions. See note 12 for the net carrying amount of the receivables.

(c) Recoverability of deferred tax asset

As at 31 December 2022, a deferred tax asset of £146,000 has been recognised in the financial statements related to tax losses. Given the uncertainty surrounding the Company's ability to generate consistent taxable profits in the period over which the losses are available, there exists a risk that the Company may not be able to utilise the deferred tax asset to its full extent. Any significant deviation in future taxable profits from our current forecasts might necessitate an adjustment to the carrying value of the deferred tax asset.

4. Turnover

All turnover arose within the United Kingdom and the Directors consider there to be only one operating segment in the business.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

5. Operating Loss

The Operating loss is stated after charging:

	2022 £000	2021 £000
Depreciation of tangible assets	-	8
Amortisation of intangible assets	14	-
Auditors' remuneration for audit services	3	3

6. Employees

Staff costs were as follows:

	2022 £000	2021 £000
Wages and salaries	521	369
Social security costs	57	40
Other pension costs	23	14
	601	423

The average monthly number of employees, during the year was as follows:

	2022 No.	2021 No.
Administration	9	6
Sales	3	2
	12	8

7. Directors' remuneration

The emoluments of Directors paid by Communicorp UK Limited are not recharged to the Company and are disclosed in the financial statements of Communicorp UK Limited. The emoluments of the Director, not paid by Communicorp UK Limited, are £88,000 (2021: £60,100), including £5,400 in pension contributions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

8. Interest payable and similar expenses

	2022 £000	2021 £000
Loans from group companies	31	7
	31	7

9. Tax on loss

	2022 £000	2021 £000
Corporation tax		
Current tax for the year	(25)	(66)
Total current tax	(25)	(66)
Deferred tax		
Current year	(111)	-
Effect of change in tax rates	(35)	-
Total deferred tax	(146)	-
Tax on loss	(171)	(66)

9. Tax on loss (continued)

Factors affecting tax credit for the year

The tax assessed for the year is lower than (2021 - the same as) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022	*2021*
	£000	*£000*
Loss before tax	**(709)**	*(345)*
Loss before tax multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	**(135)**	*(66)*
Effects of:		
Income not deductible	**(1)**	-
Tax rate changes	**(35)**	-
Total tax credit for the year	**(171)**	*(66)*

Factors that may affect future tax charges

In the Spring Budget the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. In the Autumn statement in November 2022, the government confirmed the increase in corporation tax rate to 25% from April 2023 will go ahead. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

10. Tangible and intangible assets

	Intangible Assets	Tangible Assets
	Computer Software	Computer Equipment
	£000	£000
Cost		
At 1st January 2022	-	40
Transfer between categories	40	(40)
Additions	25	-
At 31 December 2022	65	-
Accumulated depreciation		
At 1st January 2022	-	8
Transfer between categories	8	(8)
Charge for the year	14	-
At 31 December 2022	22	-
Net book value		
At 31 December 2022	43	-
At 31 December 2021	-	32

The above assets relate to computer software costs and have been reclassified from tangible to intangible assets.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

11. Cash Balances

	2022 £000	2021 £000
Bank Balances	2	11
	2	11

All cash balances are held with reputable banks and are available on demand.

12. Debtors

	2022 £000	2021 £000
Trade debtors	47	29
Prepayments and accrued income	49	8
Other debtors	33	76
Deferred tax asset	146	-
	275	113

13. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	10	5
Amounts owed to group undertakings	923	358
Accruals and deferred income	199	66
Taxation and social security	-	1
Other creditors	5	5
	1,137	435

Amounts owed to group undertakings, excluding group relief payable, are unsecured, bear interest at the Bank of England rate +2% and are repayable on demand.

14. Deferred Taxation

	Deferred tax
	£000
At 1st January 2022	-
Credited to the income statement	(146)
At 31st December 2022	**(146)**

The deferred tax asset is made up as follows:

	2022	*2021*
	£000	*£000*
Fixed assets timing differences	4	-
Losses	(150)	-
Total deferred tax	**(146)**	**-**

15. Called up share capital

	2022	*2021*
	£000	*£000*
Authorised, allotted, called up and fully paid		
900 Ordinary shares of £0.01 each (December 2021: 1 Ordinary Share of £1)	-	-

During the year the Company sub-divided its share capital into 100 shares of £0.01 and issued a further 800 Ordinary shares of £0.01.

16. Related party transactions

The Company has taken advantage of the exemption contained in FRS 101 and has therefore not disclosed transactions or balances with wholly owned subsidiaries entities which form part of the Communicorp UK Group (or investees of the Group qualifying as related parties).

17. Controlling party

Communicorp UK Digital Investments Limited, a Company incorporated in Great Britain and registered in Northern Ireland, is the Company's intermediate parent undertaking and a 70% owned subsidiary of Communicorp UK Limited. The Directors consider that Denis O'Brien is the ultimate controlling party of the Company.

The largest and smallest group in which the results of the Company are consolidated is that headed by Communicorp UK Limited and the consolidated financial statements are available from the offices of that Company at The Ewart, 3 Bedford Square, Belfast, Northern Ireland, BT2 7EP.

18. Subsequent events

No events have taken place since the reporting date which would warrant adjustment to, or disclosure in, the financial statements for the year ended 31 December 2022.