Registered number: 04222576

TELEREAL TELECOM SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

TELEREAL TELECOM SERVICES LIMITED

CONTENTS

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

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

Dividends

The directors do not propose the payment of a dividend (2021: £nil).

Directors

The directors who served during the year and up to the date of signing the financial statements were:

Michael Baker
Adam Dakin
Graham Edwards
Russell Gurnhill
Michael Hackenbroch
Graeme Hunter

Qualifying third party indemnity provisions

Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006), commonly known as Directors' and Officers' insurance, in relation to certain losses and liabilities which the directors may incur (or have incurred) to third parties in the course of their professional duties, were in force for the directors for their periods of directorship and at the date of this report.

Future developments

The directors do not anticipate any significant change to the current activity in the foreseeable future.

Going Concern

The company has net assets and net current assets of £7,646,000 at 31 March 2022.

Management has prepared forecast cash flows for the company for at least 12 months from the date of signing the financial statements, and having considered the recoverability and liquidity of its net current assets, the directors confirm that they are satisfied that the company has adequate resources to meet its liabilities for at least 12 months from the date of signing the financial statements. As a result, they continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Directors' 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 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 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 102 Section 1A, 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.

Directors' confirmations

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

- so far as the director is 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 a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006. They have also taken advantage of the small companies exemptions provided by section 414B of the Companies Act 2006 in not preparing a Strategic Report.

This report was approved by the board on 30 November 2022 and signed by order of the board.

Aaron Burns
Company Secretary

Independent auditors' report to the members of Telereal Telecom Services Limited

Report on the audit of the financial statements

Opinion

In our opinion, Telereal Telecom Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 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, 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 Directors' Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2022; 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

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.

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 2022 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 employment law, 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 and tax legislation. 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 the posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and those charged with governance, including consideration of any known or suspected *instances of non-compliance with laws and regulations and fraud;*
- Reviewing minutes of meetings of those charged with governance;
- Performing procedures over any unusual journal entries;
- Designing audit procedures to incorporate unpredictability into our testing;
- Challenging assumptions made by management in determining their judgements and accounting estimates; and
- Review of financial statement disclosures and testing 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 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: prepare financial statements in accordance with the small companies regime; 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.

Jamil Kanji (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
1 December 2022

TELEREAL TELECOM SERVICES LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £000	2021 £000
Turnover	2	2,351	2,275
Administrative expenses		(2,139)	(2,069)
Operating profit		212	206
Interest receivable and similar income	6	274	214
Interest payable and similar expenses	7	-	(6)
Profit before tax		486	414
Tax on profit	8	(27)	(79)
Profit after tax		459	335
Retained earnings at the beginning of the year		3,485	3,150
Profit for the financial year		459	335
Retained earnings at the end of the year		3,944	3,485

The notes on pages 9 to 16 form part of these financial statements.

TELEREAL TELECOM SERVICES LIMITED
REGISTERED NUMBER: 04222576

BALANCE SHEET
AS AT 31 MARCH 2022

	Note		2022 £000		2021 £000
Current assets					
Deferred taxation	9	271		214	
Cash at bank and in hand		10,001		10,001	
		10,272		10,215	
Current liabilities					
Creditors: amounts falling due within one year	10	(2,626)		(3,028)	
Net current assets			7,646		7,187
Net assets			7,646		7,187
Capital and reserves					
Called up share capital	11		4		4
Share premium account			3,698		3,698
Retained earnings			3,944		3,485
Total equity			7,646		7,187

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 November 2022.

Michael Hackenbroch
Director

Russell Gurnhill
Director

The notes on pages 9 to 16 form part of these financial statements.

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

1. Accounting policies

General information

Telereal Telecom Services Limited ("the company") is a private company, limited by shares, and is incorporated in England and Wales. The registered office is disclosed in note 12.

The company provides staff to its immediate parent company, most of whom are engaged in the provision of property management services. All staff costs are recovered and the company receives a fee for the provision of its employee services.

Basis of preparation of financial statements

The financial statements of the company have been prepared on a going concern basis, under the historical cost convention and in compliance with the Companies Act 2006 and Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102").

The financial statements have been prepared in Sterling (rounded to the nearest thousand pounds), which is the functional and presentational currency of the company.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. Management does not consider that the company faces any significant risks at this time.

Going concern

The company has net assets and net current assets of £7,646,000 at 31 March 2022.

Management has prepared forecast cash flows for the company for at least 12 months from the date of signing the financial statements, and having considered the recoverability and liquidity of its net current assets, the directors confirm that they are satisfied that the company has adequate resources to meet its liabilities for at least 12 months from the date of signing the financial statements. As a result, they continue to adopt the going concern basis in preparing the financial statements.

Disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

(i) preparation of a statement of cash flows in accordance with paragraph 1A.7 of FRS 102, on the basis that it is a small entity;

(ii) preparation of a statement of changes in equity in accordance with paragraph 1A.7 of FRS 102, on the basis that it is a small entity;

(iii) certain financial instrument disclosures in accordance with paragraph 1.12 (c) of FRS 102, on the basis the equivalent disclosures are included in a parent company's own consolidated financial statements. This information is included in the consolidated financial statements of Trillium Holdings Limited for the year ended 31 March 2022; and

1. Accounting policies (continued)

Disclosure exemptions (continued)

(iv) related party disclosure in accordance with paragraph 33.1A of FRS 102, to the extent that the company transacts with other wholly owned subsidiaries of the wider group.

The following principal accounting policies have been applied consistently to all years presented unless stated otherwise:

Turnover

Turnover comprises the amounts recharged to the immediate parent company in respect of the company's staff costs, together with the premium charged on such costs. Turnover is recognised in the period during which the relevant staff costs were incurred.

Pension scheme

The company participates in a defined benefit pension scheme for which Telereal Services Limited, its immediate parent company, acts as Principal Employer. The assets of the pension scheme are held separately from those of the company. Having regard to the terms of the pension scheme and the contractual relationship between the company and Telereal Services Limited, the directors believe that the underlying assets and liabilities of the pension scheme are wholly attributable to Telereal Services Limited. Accordingly, the company does not account for movements in the underlying assets and liabilities of the pension scheme. Instead, the contributions payable for the period are charged to the Statement of Income and Retained Earnings.

Interest income and expense

Interest is recognised in the Statement of Income and Retained Earnings using the effective interest method.

Current and deferred taxation

Tax is recognised in profit for the financial year, except that a charge 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 balance sheet date. The tax on profit includes amounts paid or received for group relief in respect of tax losses claimed and surrendered in the current period.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1. Accounting policies (continued)

Financial instruments

(i) Financial assets
Basic financial assets, including trade and other debtors, cash at bank and in hand and amounts owed by group undertakings, are recognised initially at transaction price, unless the transaction constitutes a financing arrangement, e.g. significantly deferred credit terms, where the transaction is measured at the present value of future receipts discounted at the market rate of interest. Such assets are held at amortised cost using the effective interest rate method.

Financial assets are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

The impairment loss is measured as the difference between an asset's carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after it was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed the carrying amount at which the asset would have been stated had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Income and Retained Earnings.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled, or substantially all the risks and rewards of the ownership of the asset are transferred to another party, or control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities
Basic financial liabilities, including trade and other payables and amounts owed to group undertakings, are recognised initially at transaction price, unless the transaction constitutes a financing arrangement, where the debt instrument is measured at the present value of future payments discounted at the market rate of interest. Such liabilities are held at amortised cost using the effective interest rate method.

Debt instruments (other than those wholly repayable within one year), including loans and other accounts payable, are subsequently carried at amortised cost, using the effective interest method.

Debt instruments that are payable within one year, typically trade creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid. However, if the arrangements of a short-term instrument constitute a financing transaction, such as the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate, the financial liability is measured, initially, at the present value of the future cash flows discounted at a market rate of interest for a similar debt instrument and, subsequently, at amortised cost.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting
Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2. Turnover

An analysis of turnover by class of business is as follows:

	2022 £000	2021 £000
Staff costs charged to immediate parent company	2,138	2,068
Fees receivable	213	207
	2,351	2,275

All turnover arose within the United Kingdom.

3. Employees and staff costs

	2022 £000	2021 £000
Wages and Salaries	1,776	1,725
Social security costs	220	202
Other pension costs	142	141
	2,138	2,068

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

	2022 No.	2021 No.
Provision of property management services	14	14

4. Directors' remuneration

	2022 £000	2021 £000
Aggregate emoluments excluding long term incentive schemes and pensions	13	9
Aggregate amounts receivable under long term incentive schemes	116	104
	129	113

Directors are remunerated by Telereal Services Limited, a fellow group undertaking.

One (2021: one) director is a member of a defined contribution scheme and no (2021: no) directors are accruing benefits under a defined benefit scheme.

5. Auditors' remuneration

	2022 £000	2021 £000
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	9	7

The audit fee was borne on the company's behalf by Telereal Services Limited, a fellow group undertaking.

6. Interest receivable and similar income

	2022 £000	2021 £000
Interest receivable from group companies	274	214

7. Interest payable and similar expenses

	2022 £000	2021 £000
Interest payable to group companies	-	6

8. Tax on profit

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	84	78
Total current tax	84	78
Deferred tax		
Origination and reversal of timing differences	10	1
Effect of rate change on brought forward timing differences	(67)	-
Total deferred tax	(57)	1
Taxation on profit on ordinary activities	27	79

Factors affecting tax charge for the year

The tax charge for the year can be reconciled to the profit per the Statement of Income and Retained Earnings as follows:

	2022 £000	2021 £000
Profit on ordinary activities before tax	485	414
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	92	79
Effects of:		
Effect of rate change on brought forward timing differences	(67)	-
Effect of rate change on timing differences arising in the year	2	-
Total tax charge for the year	27	79

Effect of rate change on brought forward timing differences reflects the remeasurement of opening temporary differences from the current tax rate of 19% and the deferred (future) tax rate of 25%.

Effect of rate change on timing differences arising in the year reflects the current year temporary differences between the current tax rate of 19% and the deferred (future) tax rate of 25%.

Factors that may affect future tax charges

On 11 March 2021, the 2021 Budget announced an increase in the rate of UK corporation tax, effective from 1 April 2023, from 19% to 25%. This change was included in Finance Act 2021 which was substantively enacted on 24 May 2021, and granted Royal Assent on 10 June 2021.

9. Deferred taxation

	2022 £000	2021 £000
At the beginning of the financial year	214	215
Effect of rate change on brought forward timing differences	67	-
Debited to profit or loss	(10)	(1)
At the end of the financial year	271	214

The deferred tax asset is made up as follows:

	2022 £000	2021 £000
Other timing differences	271	214

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

10. Creditors: amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	1	1
Amounts owed to group undertakings	2,540	2,949
Corporation tax	85	78
	2,626	3,028

Amounts owed to group undertakings accrue interest at the base lending rate of Barclays Bank PLC plus 3% (2021: base lending rate of Barclays Bank PLC plus 3%), are unsecured and due on demand.

There are no material differences between the carrying value and fair value of trade and other creditors as at 31 March 2022 and 31 March 2021.

11. Called up share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
3,703 (2021 - 3,703) Ordinary shares of £1.00 each	4	4

12. Controlling party

Telereal Telecom Services Limited is a wholly owned subsidiary of Telereal Services Limited.

The ultimate parent undertaking and controlling party is Field Nominees Limited (incorporated in Bermuda), as nominee for the B Pears 1967 Family Trust. The largest parent undertaking to consolidate these financial statements is TTRE Group Limited, which is incorporated in Jersey.

The smallest group of companies to consolidate the results of the company is Trillium Holdings Limited. The annual report and financial statements of Trillium Holdings Limited and Telereal Services Limited may be obtained from the Company Secretary, 140 London Wall, London EC2Y 5DN, which is also the registered office and principal place of business of Telereal Telecom Services Limited.