Company Registration No. 3703097

KCOM CONTACT CENTRES LIMITED

Annual Report and Financial Statements

for the year ended 31 March 2023

KCOM CONTACT CENTRES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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KCOM CONTACT CENTRES LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS
M Pearson (resigned 25 August 2023)
S Booth (resigned 15 December 2022)
D Raneberg (resigned 20 April 2022)
C Hutchison (appointed 25 August 2023)
T Shaw (appointed 28 April 2022)

REGISTERED OFFICE
37 Carr Lane
Hull
East Yorkshire
HU1 3RE

BANKERS
Royal Bank of Scotland
3rd Floor
2 Whitehall Quay
Leeds
LS1 4HR

INDEPENDENT AUDITORS
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Central Square
29 Wellington Street
Leeds
LS1 4DL
United Kingdom

KCOM CONTACT CENTRES LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors present the annual report and the audited financial statements of the Company for the year ended 31 March 2023. This report has been presented in accordance with the special provisions relating to small companies within section 414B and 415A of the Companies Act 2006.

PRINCIPAL ACTIVITIES
The principal activity of the Company during the year was the provision of direct enquiry services. The Company is incorporated and domiciled in England in the United Kingdom.

RESULTS
The profit for the financial year amounts to £4,000 (2022: loss of £16,000).

REVIEW OF THE BUSINESS
During the year, revenue remained consistent at £16,000 (2022: £16,000), as direct enquiry services is a non-core service to the business. EBITDA before exceptional items has increased to a profit of £4,000 (2022: loss of £16,000).

The Company continues to provide direct enquiry services.

GOING CONCERN
The Company meets its day to day working capital requirements through access to the bank facilities of the wider group held within KCOM Holdco 3 Limited and loans with related parties.

The Group's loan facilities, entered into by KCOM Holdco 3 Limited in September 2020, mature in September 2025. Certain statutory entities within the consolidated KCOM Group Limited financial statements, including the Company act as guarantors for the loan facility. The loan facilities require compliance with leverage and interest cover ratios, on both a forward and backward looking 12-month basis, that are submitted on a biannual basis. All covenants have been complied with up to the date of signing the financial statements.

KCOM Contact Centres Limited has received confirmation of the continued financial support from KCOM Holdco 3 Limited supported by the cash flows of the Group, for a period of at least 12 months from the date of signing.

Management has produced forecasts for the Group that have been sensitised to reflect reasonably plausible downside scenarios from current economic conditions. These have been reviewed by the Group Directors and demonstrate the Group is forecast to generate profits and cash and that the Group has sufficient cash reserves and headroom on its banking facility covenants to enable the Group to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements.

As part of the covenant compliance modelling, we have sensitised forecast cash flows to reflect a severe downside case. As part of the scenario, we are able to rephase cash outflows through capital expenditure and restrict the repayment of intercompany debt (as confirmed by the parent and ultimate controlling party) to mitigate a lock-up (restrictions on repayment of intercompany debt) scenario. There are no severe downside cases that breach the default covenants.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

DIVIDENDS
The Company did not recommend or pay any dividends during the year (2022: £nil).

DIRECTORS
The Directors who served during the year and up to the date of signing the financial statements are listed on page 1.

SECTION 172
The board of directors have acted in the way they consider, would be most likely to promote the success of the company for the benefit of its members as a whole, having regard to the matters set out in s172(1)(a-f) of the Companies Act 2006, in the decisions taken during the year. The Company is managed by the KCOM Group and the compliance with Section 172 is managed at the KCOM Group as a whole. Refer to page 18 of the Consolidated Financial Statements of KCOM Group Limited for further details.

FINANCIAL RISK MANAGEMENT

In the normal course of business, the Company is exposed to certain financial risks, principally interest rate risk, liquidity risk and credit risk. These risks are managed by the central treasury function of KCOM Group Limited, in conjunction with the Company, in accordance with risk management policies that are designed to minimise the potential adverse effects of these risks on financial performance. The policies are reviewed and approved by the Board of KCOM Group Limited.

Further details of the financial risk management policies can be found on page 16 of the Directors' report in the annual report and financial statements of KCOM Group Limited.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the annual report and 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, 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 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 also 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.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each director in office at the date the Directors' report is approved:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

INDEPENDENT AUDITORS

A resolution has been passed to maintain PricewaterhouseCoopers LLP as independent auditors until such time as the Board decides otherwise.

Approved by the board, and signed on its behalf:

C Hutchison
Director

17 November 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KCOM CONTACT CENTRES LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, KCOM Contact Centres Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", 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 2023; the income statement and the statement of changes in equity 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

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.

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.

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

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

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KCOM CONTACT CENTRES LIMITED

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2023 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 Statement of Directors' Responsibilities in respect of the financial statements, 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to taxation, 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 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 journal entries to manipulate financial performance. Audit procedures performed by the engagement team included:

- Enquiry with management to understand relevant laws and regulations applicable to the company and their assessment of fraud related risks;
- Identifying and testing journal entries using a risk based targeting approach for unexpected account combinations and users; and
- Reviewing financial statement disclosures and testing to support documentation where appropriate 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

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 obtained 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: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Andrew McIntosh (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
17 November 2023

KCOM CONTACT CENTRES LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	Note	**2023 £'000**	2022 £'000
Revenue	2	**16**	16
Operating expense		**(12)**	(32)
Operating profit/(loss)	3	**4**	(16)
Finance costs		**—**	—
Profit/(loss) before taxation		**4**	(16)
Tax on profit/(loss)	5	**—**	—
Profit/(loss) for the financial year		**4**	(16)

There is no other comprehensive income for the year (2022: £nil).

The notes on pages 10 to 16 are an integral part of these financial statements.

KCOM CONTACT CENTRES LIMITED
BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £'000	2022 £'000
Non-current assets			
Intangible assets	6	—	—
		—	—
Current assets			
Trade and other receivables	7	3	2
Cash and cash equivalents		—	—
		3	2
Total assets		3	2
Current liabilities			
Trade and other payables	8	(4,031)	(4,034)
Total liabilities		(4,031)	(4,034)
Net liabilities		(4,028)	(4,032)
Equity			
Called up share capital	9	—	—
Accumulated losses		(4,028)	(4,032)
Total shareholders' deficit		(4,028)	(4,032)

The notes on pages 10 to 16 are an integral part of these financial statements.

The financial statements on pages 7 to 16 were approved by the Board of Directors and authorised for issue on 17 November 2023. They were signed on its behalf by:

C Hutchison

Director

KCOM CONTACT CENTRES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £'000	Accumulated losses £'000	Total shareholders' deficit £'000
At 1 April 2021	—	**(4,016)**	**(4,016)**
Loss for the financial year	—	(16)	(16)
Total comprehensive expense for the year	—	**(16)**	**(16)**
At 31 March 2022	—	**(4,032)**	**(4,032)**
Profit for the financial year	—	4	4
Total comprehensive income for the year	—	**4**	**4**
At 31 March 2023	—	**(4,028)**	**(4,028)**

The notes on pages 10 to 16 are an integral part of these financial statements.

KCOM CONTACT CENTRES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. ACCOUNTING POLICIES

KCOM Contact Centres Limited is a private company limited by shares. KCOM Contact Centres Limited is incorporated and domiciled in England in the United Kingdom. The registered office is 37 Carr Lane, Hull, HU1 3RE.

The principal activity of the Company is the provision of direct enquiry services.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of accounting

These financial statements have been prepared 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 Company is a qualifying entity for the purposes of FRS 101. Note 10 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS may be obtained.

The disclosure exemptions from the requirements of IFRS adopted by the Company in accordance with FRS 101 are as follows:

a) IFRS 7 'Financial instruments: Disclosures'
b) The following paragraphs of IAS 1, 'Presentation of financial statements':
   a. 10(d) (statement of cash flows);
   b. 16 (statement of compliance with all IFRS);
   c. 38A (requirement for minimum of two primary statements, including cash flow statements);
   d. 38B-D (additional comparative information);
   e. 111 (statement of cash flows information); and
   f. 134-136 (capital management disclosures).
c) IAS 7 'Statement of Cash Flows'
d) 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)
e) Paragraph 17 of IAS 24 'Related Party Disclosures' (key management compensation)
f) The requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS 101 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

There are no significant judgements or estimates to disclose that have a significant risk of resulting in a material adjustment to the financial statements within the next financial year.

1. ACCOUNTING POLICIES (CONTINUED)

Going concern
The Company meets its day to day working capital requirements through access to the bank facilities of the wider group held within KCOM Holdco 3 Limited and loans with related parties.

The Group's loan facilities, entered into by KCOM Holdco 3 Limited in September 2020, mature in September 2025. Certain statutory entities within the consolidated KCOM Group Limited financial statements, including the Company act as guarantors for the loan facility. The loan facilities require compliance with leverage and interest cover ratios, on both a forward and backward looking 12-month basis, that are submitted on a biannual basis. All covenants have been complied with up to the date of signing the accounts.

KCOM Contact Centres Limited has received confirmation of the continued financial support from KCOM Holdco 3 Limited supported by the cash flows of the Group, for a period of at least 12 months from the date of signing.

Management has produced forecasts for the Group that have been sensitised to reflect reasonably plausible downside scenarios from current economic conditions. These have been reviewed by the Group Directors and demonstrate the Group is forecast to generate profits and cash and that the Group has sufficient cash reserves and headroom on its banking facility covenants to enable the Group to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements.

As part of the covenant compliance modelling, we have sensitised forecast cash flows to reflect a severe downside case. As part of the scenario, we are able to rephase cash outflows through capital expenditure and restrict the repayment of intercompany debt (as confirmed by the parent and ultimate controlling party) to mitigate a lock-up (restrictions on repayment of intercompany debt) scenario. There are no severe downside cases that breach the default covenants.

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

Intangible assets – software
Software comprises computer software purchased from third parties and also the cost of internally developed software. Computer software purchased from third parties and internally developed software is initially recorded at cost.

Intangible assets – customer relationships
Contractual customer and supplier relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer and supplier relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the expected life of the relationship. These intangible assets are amortised on a straight-line basis over their useful lives.

Intangible assets – amortisation
Amortisation of intangible assets is charged to the income statement on a straight-line basis over the estimated useful lives of each intangible asset. Intangible assets are amortised from the date they are available for use.

The estimated useful lives are as follows:

Software	-	up to 5 years
Customer relationships	-	up to 8 years

1. ACCOUNTING POLICIES (CONTINUED)

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are initially recognised at the amount of consideration that is unconditional. We do not have any material significant financing components. The Company holds trade receivables with the objective of collecting the contractual cash flows, and so it measures them subsequently at amortised cost using the effective interest method.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- a breach of contract such as default or delinquency in payments.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off against the provision when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, this is done on a case by case basis. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities to comply with the Company's procedures for recovery of amounts due. Any subsequent recoveries of amounts previously written off are credited against operating expenses in the income statement.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, short-term deposits and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet, unless a right of offset exists.

Payables

Payables are recognised initially at fair value and measured subsequently at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity.

Revenue recognition

Revenue excludes value added tax. The Company enters into contractual arrangements that include various performance obligations which operate independently of each other. Revenue is recognised in respect of the Company's right to consideration for each performance obligation as it is satisfied.

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The tax payable is currently based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and/or items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognised generally for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced or increased to the extent that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items recognised in other comprehensive income or directly to equity. In this case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Prior year adjustments to current and deferred taxes are recognised if the estimated tax position differs from the final tax position subsequently agreed with the taxation authority.

2. REVENUE

Revenue is attributable to the principal activity of the Company of providing direct enquiry services and is generated wholly within the UK. In the prior year, revenue was also attributable to the provision of call centre facilities within the UK.

3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	2023	2022
	£'000	£'000
Other external charges	**12**	23
Auditors' remuneration for the audit of the financial statements	**—**	9

Certain fees for non-audit services have been borne by a fellow group company. It is not practicable to ascertain what proportion of such fees relates to the Company.

4. EMPLOYEES AND DIRECTORS

The average monthly number of employees was nil (2022: nil).

During the year, D Raneberg, S Booth and T Shaw were Directors of KCOM Group Limited, and fellow subsidiary companies. M Pearson and C Hutchison were also Directors of fellows subsidiary companies. It is not practicable to ascertain the proportion of emoluments that specifically relate to the Company. Aggregate emoluments paid to the Directors for their services as Directors of KCOM Group Limited and fellow subsidiary companies is as follows:

	2023 £'000	2022 £'000
Remuneration	**1,072**	849
Aggregate amounts receivables under long term incentive plans	**270**	—
Company contributions paid to money purchase pensions schemes	**65**	104
Compensation for loss of office	**188**	1,742
Total	**1,595**	2,695

Retirement benefits were received either as cash or as contributions to the Defined Contribution pension scheme. None of the Directors have any prospective entitlement to defined benefits or cash balance benefits in respect of qualifying services.

The highest paid Director's emoluments were as follows:

	2023 £'000	2022 £'000
Total remuneration	**794**	2,399

5. TAX ON PROFIT/(LOSS)

The credit based on the profit/(loss) before taxation for the year comprises:

	2023 £'000	2022 £'000
UK corporation tax:		
– current tax on profit/(loss) for the year	—	—
Total current tax	—	—
Total taxation credit for the year	—	—

Factors affecting tax credit for the year:

	2023 £'000	2022 £'000
Profit/(loss) before taxation	4	(16)
Profit/(loss) before taxation at the standard rate of corporation tax in the UK of 19% (2022: 19%)	1	(3)
Effects of:		
– Effects of group relief	(1)	3
Total taxation credit for the year	—	—

Factors affecting the current and future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase from 19% to 25%. The increase in rate was substantively enacted for IFRS purposes on 24 May 2021. As a result, the relevant deferred tax balances have been remeasured in the prior year. Deferred tax expected to unwind in the year to 31 March 2023 was calculated using a rate of 19% and subsequently at a rate of 25%. The impact of the change in tax rate was recognised in the tax credit in the prior year income statement.

6. INTANGIBLE ASSETS

	Customer relationships £'000	Software £'000	Total £'000
Cost			
At 1 April 2021, 31 March 2022 and 31 March 2023	**310**	**25**	**335**
Accumulated amortisation			
At 1 April 2021, 31 March 2022 and 31 March 2023	**310**	**25**	**335**
Net book value			
At 31 March 2023	**—**	**—**	**—**
At 31 March 2022	**—**	**—**	**—**
At 31 March 2021	**—**	**—**	**—**

7. TRADE AND OTHER RECEIVABLES

	2023 £'000	2022 £'000
Trade receivables	**1**	1
Amounts owed from group undertakings	**—**	—
Accrued income	**2**	1
	3	2

Amounts owed from group undertakings are unsecured, bear no interest and are repayable on demand.

8. TRADE AND OTHER PAYABLES

	2023 £'000	2022 £'000
Amounts owed to group undertakings	**4,029**	4,031
Accruals	**2**	3
	4,031	4,034

Amounts owed to group undertakings are unsecured, bear no interest and are repayable on demand.

9. CALLED UP SHARE CAPITAL

Allotted and fully paid	2023 £'000	2022 £'000
510,000 (2022: 510,000) "A" ordinary shares of £0.00001p (2022: £0.00001p) each	—	—
490,000 (2022: 490,000) "B" ordinary shares of £0.00001p (2022: £0.00001p) each	—	—
	—	—

10. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company's immediate parent undertaking is KCH (Holdings) Limited. Copies of KCH (Holdings) Limited's annual report and financial statements can be obtained from 37 Carr Lane, Hull, HU1 3RE.

As at 31 March 2023, the parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the Company is a member is KCOM Group Limited, registered in England and Wales. The parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member is KCOM Holdco 1 Limited, registered in England and Wales. Copies of KCOM Group Limited and KCOM Holdco 1 Limited's annual report and financial statements can be obtained from 37 Carr Lane, Hull, HU1 3RE.

The Company's ultimate parent and controlling party is Macquarie European Infrastructure Fund 6 SCSp (an investment fund managed by Macquarie Infrastructure and Real Assets (Europe) Limited), registered in Luxembourg.

11. SUBSEQUENT EVENTS

There are no subsequent events to disclose up to the date of signing the financial statements.