



Report and Accounts



Year ended 31 March 2023

TelecomPlus

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Our Story

Helping the nation

save a bundle

and earn an extra income



UW is the UK's only genuine multiservice provider: we bundle **energy**, **broadband**, **mobile** and **insurance**.

We want people to stop having to think about the cost and hassle of running their home.

Which is why we offer long-term savings on household bills and an experience people never need to switch away from.



We grow when happy customers choose to become UW Partners and recommend us to their friends and families.



Through getting paid for introducing people to UW, our Partners also get to achieve their personal goals.

We now have almost **887,000 customers** and are on track to hit our target of helping another one million households to save time and money with us.



Our Approach

Everything in one

We bundle together all your home services - energy, broadband, mobile and insurance - into one, great value, monthly bill. And the more services our customers take, the more they save.



A structural cost advantage

We generate multiple revenue streams from a single set of overheads, which means we're consistently priced competitively across each of the services we supply. This creates a highly attractive and referrable proposition which is further fuelled by word-of-mouth, and in particular our Partners, who acquire high-quality, multiservice customers on our behalf, maintaining our unique structural cost advantage.

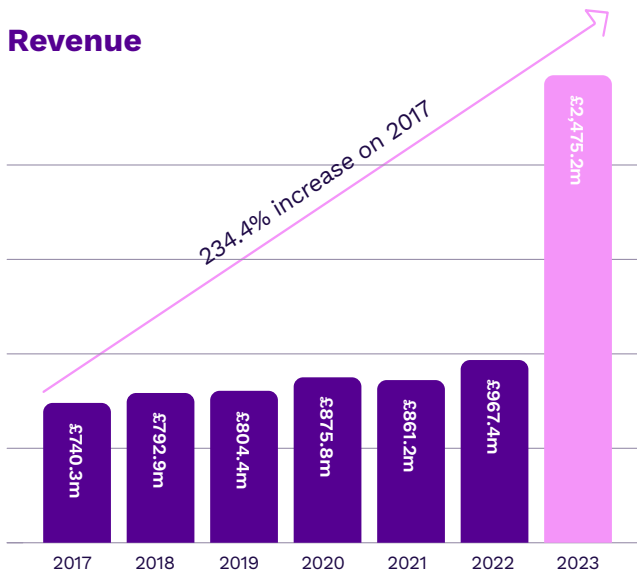


Our word-of-mouth model

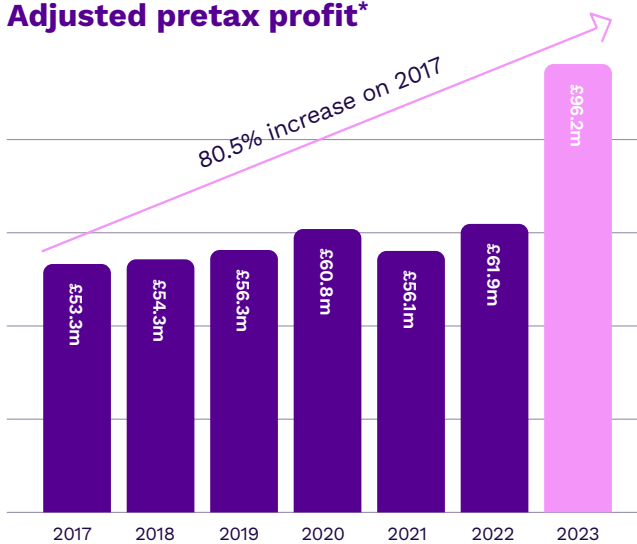
Unlike other suppliers, we don't acquire our customers directly. In fact, almost every one of our 887,000 customers has been introduced to us by word-of-mouth. And at the heart of that are our UW Partners - almost 60,000 self-employed distributors who earn an income by referring UW to family, friends and people they know.

Financial and Operational Highlights

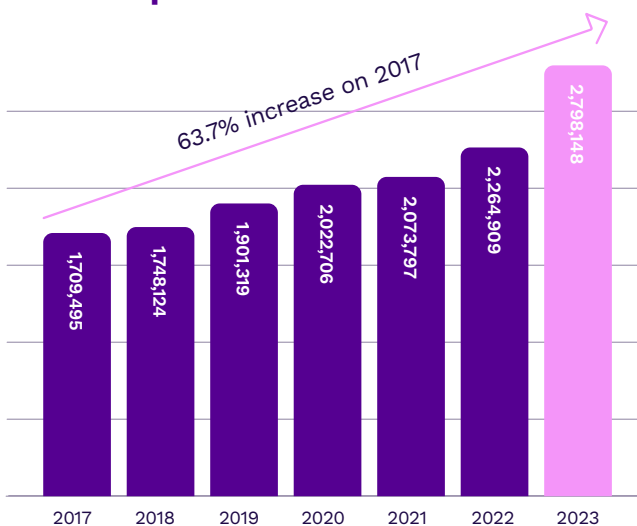
Revenue



Adjusted pretax profit*



Services provided



- Revenues increased to £2,475.2 million (2022: £967.4m)
- Adjusted pre-tax profit* up 55.4% to £96.2 million (2022: £61.9m)
- Adjusted EPS* up 57.0% to 99.2p (2022: 63.2p)
- Statutory pre-tax profit up 81.1% to £85.5 million (2022: £47.2m)
- Statutory EPS up 92.0% to 86.6p (2022: 45.1p)
- Full year dividend of 80p (2022: 57p) per share
- Number of customers up 21.7% to 886,579
- Number of services supplied up 23.5% to c. 2.8m
- Sustainable multiservice cost advantage enabled us to save our customers over £30m on their energy bills alone during the year
- Insurance business more than doubled to over 100,000 policies
- Ranked top supplier in Uswitch Energy Awards for 'Best Customer Service' and 'Most Likely to Recommend'; 3rd in Which? Broadband Satisfaction survey
- 25% increase in Partner numbers to almost 60,000 (2022: 48,000) reflecting ongoing strong interest in our income opportunity as cost of living pressures continue to be felt by UK households

*Adjusted pre-tax profit (£96.2m) and Adjusted EPS exclude share incentive scheme charges (£2.8m), amortisation of the energy supply contract intangible asset (£11.2m), the minority share of Glow Green losses (£0.3m), and the profit on disposal of Glow Green (£3.6m). The reconciliations for adjusted profit before tax and adjusted EPS are set out in notes 1 and 19 respectively of the financial statements.

Chairman's Statement



I am pleased to report an exceptional performance during FY23 with record revenues, record profits, and record organic growth in both customer and service numbers.

Adjusted pre-tax profits increased by 55% to £96.2m (2022: £61.9m) reflecting both the strong double-digit growth we achieved in our customer and service numbers over the last 18 months, and the significant rises in the Ofgem Energy Price Cap over the period, partially offset by extra growth related costs and an increase in the value of the energy savings we gave our customers to a record level of over £30m.

Revenues grew by more than £1.5bn to £2,475.2m (2022: £967.4m) reflecting both the strong organic growth achieved in customer and service numbers, and the impact from progressively higher energy prices during the year.

Adjusted earnings per share for the year rose by 57% to 99.2p (2022: 63.2p). Statutory pre-tax profits rose by 81% to £85.5m (2022: £47.2m), and statutory EPS rose by 92% to 86.6p (2022: 45.1p).

We comfortably exceeded our internal growth targets for the year, with customer numbers increasing by 157,899 (2022: 71,269) to 886,579 and service numbers rising by 533,239 (2022: 191,112) to 2,798,148. The difference between our growth in service numbers of 23.5% and customer numbers of 21.7% demonstrates the strong appeal of our differentiated bundled proposition, even during a year when energy prices dominated the domestic media agenda.

Our strong customer demographic (skewing towards multiservice homeowners), competitive market positioning (where we are consistently offering the UK's lowest energy prices to both new and existing customers), and limited appetite amongst other suppliers to attract new customers during a period of rising prices, resulted in our energy customer churn for the year remaining below 3%, although in recent months it has ticked up modestly to around 5% on an annualised basis.

Interest in the income opportunity we offer to our Partners continued to grow, particularly during the second half, reflecting increased levels of confidence in recommending the UW customer proposition and the growing demand for an additional income as the cost of living continued to rise. This resulted in total Partner numbers increasing to almost 60,000 by the end of the year.



I am exceptionally proud of the vital roles played by everyone in our business, in enabling us to deliver this record Company performance, against a background of repeated sizeable increases in the cost of energy alongside considerable government and regulatory intervention. To have been ranked as top supplier during such a challenging period by Uswitch in their 2022 Energy Awards for 'Best Customer Service' and 'Most Likely to Recommend' is a huge achievement, and testament to both the value we offer and the considerable efforts by all of our teams to deliver the best possible customer service.

In addition to supporting our customers with the UK's cheapest energy throughout this challenging period, we also supported our employees in managing the rising costs that they themselves were facing, by providing them with £800 in one-off payments over the winter, and a company-wide CPI-linked 10.1% increase in salary from 1 April 2023.



Sustainability

Our people and the communities we serve are at the heart of our strategy. As a Company, we are culturally very focussed on our sustainability as a business – not just in our approach to building long-term relationships with our customers and Partners and supporting our employees, but also ensuring that we are doing business responsibly and considering our wider impact on the environment around us and supporting the UK's transition to net zero. I am pleased with the further progress we have made this year towards improving our sustainability, in particular by having delivered on our commitment to publish a net zero transition plan and to further develop our Climate-related Financial Disclosures which can be found on pages 44 to 50.

As families across the UK continue to face high inflation and a rising cost of living, we are very proud of the role we play in helping our customers and Partners navigate those challenges: by sharing the benefits we derive as an integrated multiservice supplier with our customers by giving them sustainable long-term savings on their essential household services. Our Partner opportunity offers hard-working people, from all walks of life, the ability to earn an additional income to help offset the rising cost of living.

Looking ahead, our FY24 ESG objectives demonstrate the Company's continued commitment to improving its sustainability and I look forward to delivering further progress over the year ahead.

Further detail of the Company's sustainability agenda and ongoing progress is set out in the ESG and Sustainability Reports.

Corporate governance

The UK Corporate Governance Code (the "Code") encourages the Chairman to report personally on how the principles in the Code relating to the role and effectiveness of the Board have been applied.

As a board we are responsible to the Company's shareholders for delivering sustainable shareholder value over the long term through effective management and good governance. A key role of mine, as Non-Executive Chairman, is to provide strong leadership to enable the Board to operate effectively.

We believe that open and rigorous debate around key strategic issues, risks and opportunities faced by the Company is important in achieving our objectives and the Company is fortunate to have non-executive directors with diverse and extensive business experience who actively contribute to these discussions.

Further detail of the Company's governance processes and compliance with the Code is set out in the Corporate Governance Statement.

Dividend and capital allocation

The Company continues to be highly cash generative whilst delivering rapid growth. We are proposing a final dividend of 46p (2022: 30p), bringing the total for the year to 80p (2022: 57p). This will be paid on 11 August 2023 to shareholders on the register at the close of business on 21 July 2023 subject to approval by shareholders at the Company's AGM which will be held on 4 August 2023.

The Board adopts a disciplined approach to the allocation of capital, with the overriding objective being to enhance long-term shareholder value. Our primary objective when allocating capital is to fund sustainable organic growth. Beyond that we have followed a long-standing progressive dividend policy in order to return surplus capital to our shareholders.

Going forward, the Board intends to also consider the appropriateness of using surplus cash to return capital to shareholders through share buy backs, any such amounts being determined by what is available after funding organic growth, modestly growing our current dividend payout, and maintaining an appropriate level of gearing.

Outlook

As the only fully-integrated supplier in the UK spanning four essential household markets (energy, broadband, mobile and insurance), our one-stop-shop proposition delivers long-term savings funded by the inherent efficiency of our bundled multiservice proposition, and has significant and growing appeal. It gives us a sustainable cost advantage which sets us apart from our competitors who are focussed on each individual market: and with 97 out of every 100 UK households taking their essential home services from one of these other suppliers, our organic growth opportunity has barely been tapped.

Chairman's Statement

continued

Since autumn 2021 we have grown our customer numbers at an annualised compound rate of over 20%, spanning a period during which energy commodity prices rose strongly for the first 12 months, before falling sharply over the subsequent and most recent eight month period. That we have been able to deliver such strong double-digit growth during both a rising and falling environment for energy prices gives us considerable confidence in our ability to continue doing so in future.

The strength of our competitive position is further supported by the more responsible regulatory environment in which demanding new capital adequacy requirements are being imposed upon suppliers, and the low regulatory margin allowed on energy which makes it extremely challenging for any standalone energy supplier to sell below the level of the price cap and earn an acceptable return on capital - something we have uniquely and consistently done throughout the current cost of living crisis and anticipate continuing to do in future.

There was a marginal increase in customer churn towards the end of the year as we saw a number of suppliers tentatively re-starting their customer retention programmes, but there has yet to be any meaningful return to proactive customer acquisition activity - reflecting the regulatory focus on ensuring a sustainable retail energy marketplace, the ongoing impact of the Ofgem Market Stabilisation charge, and the low margins available to energy suppliers.

The welcome fall in the Ofgem Price Cap to £2,074 creates a modest headwind for us over the coming year in terms of lowering our average revenue per customer, and potentially reducing the feeling of urgency amongst people to switch their supplier. However, in a more stable retail market, and with energy prices looking likely to remain at around these levels for the foreseeable future, we are confident that our unique multiservice proposition will continue to underpin our competitive position and support further strong organic growth.

We remain focussed on our target of welcoming an additional one million customers to UW, with the following medium-term internal base case planning assumptions:

- annual percentage customer growth is expected to remain comfortably in double-digits, albeit below the record level we achieved last year
- adjusted pre-tax profits are expected to increase broadly in line with customer growth
- excess capital will be returned to shareholders through a combination of modestly increasing dividends and share buy-backs, as deemed appropriate

Both our people and our technology are vital to delivering an exceptional UW experience to our customers, and as we scale, we continue to invest heavily in strengthening our teams at all levels, and evolving and improving our systems. As we increase the size of our team in response to the ongoing rapid growth in the number of customers we support, a key area of focus for the year ahead is to codify our distinct UW culture and embed it throughout our increasingly widespread employee base..

It has been exciting to see our Partners once again demonstrating their ability to recommend our strong and differentiated consumer proposition to a record number of households, delivering significant and high quality organic growth. With UK households facing continuing challenges and uncertainties over the coming year, particularly for those coming to the end of a cheap fixed-rate period on their mortgage, we anticipate that demand from new Partners joining UW to earn an additional income will remain strong.

I would like to thank my boardroom colleagues for their support and all our staff and Partners for their energy, drive and hard work through a challenging but exciting year of growth, and the contribution they are making to the ongoing strong performance of the business.

The last twelve months have put us firmly on track to achieve our medium-term target of welcoming an additional one million customers to UW, and we look forward to making significant further progress over the year ahead.



Charles Wigoder
Non-Executive Chairman
27 June 2023

Co-Chief Executives' Review

The year in summary

Meeting consumer demand through multiservice bundles

Throughout our 25-year history, we have consistently helped UK households reduce the cost and hassle of running their homes. And 2023 was no different. As the rising cost of living has been felt by the nation, we have helped families bolster their finances through savings on their home services and earnings through the UW Partner opportunity. This has resulted in a year of record growth for the business, as we remain on track to deliver our medium-term goal of welcoming one million additional customers to UW.

2023 marked the first full year since sustainable pricing practices returned to the energy market. And with the return to a rational marketplace our business model has demonstrated its strength.

During the financial year, our multiservice bundles have provided real value to UW customers across all their home services, not only in delivering over £30 million of savings on their energy bills, but also a further £8m of Cashback card savings. The demonstrable ongoing value that we offer households on services they were previously buying from other suppliers is a clear ongoing driver of our growth and was a key factor in attracting nearly 160,000 net additional customers during the year.

Whilst the dynamics in each of our markets constantly vary, we continually focus our efforts on strengthening our core multiservice customer proposition and supporting our Partner community.

In the immediate aftermath of the energy crisis and following the failure of around 30 suppliers in autumn 2021, we experienced a marked increase in the proportion of new customers applying for just energy services from UW. To address this, we simplified our application journey, incorporated insurance into our multiservice bundles, and introduced tiered savings 'Boosts' to encourage multiservice take up amongst new customers. These initiatives have yielded strong results, particularly during a year in which there was near constant media coverage of high energy prices, with the growth in the number of services we supply (+24%) pleasingly outstripping the strong underlying growth in customers (+22%) during the year.

By integrating insurance into our multiservice bundles in April 2022, we made this service part of our core proposition, and saw an immediate acceleration in the rate of take up by new customers, leading to an increase in the number of policies from 44,834 to 100,590 over the course of the year. This is an encouraging trend for our future multiservice growth strategy.

As confidence in the strength of our customer proposition progressively increased amongst our Partners, and as interest in the income opportunity we offer grew in response to the rising cost of living faced by UK households, we saw more and more people turning to UW to bolster their incomes. The total number of UW Partners increased by over 25% during the year, reaching almost 60,000 for the first time. This reflects the appeal of our income opportunity in the current economic climate, and underpins the sustainability of our current high-quality growth with our Partners continuing to demonstrate their unique capability to introduce high-value customers (i.e. multiservice homeowners) to UW in significant volumes.

Rather than seeking growth at any cost, we take pride in the consistent disciplined approach we have adopted to building a long-term, sustainable business. In a year characterised by the demands of rapid customer growth, inflated levels of contact from our customers in response to high energy prices, and unprecedented regulatory and Government intervention, we have concentrated our efforts on delivering our three key business priorities:

- Building a great culture and environment for our people
- Looking after our customers as we grow
- Maximising high-quality customer growth

Through focussing all our people on these priorities, we are pleased to have made significant progress on each front:

- Increasing our employee Net Promoter Score (eNPS) to +39
- Increasing our post-contact Customer Effort Score (CES), that measures the ease with which customers can use our services, resolve a support issue, or find the information they need, by 19% to 75 in March 2023
- Delivering a 20% improvement in the proportion of new customers taking a multiservice bundle.

All of these have contributed to our double-digit organic growth for the year and lay the foundation for further progress in the years ahead.

Co-Chief Executives' Review

continued

This is an exciting time for the business. After several years of modest progress, we saw a return to strong growth in autumn 2021, which continued throughout last year. This demonstrates our ability to respond to the challenges created by rapid customer growth and strengthens our confidence in successfully scaling the company over the medium term.

As we look at the external macro-economic environment around us, it seems clear that demand will remain high for the sustainable savings we offer our multiservice customers, and for the meaningful additional income opportunity we provide our Partners. And with 97 out of 100 UK households not yet with UW, there is scope for considerable further growth ahead.

Looking ahead, we are confident in delivering profitable double-digit % annual growth as we progress towards our medium-term goal of welcoming an additional one million customers to UW.

A unique business model in the UK

Our sustainable cost advantage

As the UK's only multiservice utility provider, we receive revenue streams from each of the services we supply to our customers, which we manage with a single set of central overheads. This gives us significant operating efficiencies relative to our competitors in each of our markets, and creates a sustainable, structural cost advantage.

This ongoing cost advantage enables us to price competitively across each of the individual services we supply, bundling them together into a unique multiservice proposition.

By bundling their home services together, UW customers receive sustainable long-term savings and the simplicity of a single monthly bill, whilst being supported by our award-winning customer services team.

This differentiated UW experience delivers market-leading levels of customer loyalty and creates a highly referable proposition that we harness through the most powerful form of marketing being - word-of-mouth.

This word-of-mouth marketing, led by our community of UW Partners, is the key to unlocking high levels of multiservice take-up by new customers, which in turn, strengthens our structural cost advantage.

This self-reinforcing cycle is the core of our business model.

Bundles that reduce the cost and hassle of running a home

We supply households throughout the UK with a wide range of essential services - energy, broadband, mobile and insurance - all under the UW brand.

Our customers bundle together the services they want, and benefit from a unique multiservice proposition that offers them:

- Simplicity - just one, simple bill for all their home services;
- Savings - compared with the prices they were previously paying; and
- Service - an easy to use customer app backed up by award-winning support teams.

We believe that one supplier offering a single place for consumers to manage all their essential home services, and a single monthly bill for all of them together, is logically the easiest and most cost-effective way to deal with bills. And in genuinely delivering on this multiservice proposition, we create something that is truly referable.

Loyal customers creating sustainable, long term value

We help our customers to get on with more important things in their lives than managing their bills by delivering consistently fair value and great service, ensuring they never need to think about switching their utilities again.

We also seek to maximise their expected lifetime with us, by earning their trust and loyalty in a number of ways:

• Treating our customers fairly

We offer long-term, ongoing savings across our services, in preference to shorter-term pricing tactics that inevitably undermine customer trust, loyalty and longevity.

• Providing outstanding service

We provide our customers with award-winning customer service online, on our app and through our dedicated customer service teams, adopting a mantra of 'looking after every customer as though they were our own mum'.

• Offering customers incrementally better value with each additional service they take

Given the clear correlation between the number of services a customer takes and their expected lifetime as a UW customer, it is beneficial to both the customer and ourselves to provide additional savings to those who take multiple services from us.

- **Encouraging customers that own their home to choose UW**

Changes in who is occupying a property often leads to higher administrative costs, greater churn and bad debt, and thus pose particular challenges to suppliers of broadband and energy. By targeting homeowners who are less likely to move property, we underpin the long-term value of the business.

- **Creating additional saving opportunities for our customers**

For example through our Cashback offering (which allows customers to further reduce their monthly bills through their everyday shopping) or through our Customer Referral scheme.

We want UW customers to have such a positive overall experience with us that they won't want to switch away from it, encouraging them to stay with us longer, generating sustainable, long-term returns, and recommending us to their family and friends.

A unique word-of-mouth model that creates earning opportunities

Conventional advertising is ineffective at acquiring individual customers who take multiple services - the proposition is too complicated, and the perceived effort of switching is too high.

In contrast, a word-of-mouth recommendation from a trusted person will overcome the natural inertia to switching multiple services simultaneously, and deliver higher levels of multiservice take up by new customers.

We rely primarily on our community of Partners to provide these trusted personal recommendations, and it is their word-of-mouth marketing of UW that enables us to unlock the inherent value of a multiservice customer.

This word-of-mouth approach creates a genuine alignment of interests that is in stark contrast to the traditional advertising strategies of our competitors: these typically reach only a minority of highly engaged UK consumers who are prone to serial switching and therefore unlikely to generate long term returns.

Our Partners are paid for showing people they know how bundling their home services with UW can save them time and money. Each time they introduce a new customer they receive a one-off payment followed by an ongoing monthly commission stream which continues for as long as the customer remains with UW, and which grows as they build a team and acquire more customers.

At a time when the rising cost of living is applying increasing pressure to households across the country, our word-of-mouth marketing model is not only helping more and more families to benefit from much needed savings on their bills, but is also providing an opportunity for increasing numbers of people to more than offset the increased costs they are facing by earning a meaningful additional income. We are seeing more and more people turning to UW to do exactly that.

An inherently long-term business

Our multiservice proposition - delivered through our word-of-mouth route to market - drives the ongoing acquisition of loyal customers, thereby building long-term value for all parties:

- Our customers benefit from our lowest prices for longer in return for switching all their services to UW.
- Our Partners receive a long-term recurring income stream from a longer-lasting customer.
- Our shareholders access a growing earnings stream from an inherently sustainable business.

Our bundles: best-in-class core services

Our multiservice bundles

We made a number of important improvements to our multiservice customer proposition during the year:

- We launched a new bundle structure centred on our 4 core services: energy, broadband, mobile and insurance. The evolved proposition expanded the qualifying services to include all our core products and gave customers greater flexibility to tailor their personal bundle.
- We refined our customer acquisition investment in order to better attract multiservice homeowners through the launch of our Boost incentive.
- We re-launched our customer referral programme with a traditional "give a reward / get a reward" mechanic, designing these incentives to similarly attract multiservice homeowners, as well as revamping the digital referral and onboarding experiences. We are excited by the potential for this logical extension of our word-of-mouth marketing model but were frustrated to have to postpone the planned marketing campaigns for the new referral programme in response to the higher Ofgem Market Stabilisation Charges which we faced during the final quarter of the financial year; we look forward to seeing a marked increase in referral activity over the coming months.

Co-Chief Executives' Review

continued

As a result of this series of improvements, the last 12 months has seen a 20% improvement in the proportion of new customers taking a multiservice bundle.

In March 2023, in response to the new quarterly Ofgem Price Cap, we simplified the structure of our ongoing multiservice energy discounts, moving from a percentage-based discount to a consistent pounds-based discount. Importantly, this change creates a clear and simple price promise that suits our word-of-mouth marketing model whilst holding true to our 'take more, save more' value proposition.

Energy

In a market characterised by unprecedented levels of commodity price inflation and government intervention during the year, we were the fastest growing retail supplier in the country, increasing the number of energy services we supply by 24.8% from 1,219,836 to 1,522,350.

Whilst the Ofgem Price Cap increased sharply at the start of the year from £1,277 to £1,971, underlying wholesale energy prices continued to climb, driving retail prices to unsustainable levels with the Ofgem Price Cap soaring to £3,549 in October. In response, the government implemented several new schemes; the Energy Bill Support Scheme and Energy Price Guarantee supported residential customers by bringing the effective customer cost down to £2,100 over the winter, while the Energy Bill Relief Scheme supported non-domestic customers. Meanwhile the Ofgem Price Cap moved to a quarterly basis.

During this period the majority of energy suppliers withdrew their acquisition tariffs and the switching market slowed dramatically. As a multiservice supplier, we were uniquely positioned to continue acquiring customers throughout this period, offering sustainable and market leading energy savings funded by our margins from supplying the broadband, mobile or insurance services that our customers also take from us, and the operational cost advantage we enjoy as an integrated multi-utility supplier. We were pleased to be ranked third in the Which? 2023 Energy Supplier Survey, and ended the year replacing Utilita as the 8th largest energy supplier in the country.

In addition to implementing the numerous government support schemes, we maintained our position at the forefront of the smart meter rollout programme, successfully migrating our metering arrangements to Calisen group following the divestment of UWHS in March 2022. We are delighted to have recently passed the 1m

smart meter milestone and remain fully committed to delivering further progress on this vital element of the UK's transition to net zero.

Over the course of last winter, forward wholesale prices fell significantly, triggering the Ofgem Market Stabilisation Charge, whereby a supplier who gains a customer is obliged to compensate the losing supplier for a proportion of their costs associated with hedging energy for that customer. This additional acquisition cost resulted in us further increasing our focus on acquiring multiservice customers during Q4, which reduced our overall growth rate during this period.

Retail prices currently look set to stabilise at around the £2,000 level for the rest of the year: whilst this is a significant reduction compared to recent months, it is roughly twice the level of the past decade. This ongoing additional pressure on household budgets can be expected to drive continued high demand for the long-term energy savings that we offer.

Ofgem remains focussed on its programme of retail market reform: through a series of market compliance reviews, it is tightening up on unsustainable supplier practices, and is currently consulting on numerous topics relating to Price Cap allowances - notably debt and EBIT margins - to ensure supplier sustainability. In so doing, Ofgem are ensuring a level playing field exists between suppliers and creating a market in which an innovative, sustainable multiservice proposition like ours stands to benefit. Further reform is expected as the immediate energy crisis recedes and Ofgem returns its focus to the transition to net zero.

Broadband

The broadband market continued to be highly competitive during the year, albeit market-wide switching rates remain lower than pre-pandemic levels due to greater concern over broadband disruption given the increased reliance many consumers place on connectivity when working from home. This reluctance to switch has tempered our broadband growth, albeit we still saw a near 10% increase in service numbers to 354,118 over the course of the year.

In response to highly competitive market dynamics, we reduced our broadband margins 18 months ago by offering introductory prices to new customers. Whilst we would prefer not to offer these tariffs, they make us one of the most competitively priced suppliers, particularly for our multiservice customers. In the past few months many broadband providers have increased their back-book prices by CPI+, and there are some early signs of a welcome upward market-wide trend emerging in introductory

tariffs. Thanks to our multiservice model, we were able to keep our price increases below CPI and maintain our introductory tariffs unchanged.

With consumers increasingly focussed on speed and reliance, we were pleased to be ranked 3rd in the 2023 Which? Broadband Satisfaction Survey, behind Zen and Hyperoptic. Our broadband router retained its Best Buy status from Which? and is supplemented by our whole home wifi Amazon eero proposition for larger households. Together, these demonstrate our focus on offering our customers what they value - quality services at affordable prices, as part of a multiservice bundle.

We extended our long-term partnership with TalkTalk for a further five years, gaining improved terms and access to their favourable agreements with alternative fibre networks. With 25% of new customers already taking full fibre services from us, this will enable us to accelerate our full fibre rollout, and we are pleased to be adding CityFibre's footprint this summer, increasing our addressable full fibre market to over 12.5m properties nationwide.

Mobile

The trend in the mobile market towards sim-only contracts and higher average data consumption continued through the year, with consumers now typically paying between £15 and £20 per month. Both our £20 unlimited data mobile plan, and our family bundle of four unlimited data sims for £59 per month, are market leading, particularly given they are on the EE network which provides the highest (99.6%) population coverage in the UK.

Our competitive and straightforward proposition has led to further strong growth of over 20% in our mobile business, ending the year with 394,145 services. With over half of our new customers benefiting from the peace of mind and value offered by our unlimited data plan, our mobile proposition epitomises what UW stands for.

We extended our long running partnership with EE giving us the additional flexibility to grow our base whilst continuing to offer market leading products and data allowances. UW customers will soon start to benefit from mobile coverage on the London Underground, and we expect to commence our preparation for launching 5G services in the coming months.

Insurance

This year was transformative for our insurance business, with our policy book more than doubling from 44,834 to 100,590. In focussing on delivering high quality cover and excellent value to our customers, we continue to

benefit from strong retention rates of around 95%, and as our overall customer growth has increased, we have seen demand from new and existing customers remain strong for our insurance services. We are seeing the early benefits of this growth on our unit economics, and expect this emergent trend to accelerate as we achieve further economies of scale.

A key driver behind the marked acceleration in growth this year was the incorporation of insurance into our multiservice bundles and new customer onboarding journey at the start of the year. This has validated our strategy of further embedding insurance into our core proposition, and we were pleased that the Gibraltar insurance regulator ('GFSC') approved our insurer licence for UWI Limited ('UWI') in March 2023 (see below).

By combining our platform of 100,000+ insurance policies with end-to-end vertical integration through ownership of our own in-house broker and insurer, we are now positioned to genuinely scale our insurance business and become one of the UK's major personal lines insurance businesses over the coming years.

Cashback card

Our Cashback card saw significant growth this year with UW customers spending over £500m (2022: £368m) and earning Cashback on everyday spending of £8.2m (2022: £5.8m), an increase of over 40%. With households across the UK facing significant increases in the cost of living, our Cashback card offers a unique and valuable additional way of helping to reduce monthly outgoings.

Whilst not a material profit centre in its own right, our Cashback card adds huge value to our business, generating regular positive touchpoints with active cardholders through real time alerts of cashback earned, and creating genuine loyalty amongst customers who benefit from reductions in their monthly bills.

During the year we further strengthened our portfolio of retailer relationships and launched Cashback Insights, our first step in leveraging our new app platform to show our customers how much they have saved to date, and to help them maximise their future cashback earnings.

Given the ongoing high demand we are seeing for the savings that our Cashback card offers, we continue to seek additional retailer relationships and invest in improving the customer experience further, confident that this will translate into higher customer satisfaction and continued market-leading retention rates across all of our services.

Co-Chief Executives' Review

continued

Set up of UWI Limited

As part of our long-term insurance strategy, we were pleased that our application to the GFSC for authorisation for our own in-house insurer (“UWI”) was successful. UWI has been authorised to operate across six classes of personal lines insurance, and has been approved to passport and write business into the UK, and we started writing our first policies in April 2023.

In order to enable us to run our own in-house Insurer effectively, we have hired an executive team of industry veterans, alongside a highly experienced board, chaired by Andrew Blowers OBE. Our UWI CEO Austyn Tusler, has worked in the insurance industry for over 25 years, including at AIG and Hiscox, and most recently as CUO of UK General. He is supported by a talented and capable team with deep experience of Personal Lines Insurance at leading names including the AA, Canopus and Direct Line Group, and decades of experience operating insurers in Gibraltar.

We believe that the launch of UWI will further accelerate scalable and profitable growth of our insurance business, by enabling us to:

- Further integrate our insurance products into our multiservice customer journeys, significantly improving penetration
- Improve our range of products
- Drive stronger claims management to protect our brand & better oversee the customer experience we deliver
- Operate more efficiently through end-to-end integration and control of our supply chain, enabling us to deliver greater value to our customers and shareholders
- Secure our supply-chain and provide cover for our customers throughout the underwriting cycle as we grow our insurance policy book

Investing for growth

Supporting our customers

In order to ensure our customers remain with us for the long term, and to earn the trusted personal recommendations of our Partners, we must consistently deliver a high standard of service, treat them fairly, and live up to our promise of letting them get on with their lives and forget about their utilities.

The rapid growth we have experienced over the last year, coupled with widespread concern and uncertainty amongst consumers about energy prices, resulted in a more-than-doubling in the number of calls and emails that we received from our customers. In response, we not only significantly increased the size of our internal customer service teams, but also developed relationships with two UK-based outsource partners who specialise in the energy sector in anticipation of a further uplift in contact over the winter months. By the end of the financial year we had started tapering down this temporary resource, and were very pleased with the flexibility that it offered, and the service levels we delivered to our customers as a result.

We rely on the efforts of our colleagues in our customer support teams to look after all the services that our customers take from us. Through their hard work and commitment, we not only managed the increased number of contacts we received from our customers, but further improved the level of service we delivered, particularly during the winter, and were delighted that our post-call Customer Effort Score (CES) increased 19% over the course of the year.

We expanded our customer support capabilities through the opening of our first “centre of excellence” in Burnley with a focus on supporting new customers joining UW and specialising in the first 60 days of their journey with us: this new team complements those already working remotely and in our Colindale offices to meet the needs of our customers as we grow.

Given the increasing inflationary pressures on household budgets this year, supporting our most vulnerable customers has been a key priority. We significantly expanded our Ability to Pay teams to ensure that customers who need further assistance with their bills are treated sensitively by highly trained staff. Through our work with the Citizens Advice Bureau, we have also implemented a UW hardship fund to build upon existing means of help - such as the Warm Home Discount - and to create a pool of money that can be used to help customers on a discretionary basis.

To ensure our growing customer base is properly protected, we continue to invest in our cybersecurity and anti-fraud infrastructure. Over the last twelve months, we have increased the size of our privacy team and implemented additional data privacy training for employees. Our security operations centre is FIRST. Org accredited and our Data & Record Management is governed by Data, Security and Data Privacy teams with comprehensive processes and practices.

Investing in our customer experience continues to be a key business priority, both as a way of supporting our word-of-mouth marketing model and also our underlying operational efficiency. Major progress has been made on our new customer onboarding, bill payment and home-mover digital journeys, as well as the development of multiple new mobile and broadband self-serve capabilities. Our customer service advisor experience has seen similar further improvements, enabling faster and more efficient query resolution for our customers.

The strength of our customer service was recognised in our win for 'Best Customer Service' at the Uswitch Energy Awards 2022, and our highly commended award for 'Best Customer Support' in the Expert Reviews Energy Awards. Considering the rise in customer calls triggered by inflationary pressures, government intervention in the energy sector, and our rapid customer growth, these endorsements are a testament to effective policies and the hard work and commitment of our support teams.



Co-Chief Executives' Review

continued

Supporting our Partners

As our multiservice bundles have become increasingly compelling, so the confidence, enthusiasm and activity levels of our Partners have increased. Armed with a highly referable customer proposition, and invigorated by the increased demand for the savings and earnings they can offer to people they know, momentum has built amongst our Partners, and they have played a key role in delivering the record levels of customer growth we have achieved this year.

In the face of rising living costs, people from all walks of life across the UK - nurses, teachers, students, retirees - have been joining UW in record numbers to earn an additional income as UW Partners. As higher energy prices evolved into a broader inflationary trend during the year, many found that they could not balance their household finances through savings alone. The opportunity to earn a secondary income that could more than offset the rising costs they are facing has proven a popular proposition.

To capitalise on this increased demand for the UW Partner opportunity, and to help more Partners succeed and earn, we took a number of steps to strengthen both our customer and Partner propositions during the year:

- Through implementing the market-wide energy 'Faster Switching' in the summer we significantly reduced the delay between customer sign up and commission payment, resulting in faster earnings for Partners

- In introducing our multiservice savings Boost in the autumn, we increased the referability of our customer proposition and therefore the earnings opportunity for Partners
- In January we extended the full Customer Bonus to new Partners, enabling them to start earning sooner, and helping more experienced Partners to accelerate the building of their teams and their long-term residual income
- To support our growing Partner community, we were excited to launch our inaugural 'Save a Bundle' billboard, radio and digital marketing campaign towards the end of the year - seeking to raise consumer awareness of UW, add credibility to the UW proposition and facilitate our Partners when recommending us to people they know

Given the key role our Partners play in unlocking our highest value customers - multiservice homeowners - the ongoing growth of our Partner community puts us in a strong position for continued high-quality customer acquisition.

We are hugely proud of the positive societal impact the business is having in helping our Partners to earn an additional income and to meet the current rising cost of living; and we will continue to invest in supporting our Partners and helping them to achieve their goals through UW.



Operational performance and non-financial KPIs

We exceeded our growth targets for the year with customer numbers rising by 21.7% (2022: 10.8%) to 886,579.

Customers	2023	2022
Residential	866,403	705,634
Business	20,176	23,046
Total	886,579	728,680

This growth was slightly skewed towards the first half due to the adverse impact of the Ofgem Market Stabilisation Charge in the second half of the year.

The total number of services we supply to our customers grew by 23.5% (2022: 9.2%) to 2,798,148.

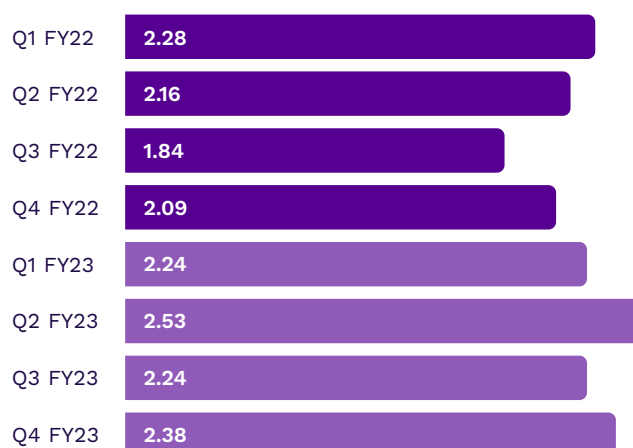
Services	2023	2022
Core services		
Energy	1,522,350	1,219,836
Broadband	354,118	323,623
Mobile	394,145	324,773
Insurance	100,590	44,834
Other services		
Cashback card	405,118	327,949
Legacy telephony	21,827	23,894
Total	2,798,148	2,264,909

Note: the table above sets out the individual services supplied to customers. Legacy telephony comprises non-geographic numbers (08xx) and landline only (no broadband) services provided.

Customers can take any combination of services - energy, broadband, mobile or insurance - they wish from us. The more services a customer takes, the greater the savings they make, and there is a clear correlation between the number of services taken and the customers' expected lifetime value to the business.

We saw healthy growth across all our core services, especially in energy which has clearly been the focal point of media attention and widespread consumer interest. However we were particularly pleased with the significant acceleration in the uptake of insurance, and the 125% growth in this service since it was incorporated into our multiservice bundles at the start of the year.

Average number of core service taken by new residential customers signed up by Partners



Following the launch of our simpler multiservice bundles at the start of the year we saw a solid improvement in the average number of service types being taken by new customers. As concerns over the future upward trajectory of energy retail prices increased during the summer months, we saw a temporary surge in the proportion of customers switching three or more services to us in order to access our competitive fixed price energy tariff. This returned to more normalised levels over the autumn, but increased again in the final quarter as we sharpened our focus on attracting our highest value customers - multiservice homeowners - in response to the incremental cost of acquiring new customers that resulted from the increased Ofgem Market Stabilisation Charge since January 2023.

Co-Chief Executives' Review

continued

The average number of Core services taken by new customers is a key metric that underpins the long-term sustainability of the business: customers taking two or more Core services from us are benefitting from a genuinely differentiated proposition, as well as greater ongoing savings, meaning that they are less likely to leave us.

Our long-term focus on winning our customers' loyalty and maximising their lifetimes with us continues to pay dividends, and our electricity supply point churn (the percentage of supply points leaving during the period, which we use as a proxy for overall churn) was extremely low at just 2.8% for the year (2022: 6%). There was a marginal increase towards the end of the year as we saw a number of suppliers tentatively re-starting their customer retention programmes, but there has yet to be any meaningful return to proactive customer acquisition activity - reflecting both the regulatory focus on ensuring a sustainable retail energy marketplace, the impact of the Ofgem Market Stabilisation charge, and the low margins available to energy only suppliers. Whilst churn is unlikely to remain at these record low levels, we are confident

that our differentiated multiservice proposition and sustainable competitive pricing strategy mean that our churn will remain below the levels we were experiencing during the energy price war.

Average revenue per customer increased significantly to £3,025 (2022: £1,340). This was primarily due to materially higher energy prices, particularly in the second half of the year.

The year ahead: our three FY24 business priorities

Having exceeded our internal 20% growth target for 2023, we are firmly on track to achieve our medium-term growth target of welcoming an additional one million customers to UW. As the immediate challenges of a year characterised by a return to rapid growth, heightened concern about energy prices, and significant regulatory and Government intervention are left behind, we have taken the opportunity to revisit our business priorities and adjust them to reflect the growth trajectory for the year ahead:



1. Evolving our distinct company culture

Our goal is to motivate and empower our people to deliver an excellent customer experience and ultimately, continue to drive growth. With a significantly larger and growing team, this year we will be focussing on evolving our distinct UW culture to help attract, develop and keep great people. And as a result, create the type of working environment, mindset and talent needed to deliver our growth targets.

To do this, we will focus on three core objectives:

- We will define, develop and start to embed our distinct culture across all aspects of the experience that our people have with UW.
- We will develop and grow our People Leaders to become culture and career builders.
- Lastly, we want to create an environment where our customer-facing teams feel empowered and engaged, and want to stay with UW.

2. Delivering a seamless multiservice customer experience

Our multiservice customer experience is key to our success and following the opening of our first customer service hub in Burnley in autumn 2022, we will shortly be opening our second hub in the Scottish borders town of Selkirk: this new centre of excellence will be focussed on ensuring our prepayment energy customers are fully supported against the wider backdrop of increasing affordability challenges.

Within this business priority, we are also focussed on delivering a streamlined digital experience for both new and existing customers, to enable our customers to access and make changes to their UW services without having to contact us.

For those that do want to contact us, we will continue to focus on providing our Customer Service Advisors with the latest technical systems to support the delivery of award winning service.

3. Bringing more multiservice homeowner customers on board

The current climate offers a unique opportunity for UW to continue to help UK households both save and earn in the face of the increased cost of living; maximising the number of services our home owning customers take maximises their savings and delivers the most valuable long-term customer relationships for UW. And our word-of-mouth route to market remains at the heart of our ongoing growth strategy as the best route to acquiring these, our highest value customers.

To this end our primary goal is to significantly grow our existing Partner community, but also to continue to innovate around and extend our word-of-mouth model to appeal to new audiences such as through our rapidly growing Customer Referral programme.

Delivering exceptional value and service remains at the heart of our core multiservice proposition and we will continue to invest in each of our individual services, as well as our multiservice bundled benefits, with the goal of maximising customer lifetimes and increasing customer advocacy to further fuel our future growth.



Stuart Burnett & Andrew Lindsay MBE

Co-Chief Executive Officers

27 June 2023



Financial Review

Overview of results

	Adjusted			Statutory		
	2023	2022	Change	2023	2022	Change
Revenue	£2,475.2m	£967.4m	155.9%	£2,475.2m	£967.4m	155.9%
Profit before tax	£96.2m	£61.9m	55.4%	£85.5m	£47.2m	81.1%
Basic EPS	99.2p	63.2p	57.0%	86.6p	45.1p	92.0%
Dividend per share	80.0p	57.0p	40.4%	80.0p	57.0p	40.4%

Throughout this report the Group presents various alternative performance measures ('APMs') in addition to those reported under IFRS. The measures presented are those adopted by the Chief Operating Decision Makers ('CODMs', deemed to be the Co-Chief Executive Officers), together with the main Board, and analysts who follow us in assessing the performance of the business. In order to provide a presentation of the underlying performance of the group, adjusted profit before tax and adjusted basic EPS exclude share incentive scheme charges of £2.8m (2022: £1.0m) and the amortisation of the intangible asset of £11.2m (2022: £11.2m) arising from entering into the energy supply arrangements with npower in December 2013; this decision reflects both the relative size and non-cash nature of these charges. In FY22 adjusted profit before tax and adjusted basic EPS also exclude: (i) the loss on the disposal of UWHS (£1.1m); (ii) the write-off of goodwill associated with the conditional disposal of Glow Green of (£1.5m); and (iii) the profit on disposal of a freehold property of (£0.6m). In FY23 adjusted profit before tax excludes the Group profit on disposal of Glow Green of £3.6m. The reconciliations for adjusted profit before tax and adjusted EPS are set out in notes 1 and 19 respectively of the financial statements.

Summary

Adjusted profit before tax increased by 55.4% to £96.2m (2022: £61.9m) on higher revenues of £2,475.2m (2022: £967.4m). Statutory profit before tax increased 81.1% to £85.5m (2022: £47.2m). These increases reflect the impact of strong organic growth in both customer and service numbers, combined with higher retail energy prices. Within revenues, payments from the Government EPG and EBRIS energy support schemes amounted to £681.6m.

Distribution expenses increased to £49.7m (2022: £29.7m), reflecting our growth in customers, services, and average revenues per customer during the year.

Administrative expenses (excluding share incentive scheme charges and amortisation of the energy supply agreement intangible) increased during the year by £44.6m to £129.0m (2022: £84.4m), largely due to higher staff, technology and

infrastructure costs as we responded to the faster rate of customer growth, and to increased customer contact relating to higher energy bills and the multiple Government schemes introduced to help shield customers from the full impact of higher energy commodity prices.

The bad debt charge for the year (which is separately identified on the income statement as impairment loss on trade receivables) increased to £28.7m (2022: £11.6m), representing 1.6% of revenues for the year (2022: 1.2%) excluding amounts paid directly to us by government (included in revenues) under their various support schemes.

Adjusted earnings per share increased by 57.0% to 99.2p (2022: 63.2p), with statutory EPS increasing by 92.0% to 86.6p (2022: 45.1p). In accordance with previous guidance and our strong cash position, the Board is proposing to pay a final dividend of 46p per share (2022: 30p), making a total dividend of 80p per share (2022: 57p) for the year.

Revenues

The growth in the number of services we are supplying accelerated significantly, increasing by 533,239 services (2022: 191,112) during the course of the year, and taking the total number of services provided to our customers to 2,798,148 (2022: 2,264,909).

The increase in revenues reflects this increase in service numbers, strong organic customer growth since autumn 2022, and much higher energy prices during the period:

Revenues £m	2023	2022
Electricity	1,214.7	450.5
Gas	1,028.3	295.7
Landline and broadband	132.7	129.7
Mobile	56.8	44.7
Other	42.7	46.8
	2,475.2	967.4

Margins

Our overall gross margin for the year was 12.4% (2022: 19.5%) predominantly due to the big increase in the proportion of lower margin energy sales during the period, resulting from strong customer growth and higher retail prices.

Distribution and administrative expenses

Distribution expenses include the share of our revenues that we pay as commission to Partners, together with other direct costs associated with gathering new customers. These increased to £49.7m (2022: £29.7m), mainly reflecting higher Partner commissions and incentive costs associated with our increased growth in the year.

Administrative expenses (excluding share incentive scheme charges and amortisation of the energy supply agreement intangible) increased during the year by £44.6m to £129.0m (2022: £84.4m), mainly as a result of higher staff, technology and infrastructure costs. The increase in staff costs mainly reflects inflation-linked salary increases and cost of living support payments, and the continued investment in strengthening our customer service and management teams in order to ensure we continue to deliver outstanding support across all of our services given our increased growth. In anticipation of materially higher levels of contact from our customers over the winter period, we also temporarily boosted our energy customer service capacity with additional outsourced teams, which we have since scaled back.

The bad debt charge for the year increased to £28.7m (2022: £11.6m), mainly as a result of the impact of higher energy prices, and a consequent increase in the number of customers having difficulty paying their bills. The proportion of customers with at least two energy bills outstanding increased to 2.34% (2022: 2.04%). We have invested in our Payment Solutions Team during the period to help customers in payment difficulties. We have also established a hardship fund to assist vulnerable customers.

Financial Review

continued

Accrued income and accrued expenses

The increases in accrued income to £267.6m (2022: £134.9m), and accrued expenses to £417.4m (2022: £113.5m), at the year-end were mainly as a result of the significant increases in energy retail prices and wholesale costs, and the increase in the customer base.

Disposals

During the period, the Group received the necessary FCA change of control approval and completed the previously agreed sale of its 75% shareholdings in Glow Green Limited and Cofield Limited on 31 July 2022. This sale resulted in a profit on disposal of £3.6m shown on a separate line in the Consolidated Statement of Comprehensive Income, which has been excluded in calculating the adjusted profit before tax of £96.2m in order to more accurately reflect the underlying performance of the business.

Cash, capital expenditure, working capital and borrowings

We ended the period with a reported net cash position including lease liabilities of £103.4m (2022: net debt of £70.4m), comprising cash of £193.8m, less bank loans of £89.7m and lease liabilities of £0.7m. The cash position includes £120.8m of funds received in advance associated with the government energy support schemes, and which will diminish during the current year as the schemes cease to apply.

The Group's underlying Net Debt/adjusted EBITDA ratio (excluding advanced funds associated with the government energy support schemes) remains low at around 0.2x (adjusted EBITDA of £110.1m used in this ratio represents operating profit of £85.9m, plus depreciation and amortisation of £21.4m and share incentive scheme charges of £2.8m).

Our net working capital position showed a year-on-year cash inflow of £146.3m (2022: cash outflow of £10.4m), mainly reflecting the impact of the government energy support schemes advance payments of £120.8m. Capital expenditure of £11.0m (2022: £9.9m) related primarily to our ongoing investment in our technology platform and software, to support our ability to continue delivering a market leading customer experience as our multiservice bundled customer base continues to grow.

Dividend

The final dividend of 46p per share (2022: 30p) will be paid on 11 August 2023 to shareholders on the register at the close of business on 21 July 2023 and is subject to approval by shareholders at the Company's Annual General Meeting which will be held on 4 August 2023. This makes a total dividend payable for the year of 80p (2022: 57p).

Share incentive scheme charges

Operating profit is stated after share incentive scheme charges of £2.8m (2022: £1.0m). These relate to an accounting charge under IFRS 2 Share Based Payments ('IFRS 2'). As a result of the relative size of share incentive scheme charges as a proportion of our pre-tax profits historically, and the fluctuations in the amount of this charge from one year to another, we are continuing to separately disclose this amount within the Consolidated Statement of Comprehensive Income for the period (and excluding these charges from our calculation of adjusted profits and earnings) so that the underlying performance of the business can be clearly identified in a consistent manner to that adopted during previous periods. Our current adjusted earnings per share have also therefore been adjusted to eliminate these share incentive scheme charges.

Taxation

A full analysis of the taxation charge for the year is set out in note 5 to the financial statements. The tax charge for the year is £17.3m (2022: £12.2m). The effective tax rate for the year was 20.2% (2022: 25.9%).



Nick Schoenfeld
Chief Financial Officer
27 June 2023

Principal Risks and Uncertainties

Background

The Group faces various risk factors, both internal and external, which could have a material impact on long-term performance. However, the Group's underlying business model is considered relatively low-risk, with no need for management to take any disproportionate risks in order to preserve or generate shareholder value.

The Group continues to develop and operate a consistent and systematic risk management process, which involves risk ranking, prioritisation and subsequent evaluation, with a view to ensuring all significant risks have been identified, prioritised and (where possible) eliminated, and that systems of control are in place to manage any remaining risks.

The directors have carried out a robust assessment of the Company's emerging and principal risks. A formal document is prepared by the executive directors and senior management team on a regular basis detailing the key risks faced by the Group and the operational controls in place to mitigate those risks; this document is then reviewed by the Audit and Risk Committee. Save as set out below, the magnitude of any risks previously identified has not significantly changed during the period.

Business model

The principal risks outlined below should be viewed in the context of the Group's business model as a reseller of utility services (gas, electricity, fixed line telephony, mobile telephony, broadband and insurance services) under the Utility Warehouse and TML brands. As a reseller, the Group does not own any of the network infrastructure required to deliver these services to its customer base. This means that while the Group is heavily reliant on third party providers, it is insulated from all the direct risks associated with owning and/or operating such capital-intensive infrastructure itself.

The Group is able to secure the wholesale supply of all the services it offers at competitive rates, enabling it to generate a consistently fair level of profitability from delivering a great value bundled proposition to its customers. There is an alignment of interests between the Group and its wholesale suppliers which means that it is in the interests of the suppliers to ensure that the Group remains competitive, driving growth and maximising their benefit from our complementary route to market. Furthermore, the group benefits from a structural cost advantage, due to the multiple revenue

streams it receives from customers who take more than one service-type, and only having one set of overheads. The Group has alternative sources of wholesale supply should an existing supplier become uncompetitive or no longer available.

In relation to energy specifically, the Group's wholesale costs are calculated by reference to a discount to the prevailing standard variable retail tariffs offered by the 'Big 6' to their domestic customers (effectively the Government price cap), which gives the Group considerable visibility over profit margins.

The Group's services are promoted using word-of-mouth by a large network of independent Partners, who are paid predominantly on a commission basis. This means that the Group has limited fixed costs associated with acquiring new customers.

The principal specific risks arising from the Group's business model, and the measures taken to mitigate those risks, are set out below.

Reputational risk

The Group's reputation amongst its customers, suppliers and Partners is believed to be fundamental to the future success of the Group. Failure to meet expectations in terms of the services provided by the Group, the way the Group does business or in the Group's financial performance could have a material negative impact on the Group's performance.

In developing new services, and in enhancing current ones, careful consideration is given to the likely impact of such changes on existing customers.

In relation to the service provided to its customer base, reputational risk is principally mitigated through the Group's recruitment processes, a focus on closely monitoring staff performance, including the use of direct feedback surveys from customers (Net Promoter Score), and through the provision of rigorous staff training.

Responsibility for maintaining effective relationships with suppliers and Partners rests primarily with the appropriate member of the Group's senior management team with responsibility for the relevant area. Any material changes to supplier agreements and Partner commission arrangements which could impact the Group's relationships are generally negotiated by the executive directors and ultimately approved by the full Board.

Principal Risks and Uncertainties

continued

Information technology risk

The Group is reliant on its in-house developed and supported systems for the successful operation of its business model. Any failure in the operation of these systems could negatively impact service to customers, undermine Partner confidence, and potentially be damaging to the Group's brand. Application software is developed and maintained by the Group's Technology team to support the changing needs of the business using the best 'fit for purpose' tools and infrastructure. The Technology team is made up of highly-skilled, motivated and experienced individuals. The Group has a dedicated information security team which provides governance and oversight ensuring the confidentiality, availability and integrity of the Group's systems and operations whilst ensuring that any risks and vulnerabilities that arise are managed and mitigated.

Changes made to the systems are prioritised by business, Product Managers work with their stakeholders to refine application and systems requirements. They work with the Technology teams undertaking the change to ensure a proper understanding and successful outcome. Changes are tested as extensively as reasonably practicable before deployment. Review and testing are carried out at various stages of the development by both the Technology team and the operational department who ultimately take ownership of the system.

The Group has strategic control over the core customer and Partner platforms including the software development frameworks and source code behind these key applications. The Group also uses strategic third-party vendors to deliver solutions outside of our core competency. This largely restricts our counterparty risks to services that can be replaced with alternative vendors if required, albeit this could lead to temporary disruption to the day-to-day operations of the business.

Monitoring, backing up and restoring of the software and underlying data are made on a regular basis. Backups are securely stored or replicated to different locations. Disaster recovery facilities are either provided through cloud-based infrastructure as a service, and in critical cases maintained in a warm standby or active-active state to mitigate risk in the event of a failure of the production systems.

Data security risk

The Group processes sensitive personal and commercial data and in doing so is required by law to protect customer and corporate information and data, as well as to keep its infrastructure secure. A breach of security could result in the Group facing prosecution and fines as well as loss of business from damage to the Group's reputation. Recovery could be hampered due to any extended period necessary to identify and recover a loss of sensitive information and financial losses could arise from fraud and theft. Unplanned costs could be incurred to restore the Group's security.

The Group has deployed a robust and industry-appropriate Group-wide layered security strategy, providing effective control to mitigate the relevant threats and risks. The Group is PCI compliant and external consultants conduct regular penetration testing of the Group's internal and external systems and network infrastructure.

The Information Commissioner's Office ("ICO") upholds information rights in the public interest and, where required, companies within the Group are registered as data controllers with the ICO. If the Group fails to comply with all the relevant legislation and industry specific regulations concerning data protection and information security, it could be subject to enforcement action, significant fines and the potential loss of its operating licence.

Information security risks are overseen by the Group's Information Security and Legal & Compliance teams.

Legislative and regulatory risk

The Group is subject to various laws and regulations. The energy, telecommunications and financial services markets in the UK are subject to comprehensive operating requirements as defined by the relevant sector regulators and/or government departments.

Amendments to the regulatory regime could have an impact on the Group's ability to achieve its financial goals and any material failure to comply may result in the Group being fined and lead to reputational damage which could impact the Group's brand and ability to attract and retain customers. Furthermore, the Group is obliged to comply with retail supply procedures, amendments to which could have an impact on operating costs.

The Group is a licensed gas and electricity supplier, and therefore has a direct regulatory relationship with Ofgem. If the Group fails to comply with its licence obligations, it could be subject to fines or to the removal of its respective licences.

The regulatory framework for the UK's energy retail market, as overseen by Ofgem, is subject to continuous development. Any regulatory change could potentially lead to a significant impact on the sector, and the net profit margins available to energy suppliers. The pace and extent of regulatory change continues to be more substantial than in previous years. In addition to the industry-wide programmes of work, such as the continuing rollout of smart meters, and a growing range of environmental and social obligations, Ofgem has been implementing a special package of reform measures. These specific reforms emerged in response to the 'energy crisis': the period since the autumn 2021 associated with high wholesale energy costs, supplier failures and a consolidation of competition. The reforms cover development of the price cap, intensive assessment of suppliers' financial resilience and compliance performance, and temporary interventions to protect suppliers from their financial exposures to the wholesale market. The Group tracks this changing landscape closely, to identify risks and opportunities, to prepare for any subsequent operational changes, and also to input directly into Ofgem's work.

The Group is also a supplier of telecommunications services and therefore has a direct regulatory relationship with Ofcom. If the Group fails to comply with its obligations, it could be subject to fines or lose its ability to operate. The ongoing implementation of the European Electronic Communications Code has resulted in an increased regulatory burden and an even stronger Ofcom focus on compliance monitoring. Regulatory changes to the fixed line and broadband switching processes effective this calendar year are substantial and require cooperation from all fixed telecom providers. The Group is closely engaged in the relevant forums and industry groups to both influence and prepare for the changes.

The Group is authorised and regulated as an insurance broker for the purposes of providing insurance services to customers by the Financial Conduct Authority ("FCA"). In addition, the Group holds consumer credit permissions related to the provision of staff and Partner loans and hire purchases and has recently become authorised for insurance underwriting in Gibraltar by the Gibraltar Financial Services Commission ("GFSC"). If the Group

fails to comply with FCA/GFSC regulations, it could be exposed to fines and risk losing its authorised status, severely restricting its ability to offer insurance services to customers and consumer credit services to staff and Partners.

Recent regulatory changes relating to insurance pricing practices and the FCA's new Consumer Duty will have a significant impact on the financial services sector as a whole. The business has prepared and the Board has approved an implementation plan which will continue to be informed by any clarifications and additional guidance issued.

In general, the majority of the Group's services are supplied to consumers in highly regulated markets, and this could restrict the operational flexibility of the Group's business. In order to mitigate this risk, the Group seeks to maintain appropriate relations with both Ofgem and Ofcom (the UK regulators for the energy and telecommunications markets respectively), the Department for Energy Security and Net Zero ("DESNZ"), the FCA and the GFSC. The Group engages with officials from all these organisations on a periodic basis to ensure they are aware of the Group's views when they are consulting on proposed regulatory changes.

Political and consumer concern over energy prices, broadband availability and affordability, vulnerable customers and fuel poverty may lead to further reviews of the energy and telecoms markets which could result in further consumer protection legislation being introduced, such as the Digital Markets, Competition and Consumers Bill which is being monitored. Political and regulatory developments affecting the energy and telecommunications markets within which the Group operates may have a material adverse effect on the Group's business, results of operations and overall financial condition.

The Group is also aware of and managing the impact of a developing regulatory landscape in relation to climate change and the Net Zero transition.

To mitigate the risks from failure to comply with legislative requirements in an increasingly active regulatory landscape, the Group's Legal & Compliance team has developed and rolled out robust policies and procedures, undertakes regular training across the business, and continually monitors legal and regulatory developments. The team also conducts compliance and assurance tests on the policies and procedures.

Principal Risks and Uncertainties

continued

Financing risk

The Group has debt service obligations which may place operating and financial restrictions on the Group. This debt could have adverse consequences insofar as it: (a) requires the Group to dedicate a proportion of its cash flows from operations to fund payments in respect of the debt, thereby reducing the flexibility of the Group to utilise its cash to invest in and/or grow the business; (b) increases the Group's vulnerability to adverse general economic and/or industry conditions; (c) may limit the Group's flexibility in planning for, or reacting to, changes in its business or the industry in which it operates; (d) may limit the Group's ability to raise additional debt in the long-term; and (e) could restrict the Group from making larger strategic acquisitions or exploiting business opportunities.

Each of these prospective adverse consequences (or a combination of some or all of them) could result in the potential growth of the Group being at a slower rate than may otherwise be achieved.

Bad debt risk

Whilst the Group's focus on multiservice home-owners acts as a mitigating factor against bad debt, the Group has a universal supply obligation in relation to the provision of energy to domestic customers. This means that although the Group is entitled to request a reasonable deposit from potential new customers who are not considered creditworthy, the Group is obliged to supply domestic energy to everyone who submits a properly completed application form. Where customers subsequently fail to pay for the energy they have used, there is likely to be a considerable delay before the Group is able to control its exposure to future bad debt from them by either switching their smart meters to pre-payment mode, installing a pre-payment meter or disconnecting their supply, and the costs associated with preventing such customers from increasing their indebtedness are not always fully recovered.

Bad debt within the telephony industry may arise from customers using the services, or being provided with a mobile handset, without intending to pay their supplier. The amounts involved are generally relatively small as the

Group has sophisticated call traffic monitoring systems to identify material occurrences of usage fraud. The Group is able to immediately eliminate any further usage bad debt exposure by disconnecting any telephony service that demonstrates a suspicious usage profile, or falls into arrears on payments.

Wholesale price risk

Whilst the Group acts as principal in most of the services it supplies to customers, the Group does not own or operate any utility network infrastructure itself, choosing instead to purchase the capacity needed from third parties. The advantage of this approach is that the Group is largely protected from technological risk, capacity risk or the risk of obsolescence, as it can purchase the precise amount of each service required to meet its customers' needs.

Whilst there is a theoretical risk that in some of the areas in which the Group operates it may be unable to secure access to the necessary infrastructure on commercially attractive terms, in practice the pricing of access to such infrastructure is typically either regulated (as in the energy market) or subject to significant competitive pressures (as in telephony and broadband). The profile of the Group's customers, the significant quantities of each service they consume in aggregate, and the Group's clearly differentiated route to market has historically proven attractive to infrastructure owners, who compete aggressively to secure a share of the Group's growing business.

The supply of energy has different risks associated with it. The wholesale price can be extremely volatile, and customer demand can be subject to considerable short-term fluctuations depending on the weather. The Group has a long-standing supply relationship with Eon (formerly npower) under which the latter assumes the substantive risks and rewards of buying and hedging energy for the Group's customers, and where the price paid by the Group to cover commodity, balancing, transportation, distribution, agreed metering, regulatory and certain other associated supply costs is set by reference to the average of the standard variable tariffs charged by the 'Big 6' to their domestic customers less an agreed discount,

which is set at the start of each quarter; this may not be competitive against the equivalent supply costs incurred by new and/or other independent suppliers. However, if the Group did not have the benefit of this long-term supply agreement it would need to find alternative means of protecting itself from the pricing risk of securing access to the necessary energy on the open market and the costs of balancing.

Competitive risk

The Group operates in highly competitive markets and significant service innovations by others or increased price competition, could impact future profit margins and growth rates. In order to maintain its competitive position, there is a consistent focus on improving operational efficiency. New service innovations are monitored closely by senior management and the Group is generally able to respond within an acceptable timeframe where it is considered desirable to do so, by sourcing comparable features and benefits using the infrastructure of its existing suppliers. The increasing proportion of customers who are benefiting from the genuinely unique multi-utility solution that is offered by the Group, and which is unavailable from any other known supplier, further reduces any competitive threat.

The Directors anticipate that the Group will face continued competition in the future as new companies enter the market and alternative technologies and services become available. The Group's services and expertise may be rendered obsolete or uneconomic by technological advances or novel approaches developed by one or more of the Group's competitors. The existing approaches of the Group's competitors or new approaches or technologies developed by such competitors may be more effective or affordable than those available to the Group. There can be no assurance that the Group will be able to compete successfully with existing or potential competitors or that competitive factors will not have a material adverse effect on the Group's business, financial condition or results of operations. However, as the Group's customer base continues to rise, competition amongst suppliers of services to the Group is expected to increase. This has already been evidenced by various volume-related

growth incentives which have been agreed with some of the Group's largest wholesale suppliers. This should also ensure that the Group has direct access to new technologies and services available to the market.

Infrastructure risk

The provision of services to the Group's customers is reliant on the efficient operation of third party physical infrastructure. There is a risk of disruption to the supply of services to customers through any failure in the infrastructure e.g. gas shortages, power cuts or damage to communications networks. However, as the infrastructure is generally shared with other suppliers, any material disruption to the supply of services is likely to impact a large part of the market as a whole and it is unlikely that the Group would be disproportionately affected. In the event of any prolonged disruption isolated to the Group's principal supplier within a particular market, services required by customers could in due course be sourced from another provider.

The development of localised energy generation and distribution technology may lead to increased peer-to-peer energy trading, thereby reducing the volume of energy provided by nationwide suppliers. As a nationwide retail supplier, the Group's results from the sale of energy could therefore be adversely affected.

Similarly, the construction of 'local monopoly' fibre telephony networks to which the Group's access may be limited as a reseller could restrict the Group's ability to compete effectively for customers in certain areas.

Smart meter rollout risk

The Group is reliant on third party suppliers to fully deliver its smart meter rollout programme effectively. In the event that the Group suffers delays to its smart meter rollout programme the Group may be in breach of its regulatory obligations and therefore become subject to fines from Ofgem. In order to mitigate this risk the Group dual-sources (where practicable) the third party metering and related equipment they use.

Principal Risks and Uncertainties

continued

The Group may also be indirectly exposed to reputational damage and litigation from the risk of technical complications arising from the installation of smart meters or other acts or omissions of meter operators, e.g. the escape of gas in a customer's property causing injury or death. The Group mitigates this risk through using established reputable third party suppliers.

Energy industry estimation risk

A significant degree of estimation is required in order to determine the actual level of energy used by customers and hence that should be recognised by the Group as sales. There is an inherent risk that the estimation routines used by the Group do not in all instances fully reflect the actual usage of customers. However, this risk is mitigated by the relatively high proportion of customers who provide meter readings on a periodic basis, and the high level of penetration the Group has achieved in its installed base of smart meters.

Gas leakage within the national gas distribution network

The operational management of the national gas distribution network is outside the control of the Group, and in common with all other licensed domestic gas suppliers the Group is responsible for meeting its pro-rata share of the total leakage cost. There is a risk that the level of leakage in future could be higher than historically experienced, and above the level currently expected.

Underwriting risk

Whilst operating our own in-house insurer will require taking on some underwriting risk, we will largely mitigate these risks through: (i) migrating highly predictable existing lines of business, for which we have several years of trading history, and have already achieved sufficient scale to maintain low volatility and predictable returns; (ii) targeting conservative returns on capital through a risk-averse investment strategy; (iii) where appropriate, using conservative levels of reinsurance, including protection for catastrophe risks such as storm, flood and freeze; (iv) using real-time and proprietary data, such that we are aware of all risks incepted in real time, and are able to price risks accurately, and manage overall portfolio exposure; and (v) maintaining and growing our existing home insurance panel, such that our in-house insurer can selectively target risk profiles that are suitable for our balance sheet (e.g. houses with lower rebuild cost and not adversely exposed to catastrophe (CAT) perils).

Acquisition risk

The Group may invest in other businesses, taking a minority, majority or 100% equity shareholding, or through a joint venture partnership. Such investments may not deliver the anticipated returns, and may require additional funding in future. This risk is mitigated through conducting appropriate pre-acquisition due diligence where relevant.

Climate change risk

Climate change has the potential to significantly impact the future of our planet. Everyone has a role to play in reducing the effects of harmful greenhouse gas emissions in our atmosphere and ensuring that we meet a 1.5°C target in line with the Paris Agreement. No business is immune from the risks associated with climate change as it acts as a driver of other risks and impacts government decision-making, consumer demand and supply chains. Development of climate-related policy and regulatory change as well as shifts in consumer sentiment could impact on the Group's ability to achieve its financial goals and result in increased compliance costs or reputational damage.

In recognition of this, climate change risk is integrated into the Group's risk management framework. Climate change is designated as a standalone principal risk for the business and the Legal & Compliance Director is assigned as the owner for managing this risk. It is designated as a controlled risk due to the Group's agile reseller business model which means the business is strategically resilient as it is able to respond quickly to climate change developments and is insulated from more severe physical risks. The risk is further mitigated through the Group's approach to understanding and monitoring the developments and the impacts from climate change. The ESG Strategy Committee, consisting of co-CEOs, CFO, Company Secretary, Executive Leadership Team and senior management is updated by the ESG Working Group on climate issues. Climate issues are then assessed and used to inform the Group's strategy as needed. To

bolster our understanding of climate change in FY23 we created a new Head of Sustainability role and continued to use external specialists as needed.

The Group is committed to achieving net zero greenhouse gas emissions. In line with our commitment to develop a detailed net zero transition plan and carbon target plan in FY23 we evaluated our emissions and target against recognised standards including Science Based Targets initiative ("SBTi") Corporate Net Zero Standard, the gold standard framework for emissions target-setting. We modelled our emissions trajectory and used credible assumptions on external factors that, as a reseller, will strongly influence the Group's decarbonisation ability including our key suppliers' decarbonisation plans and the UK government's published projections about the decarbonisation trajectory of the UK energy grid. We have adjusted our target to be Net Zero on or before 2050, across scopes 1,2 and 3 to allow us to implement a credible science-based plan by aligning with the UK government and our key suppliers. We will use an FY22 emissions baseline, and we will set an interim target to reduce emissions by 63% across Scopes 1, 2, and 3 by 2035. The Group will have its targets validated by the SBTi, the leading body on emissions target setting. Once targets are validated to SBTi we will begin tracking and disclosing progress against them.

The Group is committed to continuing to implement the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"). The disclosures can be found on pages 44 to 50.

People and Organisation

Our people are the driving force behind our business – which is why our number one business priority in FY23 was to enhance our great culture and environment for our people to grow. We believe that a great employee experience leads to a first-class customer experience – so by ensuring our people strategy is an integral part of our business plan, we’re able to create a workplace that empowers people to deliver exceptional results. Ultimately, we strive to create a workplace that attracts, grows and retains great people.

Attract great people

We experienced significant growth in our employee base over FY23, bringing on board 823 additional roles over the course of the year, to a total of 2,352 employees. Hiring significantly increased across all our customer-facing teams as well as within our growth functions (Commercial, Marketing, Partner and Product in particular).

‘The Great Resignation’ saw a record high in the number of vacancies available across the UK. In addition, location barriers were removed due to remote working – meaning attracting talent became more competitive but our approach to smarter working also allowed us the opportunity to tap into a larger talent pool. Building our Employer Brand presence on social media channels was critical, with a specific focus on Glassdoor and LinkedIn – two key channels for engaging potential candidates.

Given the volume of hiring required for our customer-facing teams and the scarcity for skilled advisors, we introduced ‘Test Gorilla’, an online assessment tool into the recruitment process. This has allowed us to evolve our approach to hiring for behaviours, as well as to further reduce bias in the hiring process. This change has bolstered our approach in making hiring decisions based on candidate potential rather than just hiring for existing skills.

In addition, the Burnley hub launch required a new approach to attract candidates in the local area. We built partnerships locally to source talent from other call centre environments to successfully develop our presence as an employer in the area.

Lastly, we launched a new recruitment system, ‘Smart Recruiters’, replacing the existing recruitment and onboarding system to provide a seamless experience for potential talent both internally and externally. This has allowed us to launch an internal careers portal, encouraging existing team members to explore career mobility within UW, as well as the opportunity to get rewarded for referring great people from their networks.

Recruitment headlines

- Onboarding 823 new roles.
- Offer to acceptance rate – 94%.
- 12% of roles filled by internal team members.
- 53% of new People Leaders recruited (across all functions of UW) filled by females.
- Smart Recruiter launched.
- New online assessment tool ‘Test Gorilla’ introduced.
- Embedded CANDAs into UW (a specialist recruitment team) to support hiring for high-scale growth in Data and Product teams – with a focus on hiring females in leadership roles.
- Hiring for new Burnley hub.
- Evolved our Employer Brand presence across social media platforms.
- Glassdoor rating increased from 3.6 to 4.0.

823

new roles
onboarded

12%

of roles filled by internal
team members

94%

offer to
acceptance rate

53%

of new people leader
recruits filled by females

66

We encourage talented people of different backgrounds, beliefs or any form of personal identity to be involved, respected and inspired to develop to their full potential.

Develop great people

As the business continues to grow at pace, we've evolved the way we invest in helping our team to learn and develop at UW. Our ambition is to create a learning offering, overall employee experience, and career development opportunities that make people want to work, grow and stay at UW.

Spark, our new approach to learning, champions a mindset of personal self-development and provides access to the tools and resources that help people learn their own way through accessible and bite-sized content, on a dedicated digital platform. Our ambition is that Spark is more than simply a platform or approach to learning: we want it to be an intrinsic part of our distinct UW culture that encourages our people to connect, learn and grow.

It has been designed to offer opportunities for all, and help improve the experience of everyone, regardless of where they are in their career journey - from new joiners and future leaders to our senior leadership team. This includes:

- Being clear about what inspirational leadership looks like with our newly defined leadership beliefs.
- Introducing a new leadership development programme - 'Leadership Fundamentals' for those with less experience or who are new to leadership.
- Our new coaching programme in partnership with Ezra (an external online coaching provider) to increase the availability of an external coach for more of our leaders.
- Offering a wider range of professional qualifications, such as apprenticeships.
- Providing dedicated learning and performance coaching to support all customer-facing roles.
- Providing a broader curriculum of skills learning for all employees.

Spark headlines

- On average, 69.2% of all employees accessed Spark content each month for FY23 (18% more than FY22).
- On average, 71.7% of People Leaders accessed Spark content each month for FY23 (8.5% more than FY22).

69.2% & 71.7%

69.2% of all employees and 71.7% of People Leaders accessed Spark content each month

Ultimately, Spark will help us future-proof the business by developing the skills needed for today and tomorrow whilst also changing the way we learn at UW.

Keep great people

Engaged and motivated employees are vital in delivering an outstanding customer experience, achieving operational excellence and delivering our ambitious medium-term target of welcoming an additional one million customers to UW. By fostering a culture that values and invests in our employees' experience, we create an environment for our people to thrive and build solid foundations for the future growth of the business.

Engagement

We recognise the importance of listening to our employees and continue to create opportunities for them to give feedback. In addition to our Purple Forum and D&I Forum, both of which have representatives from different functional areas, we also run regular listening sessions and quarterly engagement surveys.

Engagement survey headlines

We saw significant improvements in the eNPS scores, increasing from -3 at the start of FY23 to +39 by the end of the year. During the period the Company provided various cost of living support measures, including £800 of one-off payments and a company-wide CPI-linked 10.1% annual pay rise.

- All functions saw an increase in their scores across the board.
- Our response rate has increased from 63% to 79% - meaning our scores more accurately reflect the sentiment of the majority of our employees and reflects our overall engagement uplift.
- Employees continue to be positive about the people they work with and the support they get from their managers.
- They are also very positive about the continuing growth of the business. They appreciate the financial help they have received with the cost of living support and the annual salary increase.
- Employees appreciate our enhanced sick pay, effective July 2022 and our 'Becoming a Parent' policy which came into effect in December 2022.

+39

eNPS score increasing to +39 from -3



new enhanced sick pay and parent policy introduced

People and Organisation

continued

Smarter working

The world of work has changed. And at UW, we continue to evolve our approach to Smarter Working to provide the best employee experience possible. Guided by a belief that a healthy work-life balance helps people work productively and effectively, but recognising coming to the office serves a significant purpose (harnessing culture, collaboration and providing a space for mentorship and the facilities needed for certain types of roles), we've developed guiding principles to make sure our employees work at their best - whether this is from home, from one of our hubs or in a hybrid way.

We plan to evolve this further in FY24, ensuring all of our working locations and working arrangements clarify what we expect and what employees can expect in return from UW.

Cost of living support

Increased cost of living has impacted everyone nationwide. In addition to the steps we took to support customers, we implemented two cost of living boost payments; the first was a £400 payment to each employee (net pay) across six months and the second was a one-off £400 payment (net pay) in December to provide additional support over the Christmas period. For those team members facing extreme financial difficulties, we implemented a process for access to additional payments or grocery vouchers, and over the winter period we had 21 employees who were supported through this process.

We have committed to pay a minimum of the National Living Wage to all our employees. We used this as a base to review our starting salaries for our Call Centre Advisors, and implemented a structured approach from £21,000 - £23,000 p.a., allowing us to offer those with previous customer services or industry experience a salary to reflect this. Our offer to attract, develop and keep the right people within our Call Centres also includes a £500 increase to base salary once they have passed their six-month probation, and a guaranteed salary of £24,000 after 2 years' service (salaries adjusted in FY24 due to inflation-linked cost of living increases).

Diversity and inclusion

As a Company, we are fully committed to creating a diverse and inclusive workforce and culture. We ensure that full and fair consideration is given to opportunities for employment, training, career progression and promotion on the basis of each individual's ability, attitude and track record, irrespective of their gender, ethnic origin, nationality, age, religion, sexual orientation or disability. We also continue to take actions to create an environment where we highlight, educate, inform, support and celebrate uniqueness - creating an environment where everyone belongs and can bring their whole self to work, contribute their best work and develop to their full potential.

Importantly, we want to maintain an environment that reflects the diversity and characteristics of the customers and communities we operate in and which is free from any form of harassment, bullying and discrimination. Over the course of FY23, we've taken further steps to build a diverse and inclusive environment, including:

- Making significant improvements to our 'Becoming a Parent' policy, including increasing our enhanced maternity and adoption pay to 26 weeks after 12 months of service. This is a major step in ensuring that we create a diverse workplace that supports employees who want to start a family.
- Rolling out 'making inclusive decisions' learning for People Leaders.
- A new 'inclusion and diversity' community space on our intranet for people to have conversations, share experiences and learnings and recognise events and celebrations important to them.
- Introducing a menopause support group, allowing people to share experiences, helpful information and resources. As part of World Menopause Day in October, UW was invited to contribute to an ITN documentary featuring companies who shared their work to support people going through menopause. We hope to build on the success of this group in FY24 to create additional belonging groups around different topics, representatives of which will form our Inclusion Council.

Our gender pay gap widened slightly, with the median pay gap increasing from 8.43% to 9%. Our Gender Pay Gap Report outlines our long-term approach to narrowing the gap. We are confident that the steps we are taking, combined with our new ways of working, career development plans and our intention to appoint more executive female leaders over the coming years will result in narrowing our gender pay gap. The table below sets out a breakdown of the gender diversity at various levels within the Group:

	FY23		FY22	
	Male	Female	Male	Female
Executive Leadership Team	9	2	6	-
Business Leadership Group	22	5	22	5
Employees	1,241	1,068	818	668

In accordance with the FCA's new requirements on Board diversity targets and publication of numerical data on the ethnic background and the gender identity or sex of the individuals on the board and executive management, we have included the relevant statement and data tables required by LR 9.8.6 on page 58 of the Corporate Governance Statement.

Employee benefits

Since launching our new benefits portal at the beginning of the financial year, making it easier for our employees to understand and access a range of benefits available to them, we've enhanced our overall benefits offering. One of the key highlights was the procurement of additional health-related benefits, including health assessments, critical illness cover and access to our existing health and life assurance benefits for spouses/partners. 29% of UW employees selected one or more of our benefits and we will continue to add to these benefits and promote them across the coming year.



We are currently reviewing our overall reward offering to ensure it suits evolving employee needs. It is our aim to allow our people the ability to optimise and flex their total reward package in line with their personal needs and circumstances - recognising one size does not fit all.

Codifying our culture

Looking forward to FY24, our key objective is to evolve our distinct company culture to attract, develop and keep great people. Over the coming year we will be focusing on three key objectives; firstly, we will be defining, developing and embedding our UW culture, aligning all employee lifecycle moments that matter within that unique culture. Secondly, we will be investing in our People Leader capability as it is our firm belief that getting our culture 'right' will be led and multiplied by our managers. Lastly, we are working on improving the experiences of our Customer Service Advisors - creating an environment where our customer champions feel engaged and able to deliver exceptional customer experiences year after year.



Sustainability Report

ESG approach and strategy

We remain committed to fulfilling our environmental, social and governance (ESG) responsibilities and objectives which are integral to the way the Group operates. We do this by being a responsible and resilient company that delivers returns to investors over the long term, minimises negative impact on the environment and has a positive impact on the people we interact with.

The Board has ultimate responsibility for our ESG strategy and tracks our progress towards our objectives. Our Co-CEO, Andrew Lindsay, has responsibility for overseeing our ESG strategy. Our Legal and Compliance Director has operational responsibility for ESG, including managing and delivering on our ESG strategy and is supported by our Head of Sustainability. The company also has an ESG

Strategy Committee comprising the Legal and Compliance Director (Chair), Co-CEOs, CFO, Executive Leadership Team, the Company Secretary and Head of Sustainability. This group meets quarterly to discuss our ESG strategy, goals, initiatives and progress thus ensuring a robust governance framework and tracking of progress against targets.

Our ESG strategy for the coming year is underpinned by the results of our double materiality assessment, which we undertook towards the end of FY23. We engaged with key stakeholders, namely our customers, Partners, employees, suppliers, investors and Board to better understand the issues which are important to them and that are relevant to our business. This has provided us with a clearer understanding of what to prioritise, and helped us further evolve our ESG strategy to focus on four key pillars:

Environment



Customers



Employees and Partners



Responsible business



A detailed summary of our double materiality assessment, and our overall approach, can be found in our ESG Report, available at telecomplus.co.uk.

Environment

We are committed to working towards a more sustainable, low-carbon future. Climate change is a challenge we all must face and we want to play our part in the UK's path to net zero. Our commitment to the environment underpins our Environmental Policy and is also captured within our Supplier Code of Conduct.

In our FY21 Annual Report, we set out an ambition to reach net zero¹ by 2040. Over the last year, in line with our commitment to develop a detailed net zero transition plan by the end of FY23, we engaged external climate

experts from one of the Big 4 consulting firms to review in detail best practice on net zero targets and conduct detailed modelling of the Group's emissions trajectory in order to support us in developing a credible and sustainable transition plan to net zero. This modelling included assumptions on external factors that, as a reseller, will strongly influence our decarbonisation ability, namely our key suppliers' decarbonisation plans and the UK government's published projections on the decarbonisation trajectory of the UK energy grid. Based on this analysis we have restated our long term net zero target and have committed to the following:

¹"Net Zero" as used herein means the Science-Based Targets Initiative ("SBTi") net zero definition, from the SBTi Net Zero Standard (<https://sciencebasedtargets.org/resources/files/Net-Zero-Standard.pdf>) pursuant to which we are committed to (a) reducing our scope 1, 2 and 3 greenhouse gas (GHG) emissions to zero or a residual level consistent with a 1.5°C pathway and (b) will neutralise the impact of any residual emissions by permanently removing an equivalent volume of GHG emissions.

- achieving a target of net zero emissions on or before 2050, across Scopes 1, 2 and 3, in line with a 1.5C world;
- using an FY22 emissions baseline, we will set an interim target to reduce emissions by 63% across Scopes 1, 2, and 3 by 2035; and
- obtaining validation of our targets by the Science Based Targets Initiative (SBTi), the gold standard voluntary body on emissions target setting.

Our climate-related financial disclosures can be found on pages 44 to 50 and our GHG emissions disclosures on page 40 of this report. Further detail on our net zero transition plan is included in our ESG Report.

We are pleased to report on the progress against our FY23 environmental commitments:

FY23 commitment	Progress during FY23
Become a net zero business by 2040	⊖ Target restated to 2050, reflecting our reliance on electricity grid decarbonisation plans, and those of our suppliers
Develop a detailed net zero transition plan and carbon target plans by the end of FY23	⊕ We updated our net zero target, and have developed initial transition plan
Continue to offer our multiservice customers our green (REGO-backed) tariff	⊕ Achieved - we have continued to offer our multiservice customers our green REGO-backed energy tariff with volumes increasing to 435,232 MWh. In FY23 we only purchased deep green REGOs (from solar, wind and hydro-electricity)
Install smart meters in 68% of our customers' homes by the end of FY23	⊗ Not achieved - we installed a further 72,358 smart meters during the year resulting in 65% smart meter penetration of our customers' homes by the end of FY23
Where it is not possible to reduce our Scope 1 and 2 emissions we will continue to use appropriate, Verified Carbon Standard (VCS) accredited, offsetting projects	⊕ Achieved - this year we have offset our Scopes 1, 2 and the GHG emissions associated with business travel by purchasing offsets from Koko Networks (certified to Gold Standard, equivalent to VCS)
Work closely with our key suppliers, including E.ON - our wholesale energy supplier - to minimise our Scope 3 emissions wherever possible	⊖ We engaged with our wholesale broadband provider, TalkTalk, on net zero targets
Provide our Partners with low carbon incentives	⊕ Achieved - We offer our Partners 'eco breaks' as part of our holiday incentives, as well as the opportunity to purchase electric cars and bikes as part of our Partner rewards. During FY23, Partners ordered 37 electric vehicles
Roll out a new Smart Export Guarantee tariff (for multiservice customers) that offers a much more competitive rate for self-generating households	⊕ Achieved - our new 5.6p per kWh SEG tariff was rolled out in May 2022
UW Foundation to continue to coordinate and fund the planting of additional native broadleaf woodlands at Bryn Arw with Stump up For Trees	⊕ Achieved - a further 40,013 trees were planted in the Brecon Beacons with Stump up for Trees



Sustainability Report

continued

Looking ahead to our FY24 ESG strategy, our environmental pillar will focus on continuing our journey to net zero through delivery against the following objectives and key results:

Objectives	Key results
01 To achieve net zero emissions by 2050, across scopes 1, 2 and 3	Develop a net zero transition plan that is Transition Plan Taskforce-aligned by the end of FY25, including setting an interim target to reduce emission by 63% across Scopes 1, 2, and 3 by 2035
02 Continue to develop our green product offering	Refresh our green product offering by the end of FY25
03 Procure renewable electricity for UW operated buildings	Move to renewable electricity at our Selkirk Hub by FY25

Further detail on our progress over the last year, as well as the environmental aspects of our FY24 ESG strategy are set out in our ESG Report.



Customers

We help our customers to get on with more important things in their lives than managing their bills by delivering consistently fair value and great service.

Continuing to support our vulnerable customers, particularly in the context of the rising cost of living, remains a key priority within our ESG agenda. Over the last year, we have extended the support available to vulnerable customers through scaling our partnership with Citizens Advice Bureau (CAB) Plymouth. Our team of advisors at CAB Plymouth provide dedicated support to UW customers in financial difficulty with guidance

on budgeting and increasing household income, and extending financial support in certain cases.

We also support our customers who are looking for ways to reduce their own carbon emissions and save money in doing so by offering energy efficiency advice through a dedicated webpage (65,958 visits during calendar year 2022 up from 8,500 during calendar year 2021), as well as via a dedicated energy efficiency telephone line (provided by our partner Scarf).

We are pleased to report on the progress against our FY23 customer commitments:

FY23 commitment	Progress during FY23
Continue to support our financially vulnerable customers	<p>✔ Achieved - we continued to support vulnerable customers through scaling our internal Payment Solutions team and increased vulnerability training for Customer Service Advisors</p>
Extending the scope of our Citizens Advice Plymouth initiative by significantly increasing resource and committing more funding to the scheme	<p>✔ Achieved - we significantly scaled our CAB Plymouth team which now has 29 advisors and also committed more funding to the scheme</p>
Simplifying the process of identifying and tracking vulnerable customers, for example, by providing Customer Service Advisors with a template to help them capture vulnerable customer data, as well as giving customers a new self-service option to make it easier for them to self-certify as vulnerable	<p>✔ Achieved - we have simplified processes and also provided training for Customer Service Advisors in identifying and supporting vulnerable customers</p>
Protecting our customers' safety both online and offline, through the delivery of safe products and services and protecting our customers' data and privacy	<p>✔ Achieved - we continue to offer online parental controls through our eero routers. We continued to monitor and enhance our data privacy and security processes</p>



Sustainability Report

continued

Looking ahead to our FY24 ESG strategy, our customer pillar will focus on continuing to look after our customers through delivery against the following objectives and key results:

Objectives	Key results
04 Help our customers to use energy more efficiently	Exceed our Ofgem specified target for smart meter installation during calendar year 2023 Develop and promote energy efficiency advice initiatives by end of FY24
05 Protect our customers' data, privacy and online safety	Achieve ISO27001 certification for our energy operations by end of FY25
06 Enhance support for vulnerable customers	Supporting the deployment of a UW-funded £5m Hardship Fund over FY24-FY26 by Citizens Advice

Further detail on our progress over the last year, as well as the customer-focussed aspects of our FY24 ESG strategy are set out in our ESG Report.

Supporting our employees and Partners






Our employees and Partners are the driving force behind the business. Inspiring, developing and supporting our employees and Partners is a fundamental part of our Company culture. Moreover, with the steeply rising cost of living, we are proud of both the employment opportunities we offer, with our new hubs in Burnley and most recently in Selkirk being great examples of how we are supporting local communities - but also the ability for hard-working people from all walks of life to be able to earn an additional income through our Partner opportunity.

Building a great culture and environment for our people to grow was our key business priority in FY23. Our employees are integral to our business and we strive to create a workplace that attracts, grows and retains great people. We are committed to the health, safety and wellbeing of

our people, this is outlined and promoted through our Health, Safety & Wellbeing Statement and our Health and Safety Policy. The People section of this report provides further detail on the Group's employee agenda including diversity and inclusion.

Our community of self-employed Partners has been instrumental to our growth this year. 28,557 new Partners joined in FY23, seeking the opportunity to earn an additional income through UW by helping family and friends to save money on their household bills. We support our Partners through access to free training, support and tools to help them build their UW business, including training on selling our regulated services as well as on data privacy. As we continue to grow our Partner community, we will look to better understand the social impact of the UW Partner model through quantitative research - which we will commence over the coming months.

We are pleased to report on the progress against our FY23 employee and Partner commitments:

FY23 commitment	Progress during FY23
We will increase our Employee Net Promoter Score (eNPS) from -3 to +10 by the end of FY23	 Exceeded - We achieved an eNPS of +39 in Feb 23
Achieve a Glassdoor rating of over 4 and a 'recommended to a friend' measure of 80% by the end of FY23	 Achieved - On 31 March 2023, our rating was 4 and we had a 'recommend to a friend' rating of 80%
At least 40% of all management roles will be held by female employees by the end of FY25	 Exceeded - 46% of people leader roles were held by women at the end of FY23
At least 30% of all management roles will be held by ethnically diverse employees by the end of FY25	 On track - 31% of people leader roles were held by ethnically diverse employees at end of FY23, based on 72% data coverage
Our aim is for many more families across the UK to benefit from a reliable UW Partner income in order to supplement their household incomes	 Achieved - UW Partner numbers increased to 59,842 in FY23

Looking ahead to our FY24 ESG strategy, our employee and partner pillar will focus on supporting our employees and partners through delivery against the following objectives and key results:

Objectives	Key results
<p>07 Evolve our distinct UW culture to attract, develop & keep great people</p>	<p>Maintain an Employee Net Promoter Score (eNPS) of +25 by the end of FY24</p>
<p>08 Continue to build diverse employee communities, where all UW employees feel a strong sense of belonging, allowing them to thrive and grow</p>	<p>At least 40% of all management roles will be held by female employees and 30% by ethnically diverse employees at the end of FY25</p> <p>Undertake a Diversity & Inclusion audit by end of FY24</p> <p>Launch UW belonging networks, open to all employees by end of FY24</p>
<p>09 Increase the Company's socio-economic impact by promoting the Partner opportunity as a second income to a wider audience</p>	<p>Quantify the social impact of the UW Partner opportunity by the end of FY24</p>

Further detail on our progress over the last year, as well as the employee and Partner aspects of our FY24 ESG strategy are set out in our ESG Report.

Sustainability Report

continued

Responsible business

Conducting business in a fair, accountable and sustainable manner is critical to the continued success of the Company. Our systems and processes are built and developed to ensure the highest standards of compliance, data security and business continuity.

We are committed to respecting human rights across our business and our supply chain. Our Human Rights Policy covers human rights, modern slavery and forced labour and provides the basis for embedding responsibility for respecting human rights throughout the Group. Our Board reviews and approves our annual modern slavery statement which is available on our website.






We have a zero tolerance approach to bribery and corruption which is embedded through our Anti-Bribery

and Corruption Policy and training. Our policy describes our values and approach to counter bribery and corruption.

Our Supply Chain Policy and Supplier Code of Conduct set out the standards we expect our suppliers to adhere to, including respecting Human Rights and a zero tolerance approach to bribery and corruption.

We have a Whistleblowing Policy to encourage staff to report suspected wrongdoing including human rights violations and bribery and corruption matters and an independent whistleblowing hotline provided by SafeCall. In FY23 we published a staff wide communication that reinforces this policy.

We are pleased to report on the progress against our FY23 responsible business commitments:

FY23 commitment	Progress during FY23
Ensuring reliability of supply, service and product delivery through periods of uncertainty	 Achieved - our service and product delivery is underpinned by a sustainable business model and robust wholesale supply arrangements with well-capitalised suppliers. We have continued to strengthen our Legal & Compliance team in response to the energy crisis and wider changes in regulation and policy. We proactively share our views with regulators and at industry forums with a focus on long-term stability
Continuing to ensure that all new suppliers and existing suppliers, at contract renewal, sign up to our Supplier Code of Conduct	 Achieved - suppliers are required to sign up to our Supplier Code of Conduct. Our code sets out the standards we expect from our suppliers including respecting human rights and the environment, and a zero tolerance approach to bribery and corruption
Further develop our ESG governance structure throughout the Group, to help us and our Board assess and manage ESG risks including supply chain and climate risks	 Achieved - in FY23 we regularised our ESG Strategy Committee meetings with meetings taking place every quarter. We bolstered our knowledge and expertise by creating a new Head of Sustainability role
Enhancing Board independence and effectiveness through changes to the composition of the Board	 Achieved - in July 2022, Charles Wigoder became Non-Executive Chairman, Melvin Lawson and Julian Schild retired from the Board and Carla Stent joined the Board as an independent Non-Executive Director. Carla is the Chair of the Audit & Risk Committee.
Having at least 33% female representation on the Board by the end of FY23	 Achieved - following the appointment of Carla Stent in July 2022, the female representation on the Board is now 37.5%

Looking ahead to our FY24 ESG strategy, our responsible business pillar will focus on doing business responsibly through delivery against the following objectives and key results:

Objectives	Key results
<p>10 Maintain reliability of supply, service and product delivery</p>	<p>Communicate an updated and centralised Critical Incident Response procedure to all employees by end of FY24</p>
<p>11 Ensure robust and responsible supply chain management</p>	<p>Undertake an internal review of UW supply chain (with particular focus on human rights, modern slavery and anti-bribery and corruption) by end of FY24</p>
<p>12 Ensure robust governance and transparency of the Partner model</p>	<p>Increase transparency of the mechanics and benefits of the Partner model by end FY24</p>

Further detail on our progress over the last year, as well as the governance-related aspects of our FY24 ESG strategy are set out in our ESG Report.

UW Foundation and tree-planting

Through our UW Foundation (UWF), we continue to contribute to charitable initiatives and encourage our employees and Partners to give back through volunteering and charity fundraising which can be matched by the UWF.

FY23 commitment	Progress during FY23
<p>We will continue to contribute 1% of our reported annual profits to the UW Foundation</p>	<p>✓ Achieved - in FY23 we committed 1% (£350,030) of our FY22 reported annual profits to the UW Foundation to support charitable causes and employee and Partner fundraising</p>
<p>Exploring charitable initiatives to help provide financial support for those in fuel poverty</p>	<p>✓ Achieved - in FY23 we donated £20,000 to the Fuel Bank Foundation to support those in fuel poverty</p>

We will continue to contribute 1% of our reported annual profits to the UW Foundation and our tree planting initiatives.

During FY23, we were delighted to significantly expand our tree-planting efforts with two new collaborations. The first of these was with the National Trust with an investment in two tree-planting projects, one for the planting of 16,800 trees in January 2023 in Woolacombe,

North Devon and one for a large tree-planting project on the Sugar Loaf in the Brecon Beacons in Wales for the planting of at least 220,000 trees during FY24/FY25. The second collaboration was for the planting of 83,000 trees on Gruinard Island on the west coast of Scotland during FY24.

Further details on our tree-planting initiatives can be found in our ESG Report.

Sustainability Report

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Carbon reporting - Greenhouse gas (“GHG”) emissions statement

In the table below, we provide an overview of our Scope 1, 2 and 3 GHG emissions. We report in line with the Greenhouse Gas Protocol and ISO 14064 Part 1 2018. We will continue to develop our carbon accounting and approach to measurement more generally as we seek to track our climate-related risks and opportunities more closely.

	FY23 1 April 2022 to 31 March 2023		FY22 1 April 2021 to 31 March 2022	
	UK and offshore	Global (excluding UK and offshore)	UK and offshore	Global (excluding UK and offshore)
Emissions from activities for which the company own or control including combustion of fuel & operation of facilities tCO ₂ e (Scope 1)	84.34	N/A	1,757.19	N/A
Emissions from purchase of electricity, heat, steam and cooling purchased for own use tCO ₂ e (Scope 2, location-based methodology)	746.43	N/A	1,085.30	N/A
Emissions from purchase of electricity, heat, steam and cooling purchased for own use tCO ₂ e (Scope 2, market-based methodology)	29.92	N/A	1,085.30	N/A
Total gross Scope 1 & Scope 2 emissions tCO ₂ e (all Scope 2, (market-based methodology)	114.27		2,842.49	
Energy consumption used to calculate above emissions (kWh)	4,254,146.65	N/A	11,489,878.48	N/A
Gas (kWh)	268,515.88	N/A	275,431.50	N/A
Electricity (kWh)	3,859,933.09	N/A	5,112,892.77	N/A
Transport fuels (kWh)	125,697.68	N/A	6,101,554.21	N/A
Other energy sources (Scope 1 & 2) kWh	N/A	N/A	N/A	N/A
Transport fuels (Scope 3) kWh	N/A	N/A	N/A	N/A
Total gross Scope 1 & Scope 2 emissions by unit turnover/revenue (tCO ₂ e/£M) (market-based methodology)	0.046		2.94	
Methodology	GHG Protocol & ISO14064 Part 1 2018 and Carbon Reduce		GHG Protocol & ISO14064 Part 1 2018 and Carbon Reduce	
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing of the fuel tCO ₂ e (Scope 3)	N/A		N/A	
Emissions from other activities tCO ₂ e (Scope 3)	2,297,222.12		2,199,053.72	
Total gross Scope 3 emissions tCO ₂ e	2,297,222.12		2,199,053.72	
Total gross Scope 1, Scope 2 & Scope 3 emissions tCO ₂ e (market-based methodology)	2,297,336.39		2,201,896.21	
Total gross GHG emissions per unit turnover/ revenue (tCO ₂ e/£M) (market-based methodology)	928.16		2,276.10	
Third Party verification	Verified to ISO14064 Part 1 2018 and Carbon Reduce		Verified to ISO14064 Part 1 2018 and Carbon Reduce	

This statement has been prepared and verified (to limited assurance) in accordance with the requirements of the measure-step of the Toitū carbon marks, which is based on the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) and ISO 14064 part 1 2018 Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals. It meets the requirements of the Streamlined Energy & Carbon Report framework.

Our GHG reporting year is the same as our financial year. We use the operational control methodology.

Our reporting covers: our UK-based Scope 1 (direct emissions from our own operation); Scope 2 (indirect emissions from the generation of purchased energy) which is calculated following location and market based methodology; and Scope 3 emission sources, covering the following GHG protocol categories purchased goods and services, fuel and energy related activities, waste generated in operations, leased assets, use of sold products and business travel.

We use the Location-based method for Scope 2 emissions accounting – as defined in the Scope 2 Guidance amendment to the Corporate Standard (ghgprotocol.org) and the Market-based method for Scope 2 emissions accounting – as defined in the Scope 2 Guidance amendment to the Corporate Standard (ghgprotocol.org).

We restate historical years' data when we think subsequent information is materially significant (e.g. replacing estimates with measured figures). This year we were able to increase the scope and accuracy of our reporting, including: inclusion of diesel generators in Scope 1 (FY22 restated); greater coverage of purchased goods and services (FY22 restated); and improved

accuracy of emissions factors associated with the energy we sell (FY22 restated). The data reflects the sale of UWHS and the remainder of UW's van fleet. The sale of UW's 75% shareholding in Glow Green Limited was completed on 31 July 2022 so emissions associated with the business up to completion have been accounted for.

Carbon and energy efficiency initiatives

This year we have continued to find ways to increase the efficiency of our direct energy use and reduce carbon emissions associated with our direct operations. We have continued to refine how we use our office spaces in line with our flexible working model. This year at our main Colindale head office we have consolidated the number of floors that are in use down to four, which has allowed energy consumption of floors not in use to be reduced to a minimum, this has resulted in a 22% reduction in electricity use between FY22 and FY23.

Section 172(1) statement

Background

The Companies Act 2006 (the "Companies Act") sets out a number of general duties which directors owe to the Company. New legislation has been introduced to help shareholders better understand how directors have discharged their duty to promote the success of the Company, while having regard to the matters set out in section 172(1)(a) to (f) of the Companies Act. In the current financial year, the directors continued to exercise all their duties, while having regard to these and other factors as they managed and governed the Company on behalf of its shareholders.

Sustainability Report

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Engaging with key stakeholders

The success of the Company is dependent on building positive relationships with all of our key stakeholders to deliver long-term sustainable success.

The table below sets out details of engagement with key stakeholders.

Stakeholder	Details
Shareholders	<p>As owners of the Company we rely on the support of shareholders and their views are important to the Board.</p> <p>The executive directors have an open dialogue with our shareholders through one-to-one meetings, group presentations with analysts, and at the Annual General Meeting. Discussions with shareholders cover a wide range of topics including financial performance, strategy and outlook. The non-executive directors engage with institutional shareholders on matters of governance and remuneration.</p> <p>Shareholder feedback, along with details of significant movements in the shareholder base are regularly reported to and discussed by the Board and, where appropriate, their views are sought as part of certain decision-making processes, e.g. shareholders were consulted during the period in relation to the new remuneration arrangements set out in the Directors' Remuneration Report and amendments were made where appropriate.</p>
Partners	<p>The Company relies on the Partners within its independent distribution network for gathering new customers.</p> <p>Communication with our Partners is a key focus for the business and is conducted through various meetings, forums and large-scale conferences.</p> <p>Where appropriate, Partner feedback is sought when significant changes are being considered to the operation of the distribution network.</p>
People	<p>Employees are key to the Company delivering award-winning services to customers.</p> <p>There are many ways we engage with and listen to our employees including weekly email updates, employee surveys, forums, face-to-face briefings, and an internal company magazine.</p> <p>Key areas of focus include company development and strategy, health and well-being, development opportunities, pay and benefits. Regular reports about what is important to our employees are made to the Co-CEOs ensuring consideration is given to employee needs, e.g. during the period, consultation with employees lead to changes to sick pay policy, parental leave and cost of living support as set out in the People section of this report.</p>
Customers	<p>We build long-lasting relationships with our customers as evidenced by our low levels of churn.</p> <p>We devote considerable resources to understanding customer requirements and soliciting feedback from them on ways to improve our offer and services. We use this knowledge to inform our strategy of helping customers to "get on with their lives" by offering savings, simplicity and service across all the household services we are providing to them.</p>
Suppliers	<p>As a reseller we are required to work closely with our key suppliers to ensure that we are delivering the best possible combination of value and service to our customers; our success in achieving this is demonstrated by the numerous endorsements and consistent recommendations we receive from Which?</p> <p>The interests of our suppliers are strongly aligned to our own as the number of customers we are able to attract has a direct impact on their own financial performance and market share. This generates close and supportive relationships with our key suppliers which are fostered through regular interaction at a senior management level.</p>

Community	<p>We are committed to building positive relationships within the communities where we operate.</p> <p>We are a significant employer in the local communities around our offices and support a number of charitable activities. We have recently set up the UW Foundation to further these endeavours.</p> <p>Our Partner business opportunity allows a range of people from communities across the UK to advance their lives, driving our strategy to help Partners to “get on in life”.</p>
Regulators	<p>We operate in highly regulated markets and understand the importance of maintaining a constructive working relationship with Ofgem, Ofcom, the FCA and the GFSC who between them are responsible for the regulation of the diverse range of services we offer.</p> <p>We engage with officials from these regulators as necessary to make them aware of the Company’s views when they are consulting on proposed regulatory changes, or if there are competition issues that need to be raised with them.</p>

Further s172 factors

Further information as to how the Board has had regard to the s172 factors:

Section 172 factor	Key examples	Page
The likely consequences of any decisions in the long term	Sustainability Report	32
The interests of the Company’s employees	People & Organisation Report	28
Fostering business relationships with suppliers, customers and others	Co-Chief Executives’ Review	7
The impact of the Company’s operations on the community and the environment	Sustainability Report	32
Maintaining a reputation for high standards of business conduct	Sustainability Report Corporate Governance Statement	32 54
The need to act fairly between members of the Company	Corporate Governance Statement Directors’ Report	54 88



Task Force on Climate-Related Financial Disclosures Report












Introduction

We recognise that climate change is the single biggest environmental threat to the future of our planet and that companies have an important role to play in reducing the effects of harmful GHG emissions in our atmosphere and ensuring that we meet a 1.5°C target in line with the Paris Agreement. As a multiservice provider of home services, we too must play our part and that is why we are committed to implementing the recommendations of the

Task Force on Climate-related Financial Disclosures (TCFD). We acknowledge the importance of TCFD in helping us to manage the impact of climate change on our operations, as well as advance towards our net zero target.

Telecom Plus plc has complied with all of the requirements of LR 9.8.6R by including climate-related financial disclosures in this section (together with the information cross-referenced within this section) and is consistent with the 11 TCFD recommendations.

Compliance summary table

	Paragraph	Consistent Y/N
Governance	Paragraph 1	
(a) Describe the board's oversight of climate-related risks and opportunities	Table 1 and Paragraph 1.1 to 1.3	
(b) Describe management's role in assessing and managing climate-related risks and opportunities	Paragraph 1.3 and 1.4	
Strategy	Paragraph 2	
(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term	Paragraph 2.1 to 2.6, table 2, table 3, and table 4	
(b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning	Paragraph 2.7 to 2.9, table 2 and table 3	
(c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Paragraph 2.8	
Risk management	Paragraph 3	
(a) Describe the organisation's processes for identifying and assessing climate-related risks	Paragraph 3.1 and 3.2	
(b) Describe the organisation's processes for managing climate-related risks	Paragraph 3.2 to 3.4	
(c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	Paragraph 3.1 and 3.3	
Metrics and targets	Paragraph 4	
(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Paragraph 4.1 and 4.3	
(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Paragraph 4.1.1	
(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Paragraph 4.2	

1. Governance

Table 1



- 1.1. The **Board** has ultimate responsibility for climate-related risks and opportunities. Our Co-CEO, Andrew Lindsay, has responsibility for overseeing our ESG strategy, including climate-related issues and attends the quarterly ESG Strategy Committee to ensure oversight at Board level. Further, to assist the Board in monitoring and overseeing progress against climate related goals and targets, the Legal & Compliance Director, as the chair of the ESG Strategy Committee and a member of the Executive Leadership Team, prepares Board updates on climate-related matters including climate targets and TCFD. During FY23 the Board received nine updates on climate issues including the development of our net zero¹ transition plan and targets, reduction in carbon emissions and quantitative risk analysis on the climate transition risk related to changing consumer sentiment.
- 1.2. The **Audit & Risk Committee** monitors climate-related risk management and internal controls as part of the Group’s risk management policies. The internal controls in respect of climate change are reviewed and updated annually by the Legal & Compliance Director and Head of Sustainability. The controls

were most recently updated in March 2023 and were reviewed and approved by the Audit & Risk Committee in April 2023. Once approved by the Audit & Risk Committee the key risks and internal controls are submitted to the Board for review and approval.

- 1.3. The **ESG Strategy Committee** supports the Board in its strategic and operational oversight of climate change. The Committee considers, monitors and has overall responsibility for the implementation of climate-related targets and initiatives as well as associated risks. To embed climate change strategy and risk management across the business the ESG Strategy Committee is composed of a cross section of stakeholders from Board to management level. The ESG Strategy Committee is chaired by the Legal & Compliance Director and is formed of the Co-CEOs, CFO, Company Secretary, Executive Leadership Team, Head of Sustainability and is attended by members of the Business Leadership Group and the ESG Working Group. This ensures collaboration and effective reporting between functions with responsibility for strategic oversight of climate-related matters and those tasked with

1. "Net zero" as used herein means the Science-Based Targets Initiative ("SBTi") net zero definition, from the SBTi net zero standard (<https://sciencebasedtargets.org/resources/files/Net-Zero-Standard.pdf>) pursuant to which we are committed to (a) reducing our scope 1, 2 and 3 greenhouse gas (GHG) emissions to zero or a residual level consistent with a 1.5°C pathway and (b) will neutralise the impact of any residual emissions by permanently removing an equivalent volume of GHG emissions.

Task Force on Climate-Related Financial Disclosures Report **continued**

managing the implementation of climate-related matters. The Committee meets and receives updates from the ESG Working Group on climate-related matters every quarter. Climate targets, initiatives, objectives, and actions are considered, debated, and assessed within the context of the Company's business plans, budgets and strategy in this cross-function open forum. Where necessary key Board members, Executive Leadership Team members and relevant management engage in more detailed discussions and planning on climate-related issues for example net zero transition planning, consumer demand for green products, and legislative changes and reporting requirements.

- 1.4. The **ESG Working Group** is the management level group that manages the day-to-day climate-related risks and issues on behalf of the ESG Strategy Committee. The ESG Working Group meets every six weeks to monitor progress on actions and reports back to the ESG Strategy Committee on a quarterly basis. The Working Group is led by our Head of Sustainability who, along with our Legal & Compliance Director, manages the Company's climate-related issues with assistance from specialist external consultants, as required.

2. Strategy

- 2.1. As a reseller of utility services (energy, broadband, mobile and insurance), we do not own or operate any energy generation assets or telecommunications networks / infrastructure, nor did we underwrite any insurance policies in FY23. Instead, we bundle services that we procure from wholesale providers together and resell them, predominantly to consumers, via our technology platform. As a reseller, our risks and opportunities are different to those faced by other companies in the same industry sectors who own and operate assets or infrastructure, or who underwrite insurance. We have identified the actual and potential impact of climate change risks and opportunities on the business in the context of this unique business model, rather than the risks and opportunities present in the sectors in which we operate more generally.
- 2.2. In FY22 we engaged external climate experts to assist us with conducting qualitative climate scenario analysis to identify the actual and potential impacts of climate-related risks and opportunities on our business and to understand the associated

effects, our resilience and mitigation measures. We considered physical and transitional risks and opportunities which may arise in the short (<2027), medium (2027-2032) and long term (>2032). We are satisfied these timeframes are appropriate and relevant for the business as: the short term covers our viability assessment period and, along with the medium term, aligns with the timeframe in which we might expect some transition risks to arise, while the long term reflects the realistic period in which we might expect physical climate related risks to manifest. These timeframes are consistent with the qualitative scenario analysis we have performed. Furthermore, these timeframes align with those used by our key suppliers which, as resellers of their services, we are linked to. We used two plausible scenarios, one of a world which warms by 1.5°C and one which warms by 4°C compared to pre-industrial levels. Each of these scenarios was rooted in the commonly used Shared Socio-economic Pathway and Representative Concentration Pathway, in line with leading practice and in common with the methodology used by the Intergovernmental Panel on Climate Change.

- 2.3. The 4°C scenario focuses on systematic failure to address climate change. It assumes limited policy or regulatory support for decarbonisation and focuses on several physical risks. The 1.5°C scenario focuses on a world which rises to the challenge of tackling climate change and limits global warming to below 1.5°C. This scenario focuses on transition risks associated with the rapid changes needed by 2030 to cut emissions in line with the Paris Agreement.

2.4 Scenario analysis result and mitigation

- 2.4.1. In the tables below we have set out the risks and opportunities we analysed in greater detail and ranked as high priority as part of a qualitative deep dive. Priority was determined by reference to business importance and stakeholder feedback. Whilst physical climate change risks are typically some of the most severe climate-related risks faced by owners and operators of assets and infrastructure in the utility sectors, because of our reseller model we are not directly impacted by physical risks to the same extent as other operators in the same sectors. As noted above, our risks and opportunities have been identified specifically in relation to our business model as a reseller, rather than across the energy, telecommunications and financial services sectors.

2.4.2 Risks

Table 2	Adverse impact of climate-related policy and regulatory change	Failure to respond to shifting consumer sentiment for green products and services	Failure to demonstrate credible transitional action on climate change
Description	The Company fails to adequately prepare for and adapt to the market-wide risk of climate-related policy and regulatory changes (e.g. carbon pricing / tax, and other regulatory measures such as those taken in response to energy price volatility)	The Company's reseller model means that it may be less able to adequately respond to the growing demand for green products and services, stemming from shifting consumer sentiment, investor pressure and regulatory changes, potentially resulting in the Company's offering becoming less competitive for the growing number of green-conscious customers	The Company transitions to a low carbon model more slowly than societal expectations and is unable to demonstrate credible action on climate change, including a comprehensive net zero roadmap
Risk priority	High	High	High
Risk type	Transition	Transition	Transition
Impacts	<p>Higher costs e.g. implementation of a carbon tax would result in additional costs incurred based on our GHG emissions</p> <p>As a multi-regulated provider there may be multiple changes across our range of products and services. For example, further reform is expected as the energy crisis recedes and Ofgem returns its focus to the transition to net zero</p> <p>Decrease in profitability because of increased costs and/or demand for products and services</p>	Decrease in revenue (driven by falling consumer demand, lower demand for multiservice bundling if one or more services become less attractive because of non-green credentials, as well as churn of existing customers due to their evolving expectations)	Decrease in revenue (driven by lower consumer demand), more difficult to attract and retain employees (driven by lower employee demand and higher attrition), and reduction in access to some forms of financial capital (lower investor demand / divestment)
Time period	Medium term	Short, medium and long term	Medium term
Management response	<p>Continue to perform horizon-scanning, compliance and regulatory monitoring and regularly engage with government and regulators to keep ahead of upcoming developments in the regulatory landscape and to understand the impact on our strategic resilience</p> <p>Continue to participate in consultations and industry forums</p> <p>Continue to engage with our current energy, telecommunications and financial services suppliers on climate-related issues and regulatory changes</p> <p>We have set a target to be net zero by 2050. Working to reduce our emissions will in turn reduce our exposure to carbon taxes/pricing</p>	<p>Conduct market research and continue to engage with customers on a regular basis through ESG surveys in order to monitor any changes in consumer sentiment and expectation to inform future strategy</p> <p>Engage with our current energy, telecommunications and financial services suppliers on climate-related issues, and green products and services</p> <p>Embed climate considerations into decisions on strategic wholesale supply agreements</p> <p>Continue to encourage customer take-up of green services such as our green REGO-backed tariffs and our Smart Export Guarantee tariff (recently increased to a more competitive rate) through multiservice discounts and bundles</p> <p>Continue to research and monitor market developments on green products and services and our ability to respond to any shifts</p>	<p>Continue to engage key stakeholders on climate change to keep abreast of shifting sentiment and evolving expectations</p> <p>Continue to develop and implement our transition plan to be net zero by 2050 and have targets verified by the Science Based Targets Initiative. Our transition plan is set out on page 49 of this Report.</p>

Task Force on Climate-Related Financial Disclosures Report *continued*

2.4.3 Opportunities

Table 3	Build a credible low carbon service proposition	Diversification of financial assets
Description	The Company is able to support and harness the low carbon transition through product and service diversification and in doing so becomes a credible low-carbon multiservice provider	The Company is able to diversify its financial assets and take on new forms of financing linked to its sustainability performance, e.g. green bonds or sustainability performance linked loans
Opportunity priority	High	Medium
Opportunity type	Transition	Transition
Impacts	Increase in revenue and profitability (through higher customer demand, customer loyalty and lower churn), enhanced reputation, increased ability to attract and retain employees, higher investor demand	Increase in access to and diversification of financial capital
Time period	Short and medium term	Short term
Management response	<p>Conduct market research and continue to engage with customers on a regular basis through our ESG surveys to understand customer demand and importance of green utilities to them</p> <p>Consider how our services and products can be further adapted to cater to an increasingly green conscious consumer. Consider new channels for delivering energy efficiency advice and new sales routes for green products and services</p> <p>Demonstrate credible progress on climate change, including a comprehensive net zero roadmap</p> <p>Engage with our current energy, telecommunications and financial services suppliers on climate-related issues, and green products and services</p>	Consider viability and impact of new forms of financing such as green bonds and or sustainability-linked loans

2.5. This year, to further understand the potential impacts, we quantified the risk from failure to respond to shifting consumer sentiment for green products and services and the opportunity which arises from a shift in consumer sentiment for green products and services. Only this risk was quantified because there was no meaningful or appropriate way to quantify our other risks or opportunities. This analysis used three scenarios leveraging data from the Intergovernmental Panel on Climate Change (IPCC) over three time horizons (2030, 2040 and 2050) specific to this risk and includes a 2°C or lower scenario per the recommendations of the TCFD. The scenarios considered were:

1. Steady path to sustainability RCP1.9 / SSP1 - 1.5°C
2. Middle of the road RCP4.5 / SSP2 - 2.5°C
3. Fossil-fuelled global growth RCP8.5 / SSP5 - 4°C

The analysis to quantify the potential impacts of the risk and opportunity considers how future revenue growth may be impacted. The consumer sentiment shift agnostic base case used in the analysis assumed that the Company delivers on the Board's medium-term ambition to welcome an additional one million customers to UW. The analysis considers the respective potential risk and additional opportunity to achieve this growth from shifting consumer sentiment for green products and services.

2.6 Table 4

	Potential risk			Potential opportunity			% change to revenue	Key
	2030	2040	2050	2030	2040	2050		
Steady path to sustainability	Dark Purple	Dark Purple	Light Purple	Red	Red	Light Purple	-30 to -26	Dark Purple
Middle of the road	Light Purple	Light Purple	Light Purple	Red	Red	Light Purple	-25 to -21	Dark Purple
Fossil-fuelled growth	The consumer sentiment risk and opportunity are zero, in this scenario as there is not a "transition" in the economy and therefore no transition risks and opportunities are experienced.						0 to 4	Light Purple

- 2.7. The quantitative analysis indicates that under both a ‘Steady Path to Sustainability’ and ‘Middle of the Road’ scenario there is a risk in the short to medium term that, if we do not respond to a potential shift in consumer sentiment, fewer customers will sign up to the Company’s services due to their preference for low carbon products. Under both scenarios there are also opportunities to cater for consumers looking for green products and services. The risk and opportunity reduce in the long term as the energy grid decarbonises.
- 2.8. As a result of our flexible reseller model the Company’s strategy is inherently resilient to this risk as we can respond to shifts in customer sentiment quickly to keep pace with the market. Further to mitigate the current risk and cater to demand we offer a REGO-backed variable energy tariff. In addition, to help consumers reduce their own emissions, we are committed to increasing uptake of smart meters in our customer base and we offer energy efficiency advice on our website and via a dedicated energy efficiency telephone line which provides independent advice to consumers and businesses. As part of our transition plans, outlined below, we are looking to refresh our green product offering to ensure continued strategic resilience to this risk and further consider any opportunity.
- 2.9. This year we have developed our initial net zero transition plan, which is summarised here with further detail in our ESG Report found at telecomplus.co.uk. Further information is included in our ESG Report as our net zero target underpins our environment pillar within our wider ESG strategy. Scope 1 and 2 GHG emissions comprise, in aggregate, under 1% of the Company’s overall footprint. The majority of our Scope 3 emissions are associated with the energy we acquire through our wholesale agreement with E.ON and resell to our customers, with our energy services comprising 95% of our total footprint. We have committed to achieving net zero by 2050,

across Scopes 1, 2 and 3 from a FY22 emissions baseline, and we will set an interim target to reduce emissions by 63% across Scopes 1, 2, and 3 by 2035. We will have our targets validated by SBTi. Our Scope 1 emissions now comprise 84 tonnes CO2e from fuels associated with heating our buildings and a small vehicle fleet of under 20 vehicles, of which 8 are already hybrid or electric vehicles. We have identified potential interventions to decarbonise the remainder of these emissions and will further develop these plans. On Scope 2 we have committed to continue to procure renewable electricity for UW operated buildings going forward. To decarbonise our value chain emissions we will work closely with our key suppliers, including E.ON, our wholesale energy supplier, to minimise our Scope 3 emissions wherever possible and will continue to develop our green product offering. Additionally we will continue to support our customers to be more energy efficient both through smart meter installation and through the provision of energy efficiency advice. We also commit to develop a net zero transition plan that is Transition Plan Taskforce-aligned by the end of FY25.

3. Risk management

- 3.1. The identification, assessment and management of climate-related risks are integrated into our wider risk management framework which is detailed on page 27 of this Report. Within this framework we consider the significance of climate risks in relation to other business risks.
- 3.2. To determine materiality of climate change risk we considered stakeholder views, qualitative considerations at executive / senior level and potential impacts on the business. This consideration also informs how we make decisions to mitigate, transfer, accept or control climate risks. Based on this, climate change risk is a controlled principal risk.

Task Force on Climate-Related Financial Disclosures Report **continued**

- 3.3. The Audit & Risk Committee has overall responsibility for management and oversight of our risk management framework. The size and scope of the climate change risk was evaluated in FY22 and was redesignated as a controlled principal risk following qualitative climate scenario analysis which highlighted that climate change risk could manifest in several different ways across multiple time horizons. The Legal & Compliance Director, as the nominated climate risk owner, updates the risk evaluation and key controls annually. The key controls are then reviewed and approved by the Audit & Risk Committee and Board each year to ensure that climate risk is effectively scoped and there is appropriate oversight and controls in place.
- 3.4. As set out in the governance section above, to implement climate change risk mitigations the ESG Working Group actions outputs from the ESG Strategy Committee. The ESG Working Group tracks market drivers, internal data and actions on our climate risks and opportunities. For example the costs, availability of and market response to REGOs, number of our customers on our green tariff, engagement with key suppliers, transition planning and existing and emerging regulatory requirements, and reports back to the ESG Strategy Committee on a quarterly basis. This, along with qualitative assessment and consideration of stakeholder importance and the Company's ability to respond to climate related issues, assists the ESG Strategy Committee with prioritisation and management of risks and opportunities.
- 4.1.3. Total gross GHG emissions per unit turnover/revenue (tCO₂e/£M) and available on page 40.
- 4.1.4. The importance of: (i) reducing greenhouse gas emissions; and (ii) energy efficiency advice to our stakeholders was analysed as part of our environment, social and governance double materiality assessment. These topics ranked third and fourth, respectively. This assessment underpins our wider ESG strategy so is reported on in detail in our ESG Report found at telecomplus.co.uk.
- 4.1.5. In FY23 we sold 435,232 mWh of REGO-backed electricity, an increase of 52% from FY22.
- 4.1.6. Smart meter installation rates in our customers' homes reached 65% at the end of FY23, against a target of 68%. This was an increase on our FY22 rate of 64%. We installed 72,358 smart meters in FY23.
- 4.1.7. The number of customers visiting our energy efficiency webpage increased to over 65,000 visits in calendar year 2022 up from 8,500 in the previous year.
- 4.2. We have committed to achieving net zero by 2050, across scopes 1, 2 and 3. We will use an FY22 emissions baseline and we will set an interim target to reduce emissions by 63% across Scopes 1, 2, and 3 by 2035. Further information on this target, including our transition planning, is set out above and in our ESG Report found at telecomplus.co.uk.
- 4.3. We do not use internal carbon pricing as it is not relevant to our business due to our low Scope 1 and 2 carbon emissions. We do not currently factor carbon metrics into remuneration.

4. Metrics and targets

- 4.1. In FY23 metrics and targets guidance and expectations were discussed at the ESG Strategy Committee meeting in March 2023. Throughout the year we tracked the following metrics which helped us to assess our risks and opportunities:
- 4.1.1. Our carbon reporting on Scope 1, 2 and 3 emissions follows the Greenhouse Gas Protocol and this year our Scope 1 and Scope 2 emissions have been externally verified (limited assurance) to ISO14064 Part 1 2018 through Achilles Information Limited's Carbon Reduce Programme. Our Greenhouse gas emissions statement is set out on page 40.
- 4.1.2. Total gross Scope 1 & Scope 2 emissions by unit turnover/revenue is tracked and available on page 40.

Strategic Report approval

The Strategic Report set out on pages 1 to 50, which incorporates the Financial and Operational Highlights, the Chairman's Statement, the Co-Chief Executives' Review, the Financial Review, Principal Risks and Uncertainties, People and Organisation, Sustainability Report and Task Force on Climate Related Disclosures Report, has been duly approved by the Board.

By order of the Board
David Baxter
Company Secretary
27 June 2023

Board of Directors

The Hon. Charles Wigoder, Non-Executive Chairman

Appointed: 13 February 1998

Charles qualified as a Chartered Accountant with KPMG in 1984 and was subsequently employed by Kleinwort Securities as an investment analyst in the media and communication sectors. Between 1985 and 1988, he was Head of Corporate Finance and Development at Carlton Communications PLC and then Quadrant Group PLC. In March 1988 he left Quadrant Group to set up The Peoples Phone Company PLC, where he served as CEO; it was subsequently purchased by Vodafone in December 1996. He joined the Company as CEO in February 1998, becoming Executive Chairman in 2010 and Non-Executive Chairman in 2022.

External appointments: None.



Beatrice Hollond, Senior Independent Non-Executive Director

Appointed: 26 September 2016

Beatrice spent 16 years at Credit Suisse Asset Management in Global Fixed Income and began her career as an equity analyst at Morgan Grenfell Asset Management.

External appointments: Beatrice is a main board director and Chair of Remco (US) and Chair of the International Advisory Board (UK) of Brown Advisory, Chair at Millbank Financial Services Limited, Chair of F & C Investment Trust PLC, and adviser to a private family office where Beatrice is also Chair of the Investment Advisory Committee and a member of Remuneration & Governance Committees. Beatrice is a main board director and Chair of Oldfield & Co and a director of Smedvig AS.



Andrew Lindsay MBE, Co-Chief Executive Officer

Appointed: 25 November 2008

Andrew joined the Company in April 2007 and was appointed to the Board in November 2008. Before joining Telecom Plus, Andrew was Managing Director of Ryness, an electrical retail chain based in London in which he previously held a significant equity stake after performing a Management Buyout in 2006. Prior to buying Ryness, he spent three years as an analyst in the UK Mergers & Acquisitions team at Goldman Sachs. Andrew rowed for Great Britain at the Sydney Olympic Games in 2000, where he won a Gold medal.

External appointments: Andrew is a non-executive director at Mixergy Limited.



Board of Directors

continued

Stuart Burnett, Co-Chief Executive Officer

Appointed: 23 July 2020

Stuart was promoted to Co-CEO in 2021, after two years as COO, and is responsible for all operational activity across UW including day-to-day management of UW's Energy, Telecoms and Financial Services businesses.

He joined the Company in 2016 as Legal & Compliance Director and then moved on to become Commercial Director, managing all commercial activity, including our key commercial relationships and customer proposition, before becoming COO in 2019. Stuart began his career as a corporate lawyer at Slaughter & May after reading law at Oxford University. He then worked in senior roles at RSA Insurance Group PLC and TSB Banking Group PLC, prior to joining the Company.

External appointments: None.



Nick Schoenfeld, Chief Financial Officer

Appointed: 7 January 2015

Nick joined the Company in January 2015 as Chief Financial Officer. Since 2006, Nick was Group Finance Director of Hanover Acceptances, a substantial diversified private company with holdings in the food manufacturing, real estate, and agribusiness sectors. He was previously employed at Kingfisher PLC, where he was responsible for the group's financial planning and analysis functions. Prior to this, he held senior strategic and development roles within Castorama and the Walt Disney Company, having started his career as a management consultant at the Boston Consulting Group. Nick also has an MBA from the Harvard Business School.

External appointments: None.



Andrew Blowers OBE, Non-Executive Director

Appointed: 22 November 2016

Andrew's career spans over 30 years in the UK financial services industry. He was the founder and CEO of Swiftcover.com and Chairman of IIC NV from 2004 to 2009 and an executive director of Churchill Insurance before this. He was also the senior independent non-executive director of AA PLC, the UK's leading provider of roadside assistance, and the Chairman of ATEC Group Limited, a specialist digital insurance group.

External appointments: Andrew is the Chairman of SO-SURE Insurance, a specialist digital personal lines insurance provider.



Carla Stent, Non-Executive Director

Appointed: 26 July 2022

Carla is a former Chief Operating Officer and Partner at Virgin group and was previously Deputy Chief Financial Officer and Chief Administrative Officer of the Global Retail and Commercial Bank arm of Barclays Bank.

External appointments: Carla currently has non-executive board roles as Chair of Marex Group PLC and Chair of the Audit and Risk Committee for Evelyn Partners.



Suzi Williams, Non-Executive Director

Appointed: 23 July 2020

As Chief Brand & Marketing officer at BT, Suzi was part of the team who transformed the business, prior to which she held senior leadership roles at Capital Radio Group, Orange, the BBC, KPMG Consulting and Procter & Gamble Europe. Suzi was an independent non-executive director at the AA PLC until its successful sale to private equity in March 2021.

External appointments: Suzi is a senior board advisor on brand and marketing. She is an independent non-executive at Zegona Communications where she is Chair of the Remuneration and Nomination Committee, and is also an independent non-executive director at JD Sports Fashion PLC.



Corporate Governance Statement

The Board is pleased to report that during the year and as at the date of this Annual Report the Company has applied the main principles and complied with the provisions of the UK Corporate Governance Code (“the Code”) issued by the Financial Reporting Council in July 2018, save in the limited instances explained below. Copies of the Code are available at www.frc.org.uk.

This report, together with the Director’s Report on pages 88 to 91 and the Directors’ Remuneration Report on pages 66 to 87, provides details of how the Company has applied the principles and complied with the provisions of the Code and where required explains the rationale for instances where the Company has not been compliant, namely: (i) the external facilitation of a Board evaluation exercise; (ii) the extension of the term of the Chairman beyond nine years; and (iii) the requirement to formally consult with employees regarding the determination of the directors’ remuneration policy. Further detail in relation to the Company’s position on formally consulting with employees regarding the determination of the directors’ remuneration policy is set out in the Directors’ Remuneration Report.

The Board of Directors

The Board meets regularly to review the progress of the Company and to discuss the measures required for its future development. Directors are provided in advance with a formal agenda of matters to be discussed at each meeting, and with the detailed information needed to monitor the progress of the Company. Records of meetings and the decisions of the Board are maintained by the Company Secretary and are approved by the Board at the following meeting. All directors have access to the advice and services of the Company Secretary and, if required, are able to take independent advice at the Company’s

expense in the furtherance of their duties. Any question of the removal of the Company Secretary is a matter for the Board as a whole. Whilst the members of the Board are all experienced and well qualified, the opportunity to receive further training at the Company’s expense is available to them. The non-executive directors attended such formal, externally facilitated courses as they considered relevant to their roles and responsibilities during the year.

Board duties

The matters specifically reserved for decision by the Board are fully documented and include the following principal areas:

- reviewing and agreeing the Company’s strategy and long-term objectives;
- assessing performance in the light of the Company’s strategy and objectives;
- ensuring an effective system of risk management and internal controls is in place;
- approving changes to the structure, size and composition of the Board and reviewing its performance on an annual basis;
- reviewing the Company’s overall corporate governance arrangements;
- reviewing and approving the priorities surrounding the Company’s principal sustainability impacts, including climate change; and
- approval of the Company’s financial statements prior to publication.

Matters that are specifically delegated to the committees of the Board are documented in the various Terms of Reference of each committee which are available on the Company’s website (www.telecomplus.co.uk).

Table of attendance at formal meetings during the year ended 31 March 2023

Name of Director	Board	Remuneration Committee	Audit & Risk Committee	Nomination Committee ²
Number of meetings	11	5	3	-
Charles Wigoder	11	-	-	-
Beatrice Hollond	11	5	3	-
Andrew Lindsay	11	-	-	-
Stuart Burnett	11	-	-	-
Nick Schoenfeld	11	-	-	-
Andrew Blowers	11	5	3	-
Suzi Williams	10	5	-	-
Carla Stent ¹	7	-	2	-

1. Carla Stent joined the Board and Audit & Risk Committee on 26 July 2022 and attended all meetings following her appointment.

2. Nomination Committee matters were discussed formally as part of certain full Board meetings.

In accordance with provision 12 of the Code, led by the Senior Independent Non-Executive Director, the non-executive directors also met without the executives present during the year.

Board evaluation

The Board undertakes an evaluation process on an annual basis, to consider the accountability, transparency and effectiveness of the Board and its committees. The directors recognise that the Code requires an external evaluation of the boards of FTSE 350 companies to be carried out at least every three years. However, the directors considered the position in relation to the current year and

concluded that an external evaluation was not necessary. In reaching this conclusion the directors were mindful of the effective operation of the Board during the year and the results of the internal Board evaluation exercise detailed below. The directors were also conscious that the composition of the Board had considerably changed during the year and that the consideration of an externally facilitated evaluation would therefore be more appropriate in the next financial year ended 31 March 2024.

2022 Evaluation: Progress to date

Focus area	Actions during 2022-23
Driving diversity within management structures below Board level	The Company has undertaken several initiatives to drive diversity and inclusion at management level. Further details can be found on pages 30 to 31.
Risk and internal controls management	<p>Greater focus has been put on how the Company's principal risks and internal controls are managed. The Board agreed to rename the Audit Committee to the Audit & Risk Committee in order to formalise the Board's commitment to risk and internal controls management and the Committee's terms of reference were updated accordingly.</p> <p>A more formal review of the key business risks and internal controls was also undertaken at board level following the regular evaluation by the Audit & Risk Committee.</p>
Terms of Reference	In addition to the revision of the Audit and Risk Committee terms of reference (referred to above), the terms of reference of the Nomination Committee and Remuneration Committee were reviewed and updated to reflect best practice in May 2023.

Corporate Governance Statement

continued

2023 Evaluation

An internal evaluation of the Board for the current year was conducted through the completion of formal detailed board, and board committee evaluation questionnaires by each director. A review of the results, led by the Company Secretary, principally covered the following areas: specific matters of concern arising from the questionnaires, directors' performances and any key objectives for the coming year.

The evaluation questionnaires were focussed on assessing effectiveness in the following key areas:

- the size and balance of the Board;
- the quality of board debates and its decision-making processes;
- the quality of board meeting material;
- the individual contributions made by each director;
- the Chairman's approach to leadership;
- the Senior Independent Director's role as a sounding board to the Chairman;
- the non-executive directors' challenge of the executive directors;
- the Board's approach to identifying and mitigating key business risks;
- the quality of the Company's communications with key stakeholders;
- the Board's consideration of workforce policies and practices;

- the Board's approach to identifying and managing conflicts of interest to ensure independent judgement;
- the Board's consideration of diversity and succession planning; and
- the induction and training of board members.

The overall conclusion reached was that the Board and its Committees had operated satisfactorily during the year, with all directors making an effective contribution to the Board commensurate with their experience and responsibilities.

The process also highlighted that: (i) driving diversity within management structures below Board level remained important; (ii) there should be greater focus on succession planning at Board and below Board level by the Nomination Committee; and (iii) there was a need to consider an externally facilitated Board effectiveness review in 2024.

Board balance

The Board comprised four executive directors and four non-executive directors at the year-end. Beatrice Hollond acted as the Company's Senior Independent Non-Executive Director.

Membership of each committee of the Board is set out in the table below:

Name of Director	Remuneration Committee	Audit & Risk Committee	Nomination Committee
Charles Wigoder	-	-	✓
Andrew Lindsay	-	-	-
Stuart Burnett	-	-	-
Nick Schoenfeld	-	-	-
Andrew Blowers ¹	Chair	✓	-
Beatrice Hollond ¹	✓	✓	✓
Suzi Williams ¹	✓	-	Chair
Carla Stent ¹	-	Chair	-

1. Indicates independent non-executive directors.

The Code sets out circumstances which are likely to impair, or could appear to impair, a non-executive director's independence. These circumstances include serving on the board for more than nine years from the date of appointment.

During the year, the Board decided to take action to redress the historical imbalance in the proportion of independent non-executive directors by announcing the following boardroom changes which were effective from the Company's AGM on 26 July 2022: (i) Charles Wigoder became Non-Executive Chairman; (ii) Julian Schild and Melvin Lawson retired from the Board; and (iii) Carla Stent was appointed to the Board as a new independent non-executive director and Audit & Risk Committee Chair.

The Code sets out that the Chair should not stay in post beyond nine years from the date of their first appointment to the Board. Charles Wigoder moved to Non-Executive Chairman following the Company's AGM in July 2022. The Board has considered the extension of Mr Wigoder's term as Chairman, albeit in a non-executive capacity, and is satisfied that this is in the best interests of the Company given his extensive knowledge of the business and the markets within which it operates. The directors also noted the steps recently taken to improve the balance of independent non-executive directors on the Board.

Board diversity

The Board sets the tone for inclusion and diversity across the business. One of the main objectives of the Nomination Committee in considering the appointment of new directors to the Board remains to ensure that successful candidates are of the highest calibre and demonstrate the best possible combination of skills and experience. The Committee's terms of reference, which were reviewed and updated in May 2023, further stipulate that candidates from a wide range of backgrounds shall be considered and that due regard will be given to the benefits of diversity on the Board.

The Nomination Committee is mindful of the increasing focus on the benefits of Board diversity, including the updated guidance and targets issued by the FTSE Women Leaders Review and the FCA. The Listing Rules were updated during the year to include specific diversity targets to ensure that at least 40% of the Board are women, at least one of the senior Board positions (Chair, Chief Executive Officer (CEO), Chief Financial Officer

(CFO) or Senior Independent Director (SID) is a woman, and that at least one Director is from a minority ethnic background, requiring companies to report on a 'comply or explain' basis. As at 31 March 2023 and at the date of publication of this report, the Company has already met one of these targets with Beatrice Hollond as the SID; however, the Board has 37.5% female representation; and there were no directors from ethnic minority groups.

The directors duly noted the changes made to the Listing Rules (which effectively applied retrospectively) but were mindful of the significant changes made to the Board in the last year and the need for these to fully settle in. Nonetheless, the Nomination Committee remains committed to meeting the target set by the FTSE Women Leaders Review to achieve 40% female representation on the Board by 2025 and the target set out in the Parker Review of at least one director from a minority ethnic group on each FTSE 250 board by 2024. The Committee therefore intends to pay particular regard to ethnic and gender diversity in future recruitment to the Board.

The Board has also approved and adopted a new Diversity and Inclusion policy, which reinforces the Company's commitment to promote diversity on the Board and complements the Company's wider workforce diversity policy. The Nomination Committee report provides further details on the objectives of this policy and its linkages to company strategy on page 61.

Further detail regarding the Company's position in relation to encouraging diversity within all layers of the organisation is set out in the 'People and Organisation' section of the Strategic Report on pages 30 to 31.

The tables below report our data on the gender identity and ethnic diversity of the Board, senior Board positions and executive management. The data on Board diversity was collected by asking the Directors to respond to the specific questions with the use of questionnaires. The executive management, along with the rest of our employees, were encouraged to self-identify their gender and ethnicity data on our HR systems, so that we can improve our monitoring and reporting on demographic data across the employee lifecycle and measure our progress towards our diversity goals. The questions asked, and answer options provided, were selected based on the legal definition of sex under the Equality Act 2010 for gender representation and on the current ONS data collection recommendations on race and ethnicity.

Corporate Governance Statement

continued

Gender Representation Data

	Number of Board members	Percentage of Board members	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management*	Percentage of executive management*
Men	5	62.5%	4	9	82%
Women	3	37.5%	1	2	18%

Ethnicity Representation Data

	Number of Board members	Percentage of Board members	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management*	Percentage of executive management*
White British or other White (including minority-white groups)	8	100%	5	9	82%
Mixed/Multiple Ethnic Groups	-	-	-	-	-
Asian/Asian British	-	-	-	-	-
Black/African/Caribbean/Black British	-	-	-	-	-
Other ethnic group, including Arab	-	-	-	-	-
Not specified/prefer not to say	-	-	-	2	18%

*We regard our Executive Leadership Team as executive management for the purposes of LR 9.8.6.

Division of Responsibilities

As at the date of this report, the Board is made up of the Non-Executive Chairman, a Senior Independent Director plus three independent Non-Executive Directors and three Executive Directors with the following responsibilities:

Non-Executive Chairman

- Responsible for leading the Board and for its overall effectiveness in directing the Company.
- Facilitates constructive Board relations and the effective contribution of all non-executive directors, and ensures that directors receive accurate, timely and clear information.
- Ensures that the Board plays a full and constructive part in the development and determination of the Company's strategy.
- Promotes effective decision-making and constructive and sufficient debate around key issues.
- Ensures that the Board seeks regular engagement with major shareholders in order to understand their

views on governance and performance against the strategy.

- Leads the annual evaluation process of Board effectiveness.

Senior Independent Director

- Provides a sounding board to the Chairman.
- Serves as an intermediary for the other directors where necessary.
- Remains available to shareholders should they have any concerns they have been unable to resolve through normal channels.
- Responsibility for communication with key shareholders in relation to corporate governance matters.

Co-Chief Executive Officers

- Responsible for leading the Company's business and executing its strategy and commercial objectives together with implementing the decisions of the Board and its committees.

- Ensure that the Company's decisions are sustainable in the long-term, through appropriate management, implementation and progress of sustainability interventions which support the Company's strategy and address material impacts including climate change.
- Ensure that the Company's business is conducted in accordance with the highest standards of integrity, in keeping with our culture.
- Lead the engagement with the Company's key stakeholders.

Chief Financial Officer

- Provides financial leadership to the Company and aligns with the Company's business and financial strategy.
- Responsible for financial planning, treasury and tax functions.
- Responsible for internal and external financial reporting and stewardship of Company's assets.
- Supports the Co-CEOs in maintaining relationships with key stakeholders.

Independent Non-Executive Directors

- Responsible for scrutinising, measuring and reviewing the performance of management.
- Provide constructive challenge and feedback to the executive directors and support in the development of the Company's strategy.
- Bring an external perspective, knowledge and experience to the Board.

Company Secretary

- Acts as secretary to the Board and its committees.
- Develop Board and committee agendas and collate and distribute papers.
- Supports the Chairman in considering the effectiveness of the Board.
- Ensures compliance with Board procedures and that the Board receives high quality information in a timely manner.
- Provides advice, services and support to all directors when required.

Re-election

The Company's Articles stipulate that one third of all directors are required to retire by rotation at each Annual General Meeting and all newly appointed directors are required to offer themselves for election by the shareholders at the next Annual General Meeting. However, the Code requires that all directors of FTSE 350 companies

be subject to annual re-election by shareholders. Therefore, all the directors will be submitted for re-election at the forthcoming Annual General Meeting in August. The Board has determined that all directors submitted for re-election continue to make a valuable contribution to the commercial success of the Company, with each bringing a complementary range of skills to the team.

Remuneration Committee

The Board has a Remuneration Committee whose responsibility is to ensure that the remuneration of executive directors is sufficient to attract, retain and motivate people of the highest calibre. The Remuneration Committee comprises three independent non-executive directors, namely Andrew Blowers (Chair of the Committee), Beatrice Hollond and Suzi Williams. The Directors' Remuneration Report provides the details of the emoluments of each director, and this may be found on pages 66 to 87.

The Remuneration Committee has written terms of reference, which have been reviewed and updated to reflect best practice and describe the authority and duties which have been delegated to it by the Board. The terms of reference are available on the Company's website (www.telecomplus.co.uk).

Audit & Risk Committee

The newly named Audit & Risk Committee comprises three independent non-executive directors, Carla Stent (Chair of the Committee), Andrew Blowers and Beatrice Hollond in compliance with the Code (provision 24). Carla Stent took on the role of Chair of the Audit & Risk Committee following the Company's AGM on 26 July 2022. The activities of the Audit & Risk Committee are set out on pages 63 to 65.

The Audit & Risk Committee has written terms of reference, which have been reviewed and updated to reflect best practice and describe the authority and duties which have been delegated to it by the Board. The terms of reference are available on the Company's website (www.telecomplus.co.uk).

Nomination Committee

The Nomination Committee comprises Suzi Williams (Chair of Committee), Beatrice Hollond and Charles Wigoder and therefore has a majority of independent non-executive directors in compliance with the Code (provision 17). Suzi

Corporate Governance Statement

continued

Williams took over from Beatrice Hollond as Chair of the Committee following the Company's AGM on 26 July 2022. The main purpose of the Nomination Committee is to make recommendations to the Board on the appointment of new directors. The activities of the Nomination Committee are set out on pages 61 to 62.

The Nomination Committee has written terms of reference, which have been reviewed and updated to reflect best practice and describe the authority and duties which have been delegated to it by the Board. The terms of reference are available on the Company's website (www.telecomplus.co.uk).

Relations with shareholders

It is the policy of the Company to maintain a dialogue with institutional shareholders and to keep them informed about the objectives of the business. The Board considers that it is appropriate for the executive directors to discuss any relevant matters regarding company performance with major shareholders and this is undertaken primarily by the Co-Chief Executives and Chief Financial Officer. The Co-Chief Executives provide feedback from major shareholders to the other directors, ensuring that Board members, and in particular non-executive directors, develop a balanced understanding of the views of major investors. The executive directors met with a number of the Company's main shareholders during the year.

The Co-Chief Executives and Chief Financial Officer also have periodic discussions with the Company's brokers and any issues are fed back to the Board as appropriate. When reports are received from the Company's brokers following investor presentations, these are submitted to the Board for review. Additionally, key representatives of the Company's brokers are periodically invited to present at a full Board meeting.

Responsibility for communication with key shareholders in relation to corporate governance and Board remuneration matters lies primarily with the Senior Independent Non-Executive Director and the Chair of the Remuneration Committee who are assisted in this regard by the Company Secretary. The Chair of the Remuneration Committee consulted with certain key shareholders during the year in relation to the new Directors' Remuneration Policy set out on pages 69 to 79.

Annual General Meeting

Notice of the Annual General Meeting and related papers are sent to all shareholders at least 20 working days before the meeting. Separate resolutions are proposed for each matter including the adoption of the Report and Accounts, the approval of the Company's Remuneration Policy, the Directors' Remuneration Report and the appointment of the Group's external auditor. Proxy votes are counted and the meeting is advised of the number of proxies lodged for and against each resolution. The chairs of the Audit & Risk, Remuneration and Nomination committees and the remaining non-executive directors are normally available to answer questions. Shareholders who attend are invited to ask questions and take part in the meeting.

Internal control and risk management

The Board acknowledges its responsibility for the Group's systems of internal control and risk management. However, it recognises that any system can only provide reasonable, and not absolute, assurance against material misstatement or loss. The principal risks faced by the Company and the measures taken to address these risks are set out in the Strategic Report on pages 21 to 27.

In conjunction with the Company's senior management team, the executive directors regularly identify, review and evaluate the key risks faced by the Group and the effectiveness of the internal controls in place to mitigate these risks. The results of these reviews are recorded in a formal document which sets out a detailed evaluation of each risk and the associated internal control in place to mitigate that risk. The document is reported to the Audit & Risk Committee for review at least once per year. Following review by the Audit & Risk Committee the document is reported to the full Board. The Board of directors has continued to review the internal controls of the Company (including financial, operational and compliance controls and risk management) and the principal risks which the Company faces during the year. No material weaknesses in internal controls were identified during the year by the directors.

Share capital and voting rights

Details of the Company's share capital and substantial shareholdings can be found in the Directors' Report under the capital structure and substantial shareholders sections on pages 89 to 90.

By Order of the Board
David Baxter
Company Secretary
27 June 2023

Nomination Committee Report

Introduction

The members of the Nomination Committee (“the Committee”) are Suzi Williams (Chair), Beatrice Hollond and Charles Wigoder; this means that the Committee has a majority of independent non-executive directors in compliance with the UK Corporate Governance Code (“the Code”) (provision 17). Suzi Williams took over from Beatrice Hollond as the Chair of the Committee from the Company’s AGM on 26 July 2022.

The key responsibilities of the Nomination Committee include:

- making recommendations to the Board on the appointment of new non-executive and executive directors, including making recommendations as to the composition of the Board generally and the balance between executive and non-executive directors;
- giving consideration to succession planning for directors and other senior executives;
- reviewing on an annual basis the time required from non-executive directors and assessing whether the non-executive directors are spending enough time to fulfil their duties;
- reviewing and monitoring the implementation of the Board’s policy on diversity and inclusion;
- reviewing the re-election by shareholders of directors under the annual re-election provisions of the Code; and
- evaluating any matters relating to the continuation in office of any director including the suspension or termination of service of an executive director.

The Committee’s general position in relation to diversity and the Code requirement to set out any measurable objectives that exist in this regard is included in the Corporate Governance Statement on page 57 of this document.

The Committee’s activities for the year ended 31 March 2023

Committee matters were discussed as part of certain full Board meetings. The Committee’s principal activities during the year related to the appointment of Carla Stent to the Board and Audit & Risk Committee, as detailed in the prior Annual Report, and implementation of the Board’s policy on diversity and inclusion. Carla Stent joined the Board following the departure of Julian Schild and Melvin Lawson on 26 July 2022; the Board is grateful for their service. Carla’s appointment brings the Board to 75% of key non-executive director roles now held by women.

Induction, training and development

Upon her appointment to the Board, Carla Stent received a structured and tailored induction plan to gain a thorough understanding of the business, our employees and culture, and her role as a Non-Executive Director and Chair of the Audit & Risk Committee. The induction plan covered a broad range of information including Board and Committee papers, meeting minutes and information on operational and financial performance, governance and stakeholder management, risk management, Directors’ legal and regulatory duties, and discussion on the Company’s strategy. Introductory meetings were held with each member of the Board and Executive team and the Group Company Secretary.

The ongoing training and development requirements of the Board members are regularly reviewed with further training made available to address any development needs to update their skills, knowledge and familiarity with the Company.

The Parker Review

The Board is fully committed to achieving the 2024 targets laid out by the Parker review. Following a year in which two longstanding board members rotated off the board and a new Audit Chair joined the business, this is now a key focus for the business.

Diversity and inclusion

The Company recognises that the Board sets the tone for inclusion and diversity across the business. The boardroom is a place for robust and open debate where challenge, support, diversity of thought and teamwork are essential for optimal decision-making and the long-term success of the Company. Current Board performance is strong in this regard.

To further codify this the Board has approved and adopted a Board diversity and inclusion policy, which sets out its approach to diversity and inclusion of the Board and its committees in compliance with DTR 7.2.8AR(1). The objective of this policy is to formalise the Company’s commitment to ensure there is an appropriate balance of skills, experience, diversity and independence on the Board and any new appointments are subject to a formal, rigorous and transparent procedure, and based on merit, objective criteria and promote diversity in all aspects.

The Nomination Committee is mainly responsible for reviewing and monitoring the implementation of this policy and for leading succession planning to support its objectives. The current formation of the Board and its targets to achieve diversity is detailed in the Corporate Governance statement on pages 57 to 58.

Nomination Committee Report

continued

Skills and experience

The Nomination committee uses a skills matrix when assessing its succession plans. The matrix identifies where the skills and experience of our Board members are particularly strong and where there are opportunities to further develop the Board's collective knowledge.

Background and experience	Number of Non-Executive Directors (/5)
Finance and risk expertise	4
Operational expertise	3
Sector/industry/markets expertise	3
Media and marketing expertise	2
Environment Social Governance (ESG) experience	1
Remuneration matters	3
External boardroom experience	5

Board Evaluation

In accordance with the Code, the Company conducts an annual evaluation of Board and Board Committee performance and effectiveness, which every Director engages in. The 2023 evaluation concluded that the Board and its Committees had operated satisfactorily during the year. Further details on the process and outcome can be found in the Corporate Governance Statement on pages 55 to 56. This process will be repeated in 2024.

Time commitment

The expected time commitment of all directors is agreed and set out in writing in their letters of appointment. All directors are engaged in providing their external commitments to establish that they have sufficient time to meet their board responsibilities. Any proposed external board appointments are approved by the Board and consideration is given to potential conflicts and how these can be managed, and this is reviewed on a regular basis. Further details on the Board's external appointments can be found on pages 51 to 53.

The Nomination Committee and the Board are comfortable that all Board members have sufficient capacity to serve on the Company's board.

I look forward to updating you again at the next opportunity.

Suzi Williams

Chair of the Nomination Committee

On behalf of the Board

27 June 2023

Audit & Risk Committee Report

In accordance with the UK Corporate Governance Code (“the Code”) (provision 24) the Committee comprises three independent non-executive directors Carla Stent (Chair), Beatrice Hollond and Andrew Blowers. Carla Stent is also identified as having recent and relevant financial experience.

The Audit & Risk Committee

The purpose of the Committee is to assist and provide advice to the Board in the fulfilment of its oversight responsibilities and to ensure the integrity of the financial reporting and audit process, to oversee the maintenance of sound internal control and corporate risk management systems, to review the Company’s attitude to risk, and to monitor compliance with legal obligations and regulatory requirements.

Attendance at Committee meetings during the current year by Committee members is set out in the Corporate Governance Report on page 55 of this document. In accordance with best practice, the Committee has the opportunity to meet with the external auditor of the Company without the presence of any executive directors and has done so during the current year. The Chair of the Committee has also had direct contact with the Audit Partner during the year.

The key responsibilities of the Committee include:

- reviewing the appointment, re-appointment and removal of the external auditor and the direction of the external auditor to investigate any matters of particular concern;
- assessing the effectiveness of the Company’s external auditor, including considering the scope and results of the annual audit;
- reviewing the independence and objectivity of the external auditor and assessing any potential impact on objectivity resulting from the provision of non-audit services by the external auditor;

- monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company’s performance;
- reviewing the impact of the application of new accounting standards and other disclosure requirements;
- reviewing the adequacy and effectiveness of the Company’s internal financial controls and other internal control and risk management processes;
- reviewing the Company’s compliance, whistleblowing and fraud processes; and
- advising the Board on the appropriate level of risk appetite for the Company and the principal and emerging risks that the Company is willing to take across all major activities.

The senior management team and executive directors periodically review the effectiveness of key internal control and risk management processes within the Company and report any changes in such activities to the Committee and the external auditor for consideration. The review covers material controls, including financial, operational and compliance controls.

The Committee’s activities for the year ended 31 March 2023

During the year the Terms of Reference of the Committee were reviewed and updated. Following the review, it was decided to augment certain aspects of the Committee’s responsibilities around the review and control of key risks. The Committee therefore formally changed its name to the Audit and Risk Committee, and a programme of more detailed reviews into various operational areas of the business was commenced.

The Committee’s other main activities during the year included a review of the financial statements including a detailed evaluation of the significant accounting issues therein.

The actions taken by the Committee in regard to these issues are described in the table below:

Issue	Action taken by the Committee
Verification of the operational accuracy of billing system	Review of internal analysis Monitoring of regulator communications (Ofgem, BABT) and monthly monitoring of detailed call centre statistics which would indicate significant billing issues.
Revenue recognition in relation to energy services	Monitoring of key assumptions underlying the recognition of energy revenues based on internal analysis.
Estimation related to Expected Credit Losses	Review of key assumptions underlying the estimations related to Expected Credit Losses.

Audit & Risk Committee Report

continued

Also, the Committee has considered, amongst other matters, compliance with the provisions of the Code and accounting developments, the effectiveness of the Company's internal financial control environment and its risk management and control processes. As part of this process the Committee has also considered the need for any special projects or internal investigations and concluded that no such additional projects or investigations have been required.

In accordance with the Code (provision 25), the Committee has also considered the need for an internal audit function at the Group. In the light of the simplicity of the Group structure, its single country focus, its relatively straightforward financial model, the internal controls in place and the fact that management and the Board conduct regular financial reviews, the Committee has recommended to the Board that a financial internal audit function is not currently appropriate for the business. This decision will be kept under regular review and where appropriate external assurance will also be sought in specific areas of concern.

During the year the Committee reviewed and approved the Company's half year and annual financial statements. The Committee has advised the Board that the annual report and accounts taken as a whole provide a fair, balanced and understandable picture of the Company's position and performance, business model and strategy.

External auditor effectiveness

The Company's external auditor, KPMG, presented a detailed audit report to the Committee following a review of the annual financial statements. Having regard to its review of the work performed by the external auditor during the year and its approach to key audit issues, the Committee was satisfied with the effectiveness of KPMG as external auditor.

In reaching this conclusion, the Committee assessed:

- the efficiency with which the audit team was able to understand the Company and its systems and processes;
- the experience and expertise of the audit team;
- the scope and eventual fulfilment of the detailed audit plan;
- the robustness and perceptiveness of the audit team in their handling of key accounting and audit judgements; and
- the nature and quality of the content of the external auditor's report.

KPMG LLP was first appointed as the Group's auditor with effect from February 2015, following a competitive tender process. In accordance with the requirement to put the audit out to tender at least every 10 years, the Committee plans to conduct such a process over the coming summer.

In the meantime, the Committee has recommended to the Board, for approval by shareholders at the AGM, the reappointment of KPMG as the Company's external auditor for the coming year.

External auditor independence

In order to guard against the objectivity and independence of the external auditor being compromised, the provision of any significant additional services remains subject to the prior approval of the Committee.

The Committee would prohibit the provision of the following types of non-audit related work by the Company's external auditor:

- tax services relating to: (i) preparation of tax forms; (ii) payroll tax; (iii) customs duties; (iv) identification of public subsidies and tax incentives unless support from the external auditor in respect of such services is required by law; (v) support regarding tax inspections by tax authorities unless support from the external auditor in respect of such inspections is required by law; (vi) calculation of direct and indirect tax and deferred tax; and (vii) provision of tax advice;
- services that involve playing any part in the management or decision-making of the Company;
- bookkeeping and preparing accounting records and financial statements;
- payroll services;
- designing and implementing internal control or risk management procedures related to the preparation and/or control of financial information or designing and implementing financial information technology systems;
- valuation services, including valuations performed in connection with actuarial services or litigation support services;
- legal services, with respect to: (i) the provision of general counsel; (ii) negotiating on behalf of the Company; and (iii) acting in an advocacy role in the resolution of litigation;
- services linked to the financing, capital structure and allocation, and investment strategy of the Company, except providing assurance services in relation to the financial statements, such as the issuing of comfort letters in connection with prospectuses issued by the Company;

- promoting, dealing in, or underwriting shares in the Company; and
- human resources services, with respect to: (i) management in a position to exert significant influence over the preparation of the accounting records or financial statements which are the subject of the statutory audit, where such services involve: searching for or seeking out candidates for such position; or undertaking reference checks of candidates for such positions; (ii) structuring the organisation design; and (iii) cost control.

The Committee will also prohibit any other work where mutual interests exist that could impair the independence and objectivity of the external auditor.

Reporting of staff concerns

During the year the Company operated an independently-facilitated whistleblowing system for staff of the Company to raise, in confidence, concerns they may have over possible improprieties, financial or otherwise. All employees have been notified of this arrangement on the Company's intranet website (Code provision 6). No significant matters were raised by employees during the current year.

I look forward to updating you again at the next opportunity and will be available at the AGM to respond to any questions shareholders may have on this report or in relation to any of the Committee's activities.

Carla Stent

Chair of the Audit & Risk Committee

On behalf of the Board

27 June 2023

Directors' Remuneration Report

Annual statement

Dear Shareholder,

As chair of the Remuneration Committee ("Committee") and on behalf of the Board, I am pleased to present our report on directors' remuneration for the year ended 31 March 2023.

The report comprises three sections:

- This statement, which provides an overview of the key decisions made on Directors' remuneration during the year.
- The Annual Report on Remuneration, which describes how our current Policy was applied for the year ended 31 March 2023.
- Our new Directors' Remuneration Policy ("Policy") which, if approved, will apply from the date of the 2023 Annual General Meeting ("AGM"). A summary of the proposals is included later in this letter and the full Policy is set out on pages 69 to 79.

Performance outcomes for the year ended 31 March 2023

The Company delivered exceptional performance in the year to 31 March 2023, achieving record organic growth in customer numbers (up c.160,000) despite the ongoing headwind of the market stabilisation charge. Year-end profits were materially ahead of the prior year, in line with the profit upgrade announced in the mid-year trading update. This meant that the Company was able to announce a total dividend for the full year ended 31 March 2023 of 80p per share (FY 2022: 57p).

The Company was conscious throughout the year of the impact of high inflation on our employees and, in response to the cost of living challenges, made two £400 (net pay) payments to all employees during the year in addition to awarding a pay increase of 10.1% in April 2023 to the majority of employees.

The company's performance is reflected in variable remuneration outcomes, with the annual bonus outturn for Executive Directors at 100% of maximum. The Group delivered adjusted PBT of £96.2m which resulted in an outcome of 70.0% (against a maximum of 70%) for the adjusted PBT element. Performance against strategic objectives (which focussed on employee satisfaction, customer services performance and customer growth) resulted in an outcome of 30% (against a maximum of 30%) for the strategic element.

The Committee carefully considered this bonus outcome and whilst all bonus targets were achieved elements of our customer service performance were below the high standards that we set for ourselves at times when largely external factors created much higher call volumes than planned. Customer service levels have improved very substantially across the year (and, importantly, this performance improvement is being sustained through systemic operational changes) and will bring ongoing improvements to our customers. So, whilst numerically the bonus outcome was achieved, and whilst acknowledging this great work, the Committee nevertheless used discretion to adjust this outcome downwards to reflect the lived customer experience across a difficult period when customer service performance fell short of customer expectations. This thereby reduces the bonus by 5% resulting in a payment of 95% of the total bonus.

One-third of the bonus earned will be deferred into shares for two years. Full details of the annual bonus outcome are set out on pages 81 to 82.

No long-term incentive growth shares awards were capable of vesting during the year ended 31 March 2023.

Revised Policy approval

The Directors' Remuneration Policy in its current form was originally approved by the Company's shareholders at a General Meeting in 2020, and subsequently reapproved at the 2022 AGM by 94.95% of the Company's shareholders. At that time we highlighted that the existing share incentive scheme (the "2016 LTIP") is closed to new participants and also approaching maturity during the course of the next Policy cycle, and that as such the Committee intended to undergo a comprehensive review of the approach to remuneration for senior management and executive directors during the current financial year. Over the last six months the Committee has conducted a detailed review of the overall remuneration structure at Telecom Plus, taking into consideration the Company's strategic objectives, developments in market practice over recent years, and the external environment in which the Company operates. We were supported throughout our work by PwC as the Committee's advisors following their appointment in August 2022.

The Committee is proposing to simplify the Policy by replacing the existing annual bonus and 2016 LTIP with one single incentive going forward, the Telecom Plus Incentive Plan ("TPIP"). Awards under the TPIP will be granted on an annual basis to the Executive Directors.

The introduction of annual awards, which will have a maximum opportunity of 350% of base salary for the Executive Directors, results in a more typical approach to long-term incentivisation at Telecom Plus for the first time. The Committee will set stretching performance targets which will be measured over each financial year. At least 70% of the awards will be assessed against financial performance metrics, with the balance assessed against non-financial strategic objectives. This will create a direct focus on operational delivery on an annual basis, which in turn will drive long term growth and value creation for shareholders.

Subject to the achievement of these targets, 30% of any award will be paid as cash at the end of the performance year (effectively replacing the existing annual bonus), with the remaining 70% being deferred into shares for two years. Vesting of the deferred shares will be subject to continued employment and the satisfaction of a performance underpin. This significant element of deferral creates a very visible long-term retention tool, as well as providing longer term alignment with shareholder value and facilitating the building of meaningful shareholdings.

Post vesting, the deferred shares will be subject to a holding period for an additional 2 years. This brings the overall term of the plan to five years, in line with corporate governance best practice.

The Committee is confident that all other elements of the current Policy remain fit for purpose, and so no other changes are proposed.

Over recent months we have consulted our largest shareholders over the proposed Policy and its implementation. Some shareholders requested a meeting to discuss the proposals with others responding via email. In light of the positive feedback received, we did not make any material changes to the structure of the proposal. However, a number of shareholders asked for additional information on the proposed performance metrics and underpins. These details were provided to shareholders at the time and are also set out below. I would like to take this opportunity to thank shareholders for their engagement during the consultation exercise.

Further details of the changes proposed are outlined in the Policy on pages 68 to 79.

Implementation of the Remuneration Policy for the year ending 31 March 2024

Base salaries and fees

During the year, the Committee approved a salary increase for Stuart Burnett effective 1 October 2022. Stuart has performed very strongly as Co-CEO since his appointment and exhibited excellent development in role and the Committee felt it was now appropriate to align the salaries of our two Co-CEOs.

All directors received salary increases of 5.0% effective from 1 April 2023. The Committee was satisfied that this was an appropriate increase taking into account the wider workforce salary increase of 10.1%.

The salary of Nick Schoenfeld is proposed to be reduced to £538,000 subject to the approval of the TPIP.

TPIP awards

Subject to shareholder approval, TPIP awards with a maximum opportunity of 350% of salary will be granted to the Co-CEO's and of 235% of salary for the CFO in respect of the year ended 31 March 2024 subject to the following performance measures:

- Adjusted Profit before Tax (70% weighting)
- Looking after our employees
 - Customer service team voluntary attrition (5% weighting)
 - Employee satisfaction measured by eNPS (5% weighting)
- Looking after our customers
 - Customer service efficiency (5% weighting)
 - Develop & deliver our customer service hub strategy (5% weighting)
- Growing our target Multiservice Home Owner customer base (10% weighting)

As part of the development of the TPIP, the Committee has carefully considered the most appropriate performance measures for the awards. The majority of the 2023 award will be assessed against the Group's primary financial KPI (profit) in line with best practice. The employee and customer focussed non-financial measures assess employee experience directly, and incentivise efficiency and costs control whilst delivering high standards of customer experience. The customer base growth measure has a direct link to the growth of the Group's operations, and is a driver of long-term value.

Directors' Remuneration Report

continued

The targets for the first award are considered to be commercially sensitive and will be disclosed in next year's Directors' Remuneration Report.

Following the end of the one year performance period, any shares earned will be subject to a two year deferral period in advance of vesting. The underpin will apply over the performance and deferral periods, which will be assessed with reference to the following financial and non-financial metrics:

- Balance sheet health – net debt:EBITDA ratio below 3x and no notifiable breach of bank covenants.
- Growth in core services - the number of core services supplied to UW Residential customers must have increased between the date of award and the date of vesting.
- Emissions reductions - Scope 1 and 2 emissions must have continued to decline such that the reported levels are lower at the end of the vesting period than they were in the published report and accounts in the award year.
- Reputation - there must have been no material damage to the reputation of UW during the vesting period.

A holding period will apply for 2 years from the date of vesting.

The proposed level of TPIP award for the CFO and the associated reduction to base salary has been proposed so that his total target remuneration is aligned to the median of companies of comparable size and complexity.

Conclusion

We believe that the Policy operated as intended and we consider that the remuneration received by Executive Directors during the year – including the discretionary reduction to the annual bonus - was appropriate taking into account Group and personal performance, and the experience of shareholders and employees. Furthermore, the Committee is confident that the new Policy and TPIP will support the success of Telecom Plus as we continue with the implementation of our long-term growth strategy.

I hope that both the Remuneration Report and Policy resolutions will receive your support at the upcoming AGM, where I will be available to respond to any questions shareholders may have on this report or in relation to any of the Committee's activities.

Andrew Blowers OBE

Chairman of the Remuneration Committee
27 June 2023

Remuneration Policy

Introduction including proposed changes

This section sets out the proposed Remuneration Policy, which has been prepared in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) (the Regulations). The Policy will be subject to a binding shareholder vote at the AGM on 4 August 2023 and, subject to shareholder approval, will become effective from that date. Although the Policy is intended to apply for three years, the Company can choose to bring a new policy to a vote before the end of this period.

The Company's overall remuneration policy is to ensure that the executive directors and other senior managers are fairly and responsibly rewarded for their individual contribution to the overall long-term performance of the Company, in a manner that ensures that the Company is able to attract, motivate, and retain executives of the quality necessary to ensure the successful long-term performance of the Company. The remuneration policy continues to be based on the principle that the remuneration of the directors and senior management should be aligned with the experience of external shareholders.

The Directors' Remuneration Policy in its current form was originally approved by the Company's shareholders at a General Meeting in 2020, and subsequently reapproved at the 2022 AGM by 94.95% of the Company's shareholders. At that time we highlighted that the existing share incentive scheme (the "2016 LTIP") is closed to new participants and also approaching maturity during the course of the next Remuneration Policy cycle, and that as such the Committee intended to undergo a comprehensive review of the approach to remuneration for senior management and executive directors during the 2022/23 financial year. Following this review and after a thorough engagement process with the Company's shareholders, the Committee is proposing to simplify the Policy by replacing the existing annual bonus and 2016 LTIP with one single incentive going forward, the Telecom Plus Incentive Plan ("TPIP").

Awards under the TPIP will be granted on an annual basis to the Executive Directors as well as a wide group of senior management, providing strong alignment between these two key groups of individuals.

The introduction of annual grants under the TPIP introduces a more typical approach to long-term incentivisation at Telecom Plus for the first time. The maximum annual grant for Executive Directors will be 350% of base salary.

The Committee will set stretching performance targets which will be measured over each financial year. At least 70% of the awards will be assessed against financial performance metrics, with the balance assessed against non-financial strategic objectives. This will create a direct focus on operational delivery on an annual basis, which in turn will drive long term growth and value creation for shareholders.

Subject to the achievement of these targets, 30% of any award would be paid as cash at the end of the performance year (effectively replacing the existing annual bonus), with the remaining 70% being deferred into shares for two years. Vesting of the deferred shares will be subject to continued employment and the satisfaction of a performance underpin. This significant element of deferral creates a very visible long-term retention tool, as well as providing longer term alignment with shareholder value and facilitating the building of meaningful shareholdings.

Post vesting, the deferred shares will be subject to a holding period for an additional 2 years. This brings the overall term of the plan to five years, in line with corporate governance best practice.

The Committee is confident that all other elements of the current Policy remain fit for purpose, and so no other changes are proposed.

The remuneration policy also takes into account the principles of clarity, simplicity, risk, predictability, proportionality and alignment to culture as set out in Provision 40 of the UK Corporate Governance Code.

Remuneration Policy

continued

Provision 40 requirement	How this has been addressed
Simplicity	The Company operates an approach to remuneration that is simple to understand and familiar to stakeholders: <ul style="list-style-type: none"> • fixed element: base salary, benefits and pension. • variable element: annual TPIP award which pays out 30% in cash and 70% in shares deferral for 2 years and subject to additional 2 year post-vesting holding period.
Clarity	The operation of our remuneration policy, and its alignment to our strategy are clearly disclosed as well as the performance requirements that dictate outcomes. This provides clarity to stakeholders on the relationship between the successful implementation of the strategy and how our leadership is rewarded.
Risk	The Policy includes features to ensure Executive Director remuneration supports the long-term sustainability of the business and is risk-aligned with shareholders. These features include: <ul style="list-style-type: none"> • malus and clawback provisions; • a two-year post-vesting holding period for vested TPIP awards; • two-year deferral in shares of 70% of any TPIP payout; • an underpin that operates in respect of TPIP awards from the start of the performance period, to the end of the deferral period; and • a minimum shareholding requirement, including a two-year post-employment requirement.
Predictability	The Policy governs the minimum and maximum opportunities for the Executive Directors in relation to their TPIP awards, providing a clearly defined limit. Actual incentive outcomes vary depending on the level of performance achieved against specific measures.
Proportionality	A large element of Executive Director remuneration is share-based, ensuring that the interests of Executive Directors and shareholders are aligned. The TPIP deferral in shares for 2 years, and the additional 2 year post-vesting holding period, and the minimum shareholding requirement maintain this alignment over the longer-term.
Alignment to culture	To ensure that remuneration drives behaviours consistent with our purpose, values and strategy, we aim to: <ul style="list-style-type: none"> • understand the remuneration of the wider workforce; and • engage with our stakeholders, including our colleagues.

Remuneration policy table

How component supports strategic objectives	Operation of component	Maximum potential value of component	Performance metrics used, weighting and time periods
Base salary			
To recognise status and responsibility to deliver operational strategy on a day-to-day basis.	<p>Base salary is paid in 12 equal monthly instalments during the year.</p> <p>Base salaries are reviewed annually with any changes normally effective from 1 April each year, and also (where relevant) to reflect changes in the responsibilities of each individual.</p>	<p>Whilst there is not a set maximum, increases will normally be in line with the range of increases awarded to other employees.</p> <p>Salary increases above this level may be awarded in appropriate circumstances including but not limited to the following:</p> <ul style="list-style-type: none"> • to reflect any change in the level of responsibility of the individual (whether through a change in role or an increase in the scale and/or scope of the activities carried out by the Company); • an increase in experience and knowledge of the Company and its markets. 	None, although overall performance of the individual is considered by the Committee when setting and reviewing salaries.

How component supports strategic objectives	Operation of component	Maximum potential value of component	Performance metrics used, weighting and time periods
Benefits			
To provide benefits commensurate with the role and market practice.	<p>Executive Directors receive benefits set at an appropriate level taking into account total remuneration, market practice, the benefits provided to other employees in the Group and individual circumstances.</p> <p>The Company pays for private healthcare for each director and their immediate family.</p> <p>The Company provides company cars for executive directors where appropriate.</p> <p>The Company provides death in service benefits up to a maximum of four times annual base salary (subject to prevailing policy caps).</p> <p>The Committee reserves the right to introduce other benefits, for example in the case that this is necessary to attract and/or retain key executive directors.</p> <p>In relation to new directors the Company will pay for reasonable relocation expenses where required.</p>	Whilst the Committee has not set an absolute maximum on the level of benefits Executive Directors may receive, the value of benefits is set at a level which the Committee considers to be appropriately positioned taking into account relevant market levels based on the nature and location of the role, the level of benefits provided for other employees in the Group and individual circumstances.	None.
Pension			
To provide funding for retirement.	<p>Defined contribution pension scheme is open to all employees and executive directors.</p> <p>In appropriate circumstances, such as where contributions exceed the annual or lifetime allowance, Executive Directors may take a taxable cash supplement instead of contributions to a pension plan.</p>	The percentage level of pension provision (or cash allowance equivalent) for executive directors will not exceed the highest percentage contribution rate available to a majority of employees.	None.

Remuneration Policy

continued

How component supports strategic objectives	Operation of component	Maximum potential value of component	Performance metrics used, weighting and time periods
Telecom Plus Incentive Plan			
<p>To incentivise the delivery of financial and strategic priorities and directly align the directors' interests with those of all other shareholders.</p>	<p>Awards under the Telecom Plus Incentive Plan are dependent on the achievement of performance measures.</p> <p>30% of the award earned is paid in cash following the end of the performance period.</p> <p>The balance is deferred in the form of a nil cost option, conditional share award or restricted share which vests after a further two years and is thereafter subject to a further two-year post-vesting holding period.</p> <p>A discretionary underpin will apply over the performance and deferral periods.</p> <p>Malus applies to cash awards prior to payment and deferred share awards prior to vesting.</p> <p>Cash payments are subject to clawback provisions for up to two years following payment.</p> <p>Deferred share awards are subject to clawback provisions during the two-year deferral period.</p> <p>Malus and clawback may apply in the following circumstances: a material misstatement of the Company's results, error in the assessment of a performance target or in the information used to determine the value of the cash award and/or the number of shares, a material regulatory breach, gross misconduct on the part of the Participant, reputational damage to the Company, a material failure of risk management, insolvency or corporate failure, or any similar circumstances in the opinion of the Board.</p> <p>Dividends (or equivalents, including the value of any reinvestment) may accrue in respect of deferred share awards.</p>	<p>Maximum opportunity of up to 350% of base salary may be awarded in respect of each financial year.</p>	<p>Targets are set annually reflecting the Company's financial and strategic priorities and performance is measured over a one year period.</p> <p>At least 70% of the awards will be assessed against financial performance metrics. The balance is assessed against non-financial strategic objectives.</p> <p>Financial metrics No more than 25% of each metric will vest for threshold performance with full vesting for maximum performance.</p> <p>Non-financial metrics Non-financial metrics vesting will apply on a scale between 0% and 100% based on the Committee's assessment of performance against objectives. The discretionary underpin will be assessed with reference to a range of financial and non-financial metrics.</p>

How component supports strategic objectives	Operation of component	Maximum potential value of component	Performance metrics used, weighting and time periods
Shareholding requirement			
To strengthen the long-term alignment of directors' interests with those of all shareholders.	Shareholding requirement policy is primarily derived from the issue of shares resulting from the exercise of awards made under company share plans, such as the new Telecom Plus Incentive Plan and existing awards made under the LTIP 2016.	<p>Executive directors are expected to progressively build and retain a shareholding in the Company worth 200% of basic salary over a maximum of 10 years; until such time as they have achieved this level, they are required to: (i) retain all the shares vesting to them under the Telecom Plus Incentive Plan (other than to settle associated tax liabilities on vesting); and (ii) retain not less than 25% of any shares issued to them under the LTIP 2016.</p> <p>Under LTIP 2016, in relation to the 25% blocks of their award which vest after 3, 5 or 7 years, participants are required to retain 50% of any shares they choose to convert for at least 12 months. In relation to the final 25% block which vests after 10 years, they are obliged to retain 75% for 12 months, 50% for 18 months, and 25% for 24 months.</p> <p>The above holding periods continue to apply to participants after they cease to be employed by the Company.</p> <p>Future share awards to directors will be made subject to a post-vest holding period.</p>	N/A

Remuneration Policy

continued

How component supports strategic objectives	Operation of component	Maximum potential value of component	Performance metrics used, weighting and time periods
Shareholding requirement (continued)			
		<p>Post-employment Executive directors who step down from the Board following 16 December 2020 are required to retain a holding in 'guideline shares' equal to:</p> <ul style="list-style-type: none"> • 200% of salary (or their actual shareholding at the point of departure if lower) for the first 12 months following stepping down as executive director. • 100% of salary (or their actual shareholding at the point of departure if lower) for the subsequent 12 months. <p>'Guideline shares' do not include shares that the executive director has purchased or which have been acquired pursuant to share awards which vested before 16 December 2020. Unless the Committee determines otherwise, an executive director or former executive director shall be deemed to have disposed of shares which are not 'guideline shares' before 'guideline shares'.</p>	

1. The Policy for executive directors is consistent with the policy applied across the company with respect to salaries and pension, where the provision for executive directors will not exceed the highest percentage contribution rate available to a majority of employees. Taxable benefits vary by role taking into account market practice. The company operates a number of incentive plans including the TPIP, a deferred bonus plan and a share option plan.

Choice of performance measures

The Committee chose the performance measures described in the table above as they are deemed to directly align the executive directors' interests with those of all shareholders in an easily understood and transparent manner.

Telecom Plus Incentive Plan

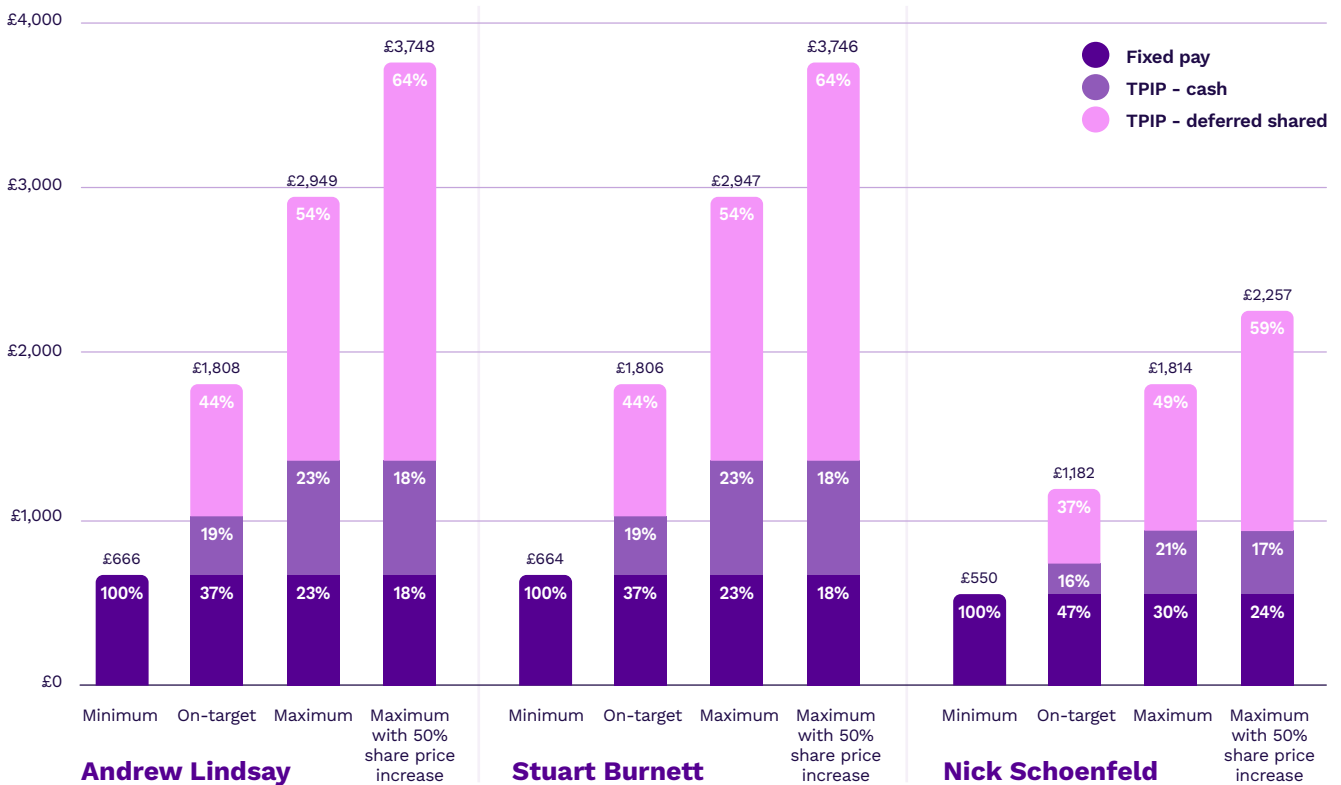
The performance measures are set annually reflecting the Company's financial and strategic priorities. At least 70% of the TPIP is assessed against financial performance metrics. The balance is assessed against non-financial strategic/personal objectives. In relation to financial metrics, up to 25% of each bonus element will vest for threshold

performance, with full vesting for maximum performance. In relation to non-financial metrics, vesting will apply on a scale between 0% and 100% based on the Committee's assessment of performance against objectives.

Additionally, the TPIP is subject to a discretionary underpin which will apply over a three-year period comprising the one year performance period and the compulsory two-year deferral period. The assessment of the underpin will occur at the end of the three year aggregate performance and deferral period, and will make reference to a range of financial and non-financial metrics. The Committee will assess performance against the underpin metrics and determine whether an adjustment to the vesting of any shares to participants is appropriate.

Illustrative application of remuneration policy

The bar charts below seek to illustrate the potential rewards available under the proposed remuneration policy for the coming financial year under varying levels of performance.



The bar charts have been prepared based on the following assumptions:

Minimum performance	Fixed remuneration comprising base salary to be paid in 2022/23, estimate of benefits to be paid based on 2022/23 total single figure of remuneration, pension
On-target performance	Fixed remuneration 50% of TPIP opportunity is earned
Maximum performance	Fixed remuneration Maximum TPIP opportunity is earned
Maximum performance plus share price appreciation	Fixed remuneration Maximum TPIP opportunity is earned 50% share price appreciation applies to share element of TPIP award

Remuneration Policy

continued

Non-executive directors' fees policy

How component supports strategic objectives	Operation of component	Maximum potential value of component	Performance metrics used, weighting and time periods
To attract non-executive directors who have a broad range of experience and skills to support and oversee the implementation of strategy and ensure good corporate governance.	<p>Non-executive directors' fees are set by the Board as a whole and aligned with the responsibilities of each director.</p> <p>Annual fees are paid in 12 equal monthly instalments during the year.</p> <p>Non-executive directors' fees are periodically reviewed by the Board in the light of any changes in role and prevailing market rates for Non-executive directors in other listed companies of similar size and with similar characteristics.</p>	Non-executive directors' remuneration will not be set outside the parameters of prevailing market rates for similarly-sized companies of comparable complexity.	Non-executive directors are not eligible to participate in any performance-related arrangements or share incentive schemes.

Service contracts

The executive directors are each engaged under a rolling contract of service requiring 6 months' notice of termination on either side. The dates of the executive directors' service agreements are as follows:

	Date of service agreement
Andrew Lindsay	5 May 2011
Nick Schoenfeld	9 October 2014
Stuart Burnett	23 July 2020

All non-executive directors are subject to re-election at each AGM. The appointment of the non-executive directors may be terminated on either side on three months' notice. The dates of each non-executive director's appointment are as follows:

	Date of service agreement	Expiry of current term
Charles Wigoder	26 July 2022	2023 AGM
Beatrice Hollond	26 September 2016	2023 AGM
Andrew Blowers	2 November 2016	2023 AGM
Suzi Williams	23 July 2020	2023 AGM
Carla Stent	26 July 2022	2023 AGM

Copies of the service contracts and letters of appointment are held at the Company's Registered Office and will be available for inspection within normal business hours / at the Annual General Meeting.

Policy on payments for loss of office

The table below sets out the Company's policy regarding service contracts and payments for loss of office.

Standard provision	Policy	Details	Other provisions in service contracts
Notice periods in executive directors' service contracts	<p>6 - 12 months' notice from the Company.</p> <p>6 - 12 months' notice from the executive director.</p>	<p>Executive directors may be required to work during notice period or may be provided with pay in lieu of notice if not required to work full notice.</p> <p>All executive directors are subject to annual re-election by shareholders.</p>	N/A
Compensation for loss of office in service contracts	<p>No more than base salary, benefits and pension contributions for the period of the executive director's notice.</p> <p>No contractual provision for additional compensation in the event of loss of office resulting from poor performance.</p>	Any statutory entitlements or sums to settle or compromise claims in connection with any termination of office would need to be paid as necessary, subject to the fulfilment of the director's duty to mitigate their loss.	N/A
Treatment of unvested TPIP awards	All awards lapse except for "good leavers" which are defined as leavers due to death, injury, ill-health, disability, redundancy, transfer of employee to another company outside of the Group, or at the Board's discretion, in which case an explanation will be provided in the relevant Directors' Remuneration Report.	<p>Under the TPIP, at the payment date of the Cash Award, a portion will be deferred into a Deferred Share Award which will normally vest after a further 2 years.</p> <p>For "good leavers" unpaid Cash Awards and unvested Deferred Share Awards will vest on the normal payment and vesting dates (unless the Committee determines otherwise). Cash Awards will normally be pro-rated for time according to the portion of the 1 year performance period in employment. Deferred Share Awards will normally be pro-rated for time according to the portion of the 3 year period from the start of the 1 year performance period of the Cash Award to the vesting date of the Deferred Share Award in employment.</p> <p>For both Cash and Deferred Share Awards, the extent of payment and vesting will normally be determined by the Committee taking into account any performance conditions and/or underpins.</p>	N/A

Remuneration Policy

continued

Treatment of unvested LTIP 2016	<p>Legacy arrangement: LTIP 2016</p> <p>All awards lapse except for “good leavers”: i.e. death, or where the employing company or the company with which the office is held ceases to be a member of the Group or the transfer of employment out of the Group by reason of the Transfer of Undertakings (Protection of Employment) Regulations 2006.</p> <p>In the event of injury, disability, retirement or redundancy, the Committee may exercise its discretion to classify the participant as a “good leaver”.</p>	<p>Legacy arrangement: LTIP 2016</p> <p>If a participant in the LTIP 2016 ceases to be employed within the Group otherwise than as a “good leaver”, any unvested awards will be forfeited. Any growth shares which have vested but not been converted, must be converted within 14 days of the end of their employment otherwise they will be forfeited; the conversion ratio shall be based on the average share price for the 30 working days immediately preceding the date on which conversion takes place.</p> <p>If a participant in the LTIP 2016 is a “good leaver”, then they shall be entitled to the benefit of any shares that have become convertible prior to the date of leaving, and such shares shall be converted (at the option of the employee) either within 14 days of the termination of their employment (in which case the conversion ratio shall be based on the average share price for the 30 working days immediately preceding the date on which conversion takes place), or during the next annual vesting period using the criteria which apply on that date.</p>	N/A
Exercise of discretion	Discretion to be used only in exceptional circumstances.	The Committee will take into account the recent performance of the director and the Company, and the nature of the circumstances around the executive director’s departure.	N/A
Non-executive Directors	Non-executive directors are appointed for an initial term of one year which is then reviewed by the Board on annual basis thereafter.	<p>Non-executive directors are all subject to annual re-election by shareholders at the Company’s AGM each year.</p> <p>Non-executive directors have a three month notice period and there is no provision for compensation if required to stand down.</p>	Non-executive directors have the right to seek independent professional advice at the expense of the Company in the pursuance of their duties.

Approach to recruitment remuneration

The Committee’s approach is to pay the amount necessary to recruit the best candidate to each particular role. In determining these amounts the Committee will be mindful of, inter alia, prevailing market rates, the chosen candidate’s skills, knowledge and experience, and their existing location and position.

Where the candidate has variable remuneration arrangements with a previous employer that will be lost on leaving employment, the Company will consider offering a sign-on award in compensation for the value foregone, either as an award under an existing share incentive scheme or a bespoke award under the Listing Rules exemption available for this purpose. The face and/or expected values of the award(s) offered will not materially exceed the value

ascribed to the award(s) foregone, and where practicable would follow the same vesting timing and form (i.e. cash or shares) save that the Committee may award the whole of the value in shares, at its discretion. The application of performance conditions would be considered and, where appropriate, the awards could be made subject to claw-back in certain circumstances. For material amounts the Committee would, where practicable, consult with key institutional shareholders ahead of committing to make any such sign-on awards, and in any event a full explanation of any amounts awarded, an explanation of why it was necessary and a breakdown of the awards to be made will be announced to the markets at the time of granting. For the avoidance of doubt, should a new director be internally promoted from the Company's senior management team they will not be expected to give up or amend any element of remuneration granted to them prior to becoming a director which is inconsistent with the remuneration policy set out above.

Any new executive director's remuneration package would include similar elements, and be subject to the same constraints, as those of the existing executive directors as outlined in the above policy table.

Statement of consideration of shareholder views

The Chairman of the Committee engages with certain of the Company's largest shareholders who have expressed an interest in being consulted in relation to remuneration matters to understand their expectations and monitor any changes in their views. Shareholder and proxy advisor remuneration guidelines were considered when drafting this Policy.

Furthermore, we consulted with our largest shareholders on our new Directors' Remuneration Policy and its implementation in the form of a letter, with some shareholders requesting a follow up meeting and others responding via email. A number of shareholders asked for additional information on the proposed performance metrics and underpins. These details were provided in writing and will be set out within the annual report on remuneration each year. In light of the positive feedback received, we did not make any material changes to the proposal.

Statement of consideration of employment conditions elsewhere in the group

The Committee considers pay levels across the organisation when setting remuneration for all directors (both executives and non-executives). However, this review is undertaken against a background of ensuring that the prevailing market rates for all levels of employee in the organisation are taken into account in order to attract, retain and motivate the best employees at each level. In relation to directors, specific account is taken of any change in the level of responsibility of the director (whether through a change in role or the increased size of the Company) or an increase in experience and knowledge of the Company and its markets which may not be relevant to roles elsewhere in the Company.

The Company does not deem it appropriate to formally consult with employees regarding the determination of the directors' remuneration policy. However, employees have the opportunity to make comments on any aspect of the Company's activities through an employee survey and any comments made which are relevant to directors' remuneration would be considered by the Committee.

Legacy arrangements

The Committee reserves the right to make remuneration payments and payments for loss of office, to exercise any discretion in relation to such payment, notwithstanding that they are not in line with the Remuneration Policy set out above where the terms of payment were agreed:

- Before this Policy came into effect (provided that the terms of the payment were consistent with shareholder approved Policy in force at the time they were agreed or were agreed before the Company's first shareholder approved Policy came into force).
- At a time when the relevant individual was not a director of the Company and, in the opinion of the Committee, the payment was not in consideration of the individual becoming a director of the Company.

For these purposes, 'payments' includes the satisfaction of variable remuneration and, in relation to an award over shares, the terms of the payment are 'agreed' no later than the time the award is granted.

Annual Report on Remuneration

Remuneration Committee

The Committee is responsible for reviewing and making recommendations to the Board regarding the policy relating to the total remuneration paid to the executive directors and senior management of the Company. It meets regularly to review and set all elements of the remuneration paid to the executive directors of the Company and monitors the level and structure of remuneration for other senior management of the Company. It also exercises all the powers of the Board in relation to the operation of the Company's share incentive schemes, including the grant of options and the terms of those grants.

The Committee met formally five times during the year and details of attendance at these meetings are provided in the Corporate Governance Statement on 55.

The Committee's principal activities during the year included:

- conducting a detailed review of the current Remuneration Policy and structure of remuneration at Telecom Plus in order to assess its ongoing appropriateness in incentivising executive directors to execute the Company's strategy;
- reviewing and approving the revised Remuneration Policy to be presented for shareholder approval at the 2023 AGM;
- reviewing and approving executive director remuneration packages;
- monitoring senior management remuneration packages; and
- reviewing and approving the issue of share options to certain employees.

Single total figure of remuneration

Year ended 31 March 2023 (audited)

Audited details of directors' remuneration for the year are as follows:

Director	Salary & fees £'000	Annual bonus ¹ £'000	Taxable benefits £'000	Pension contributions £'000	Total £'000	Total fixed £'000	Total variable £'000
Charles Wigoder	295	-	-	-	295	295	-
Andrew Lindsay	621	885	10	4	1,520	635	885
Stuart Burnett ²	557	885	5	4	1,451	566	885
Nick Schoenfeld	621	398	9	4	1,032	634	398
Andrew Blowers ³	73	-	-	-	73	73	-
Beatrice Hollond	60	-	-	-	60	60	-
Carla Stent ⁴	44	-	-	-	44	44	-
Suzi Williams	60	-	-	-	60	60	-
Melvin Lawson ⁵	4	-	-	-	4	4	-
Julian Schild ⁵	15	-	-	-	15	15	-
Total	2,350	2,168	24	12	4,554	2,386	2,168

1. One third of the bonus is deferred into shares in accordance with the rules of the DBP.

2. As detailed on page 81, Stuart Burnett's annual base salary was increased to £621,195 on 1 October 2022.

3. Additional remuneration received from appointment as Chairman of UWI Limited the Group's insurance company.

4. Appointed 26 July 2022.

5. Retired 26 July 2022.

Year ended 31 March 2022 (audited)

Audited details of directors' remuneration for the year are as follows:

Director	Salary & fees £'000	Annual bonus ¹ £'000	Taxable benefits £'000	Pension contributions £'000	Total £'000	Total fixed £'000	Total variable £'000
Charles Wigoder	475	-	-	-	475	475	-
Andrew Lindsay	589	614	7	4	1,214	600	614
Stuart Burnett	449	438	5	4	896	458	438
Nick Schoenfeld	589	276	6	4	875	599	276
Andrew Blowers	45	-	-	-	45	45	-
Beatrice Hollond	45	-	-	-	45	45	-
Melvin Lawson	12	-	-	-	12	12	-
Julian Schild	45	-	-	-	45	45	-
Suzi Williams	45	-	-	-	45	45	-
Total	2,294	1,328	18	12	3,652	2,324	1,328

1. One third of the bonus is deferred into shares in accordance with the rules of the DBP.

Salary and benefits (audited)

The Committee awarded 5.5% increases to the annual base salaries of the Chairman, Co-Chief Executives and Chief Financial Officer with effect from 1 April 2022 as follows:

- Charles Wigoder - increased from £475,350 to £501,495 from 1 April 2022, then reduced to £200,000 from 26 July 2022 to reflect the move to Non-Executive Chairman;
- Andrew Lindsay - increased from £588,810 to £621,195;
- Stuart Burnett - held at £500,000 from 1 April 2022 and then increased to £621,195 from 1 October 2022 to align his salary with Andrew Lindsay's. Stuart has performed very strongly as Co-CEO since his appointment and exhibited excellent development in role and the Committee felt it was now appropriate to align the salaries of our two Co-CEO's; and
- Nick Schoenfeld - increased from £588,810 to £621,195.

The underlying increases were in line with the Company's average cost of living increase for all employees of 5.5%.

The amounts relating to taxable benefits received mainly include the provision of private health insurance and motor vehicles to the directors.

Annual bonus (audited)

The maximum bonus opportunities for each executive director for the year ended 31 March 2023 were as follows:

Andrew Lindsay	150% of base salary
Stuart Burnett	150% of base salary
Nick Schoenfeld	67.5% of base salary

Stuart Burnett's bonus entitlement was increased from 140% to 150% during the year to align the opportunity level with fellow Co-CEO Andrew Lindsay (consistent with the approach to aligning salaries).

The maximum opportunity for Nick Schoenfeld was set at 67.5% to reflect his salary positioning compared to other FTSE 250 companies of a similar size and scale to the Company.

Annual Report on Remuneration

continued

The awards were granted subject to financial and non-financial strategic objectives. 70% of the bonus was based on adjusted PBT performance. The PBT targets were set by reference to multiple factors, including internal budgeting and broker forecasts. The threshold and maximum targets are set out in the table below, with vesting on a sliding scale between these targets:

	Weighting % of bonus	Threshold (40% of maximum)	Maximum	Actual	Payable (% of maximum)
FY23 Adjusted PBT	70.0%	£60.0m	£82.5m	£96.2m	70.0%

The remaining 30% of the bonus was subject to strategic objectives and any pay-out under this element was subject to achieving the threshold PBT target.

Strategic objective	Detail	Weighting % of bonus	Threshold	Maximum	Actual	Payable (% of maximum)
Our employees	Employee Net Promoter Score (eNPS)	10.0%	0 to +5	>+10	+39	10.0%
Managing our customers	Energy Ombudsman top quartile supplier	5.0%	N/A	Top quartile supplier	Top quartile supplier	5.0%
	New customer average speed to answer calls in first 60 days in H2	5.0%	3 - 3.5 mins	<2 mins	<2 mins	5.0%
Growing our customer base	H1 reported growth	5.0%	<1.25%	>10.0%	>10.0%	5.0%
	Full year reported growth	5.0%	<2.5%	>20.0%	>20.0%	5.0%
Total						30.0%

The executives therefore earned a bonus equal to 100.0% of the maximum opportunity based on the targets set. The Committee carefully considered this bonus outcome and whilst all bonus targets were achieved, elements of customer service performance were below the high standards the Company sets at times when largely external factors created much higher call volumes than planned. Customer service levels have improved very substantially across the year (and, importantly, this performance improvement is being sustained through systemic operational changes) and will bring ongoing improvements to customers. So, whilst numerically the bonus outcome was achieved, and whilst acknowledging this great work, the Committee nevertheless used discretion to adjust this outcome downwards to reflect the lived customer experience across a difficult period when customer service performance fell short of customer expectations. This thereby reduced the bonus by 5% resulting in a payment of 95% of the total bonus.

One-third of the bonuses earned will be deferred into shares for two years under the rules of the Deferred Share Bonus Plan.

Long term incentives (audited)

Vesting of long term incentive awards

No long-term incentive awards were capable of vesting during the year ended 31 March 2023.

Long term incentive awards granted during the year (audited)

No long-term incentive awards were granted during the year ended 31 March 2023.

Payments to past directors (audited)

There were no payments to past directors during the year.

Payment for loss of office (audited)

There were no payments for loss of office made to directors during the year.

Statement of Directors' Shareholding and Share Interests (audited)

The interests of the directors and their connected persons in the Company's ordinary shares as at 31 March 2023 were as set out below. There have been no changes to those interests between 31 March 2023 and the date of this report.

	Beneficially held	LTIP 2016 – growth shares	Deferred Shares Bonus Plan	SAYE Scheme	Share options	Shareholding (as a % of salary) ¹
Charles Wigoder	5,337,991	-	-	1,737	-	50,444%
Andrew Lindsay	359,149	15,000	26,729	-	-	1,093%
Stuart Burnett	-	7,500	17,930	-	75,000	0%
Nick Schoenfeld	7,951	15,000	12,028	-	-	24%
Andrew Blowers	-	-	-	-	-	N/A
Beatrice Hollond	1,800	-	-	-	-	N/A
Carla Stent	-	-	-	-	-	N/A
Suzi Williams	-	-	-	-	-	N/A
Melvin Lawson ²	1,436,744	-	-	-	-	N/A
Julian Schild ²	38,698	-	-	-	-	N/A

1. Based on a share price of 1,890p being the closing mid-market share price on 31 March 2023. The Committee has adopted a shareholding guideline which requires the executive directors to build up and maintain a shareholding of at least 200% of salary. See page 73 for further details.

2. Retired 26 July 2022.

Annual Report on Remuneration

continued

Share interests (audited)

Details of the share awards held by or granted to directors during the year are set out in the table below (further details on the estimated cost of these awards are set out in note 21 to the financial statements):

	1 April 2022	Granted	Lapsed	Exercised	31 March 2023	Exercise price per share	Exercisable from	Expiry date
Charles Wigoder								
SAYE Scheme								
18 August 2021	1,737	-	-	-	1,737	1036p	1 Nov 24	30 Apr 25
Andrew Lindsay								
LTIP 2016 – growth shares								
4 April 2017	3,750	-	-	-	3,750	N/A	1 Aug 19	31 Aug 26
4 April 2017	3,750	-	-	-	3,750	N/A	1 Aug 21	31 Aug 26
4 April 2017	3,750	-	-	-	3,750	N/A	1 Aug 23	31 Aug 26
4 April 2017	3,750	-	-	-	3,750	N/A	1 Aug 26	31 Aug 26
Deferred Shares Bonus Plan								
22 Jul 2021	17,383	-	-	-	17,383	5p	22 Jul 23	22 Jul 31
26 Jul 2022	-	9,346	-	-	9,346	5p	26 Jul 24	26 Jul 32
Nick Schoenfeld								
LTIP 2016 – growth shares								
4 April 2017	3,750	-	-	-	3,750	N/A	1 Aug 19	31 Aug 26
4 April 2017	3,750	-	-	-	3,750	N/A	1 Aug 21	31 Aug 26
4 April 2017	3,750	-	-	-	3,750	N/A	1 Aug 23	31 Aug 26
4 April 2017	3,750	-	-	-	3,750	N/A	1 Aug 26	31 Aug 26
Deferred Shares Bonus Plan								
22 Jul 2021	7,822	-	-	-	7,822	5p	22 Jul 23	22 Jul 31
26 Jul 2022	-	4,206	-	-	4,206	5p	26 Jul 24	26 Jul 32
Stuart Burnett								
LTIP 2016 – growth shares								
4 April 2017	1,875	-	-	-	1,875	N/A	1 Aug 19	31 Aug 26
4 April 2017	1,875	-	-	-	1,875	N/A	1 Aug 21	31 Aug 26
4 April 2017	1,875	-	-	-	1,875	N/A	1 Aug 23	31 Aug 26
4 April 2017	1,875	-	-	-	1,875	N/A	1 Aug 26	31 Aug 26
Deferred Shares Bonus Plan								
22 Jul 2021	11,271	-	-	-	11,271	5p	22 Jul 23	22 Jul 31
26 Jul 2022	-	6,659	-	-	6,659	5p	26 Jul 24	26 Jul 32
Share options								
22 July 2016	50,000	-	-	-	50,000	1047p	22 Jul 19	21 Jul 26
25 July 2019	8,334	-	-	-	8,334	1342p	25 Jul 22	24 Jul 29
25 July 2019	8,333	-	-	-	8,333	1342p	25 Jul 24	24 Jul 29
25 July 2019	8,333	-	-	-	8,333	1342p	25 Jul 26	24 Jul 29

LTIP 2016

Performance measures and targets for the LTIP 2016 Award are detailed in the 2019 Annual Report and Accounts on page 69.

Performance Graph showing Total Shareholder Return

The following graph shows the Company's performance measured by total shareholder return compared with the FTSE 350 Index for the period 1 April 2014 to 31 March 2023. The FTSE 350 Index has been chosen as the Company is a constituent of this Index.

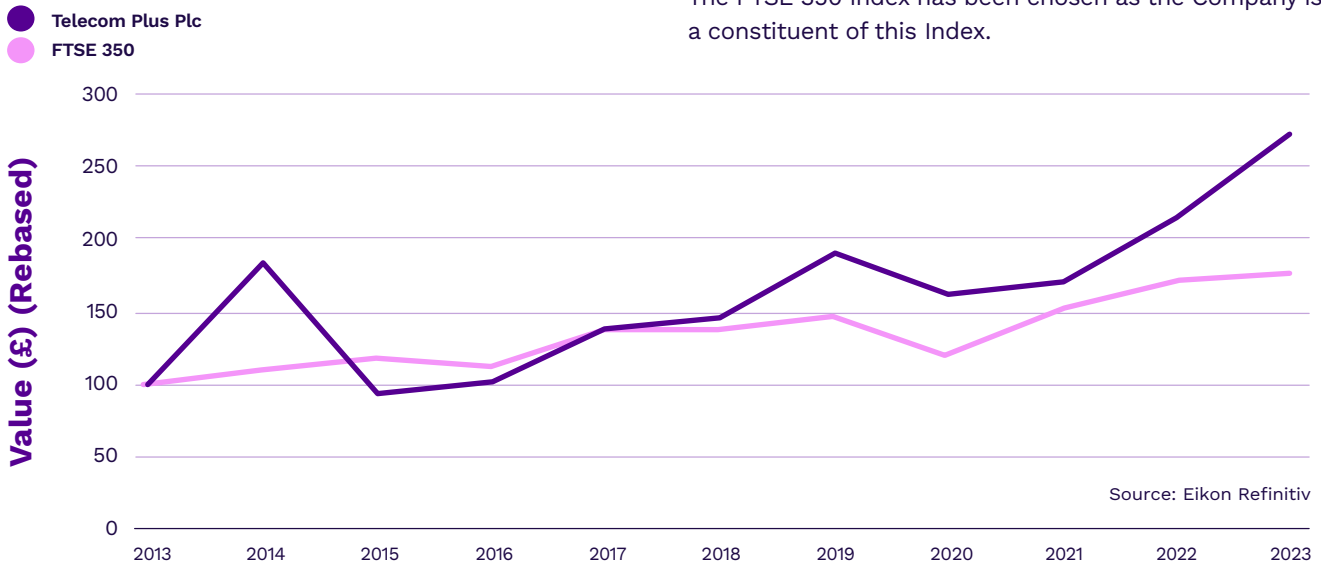


Table of historical data

The following table sets out the total remuneration and the amount vesting under the annual bonus and share incentive schemes as a percentage of the maximum that could have been achieved, in respect of the Co-Chief

Executive. The Co-Chief Executive was Mr Andrew Lindsay in all years shown in the table (noting that he served as sole CEO until November 2021).

Year ended 31 March	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Single figure of total remuneration £'000	432	2,175	2,017	523	555	581	594	1,141	1,214	1,520
Annual bonus (%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	62.6	69.5	95.0
Share incentives vesting (%)	N/A	100.0%	N/A	N/A	N/A	N/A	N/A ¹	N/A	N/A	N/A

1. Although 3,750 growth shares under the LTIP 2016 vested to the Co-Chief Executive during 2020 and a further 3,750 in 2021, the minimum share price at which these are convertible into ordinary shares in the Company is £20 and this was not achieved during the period.

Annual Percentage Change in Remuneration of directors and employees

The table below sets out the percentage change in each director's salary/fees, benefits and bonus between the years ended 31 March 2020 and 31 March 2021, 31 March 2021 and 31 March 2022, and 31 March 2022 and 31 March 2023 compared to the average employee remuneration of

the Company for each of these elements of pay, calculated on a full-time equivalent basis. The average employee change has been calculated by reference to the mean of employee pay.

Annual Report on Remuneration

continued

	Year	Salary & fees	Benefits	Bonus
Charles Wigoder	2022/2023	(37.8)%	N/A	N/A
	2021/2022	1.0%	N/A	N/A
	2020/2021	2.0%	N/A	N/A
Andrew Lindsay	2022/2023	5.5%	42.9%	44.1%
	2021/2022	1.0%	16.7%	12.0%
	2020/2021	3.1%	(66.7)%	N/A
Stuart Burnett	2022/2023 ¹	24.0%	0.0%	102.1%
	2021/2022	19.0%	0.0%	23.4%
	2020/2021	N/A	N/A	N/A
Nick Schoenfeld	2022/2023	5.5%	50.0%	44.2%
	2021/2022	1.0%	0.0%	12.2%
	2020/2021	3.1%	0.0%	N/A
Andrew Blowers ^{2,3}	2022/2023	62.2%	N/A	N/A
	2021/2022	1.0%	N/A	N/A
	2020/2021	0.0%	0.0%	N/A
Beatrice Hollond ³	2022/2023	33.3%	N/A	N/A
	2021/2022	1.0%	N/A	N/A
	2020/2021	0.0%	N/A	N/A
Carla Stent ⁴	2022/2023	N/A	N/A	N/A
Suzi Williams ^{3, 5}	2022/2023	33.3%	N/A	N/A
	2021/2022	1.0%	N/A	N/A
	2020/2021	N/A	N/A	N/A
Average employee	2022/2023	6.0%	0.3%	43.0%
	2021/2022	(9.0)%	(24.6)%	41.2%
	2020/2021	4.5%	(0.1)%	(1.5)%

1. Increases due to alignment of Co-CEO remuneration package as detailed on page 81.

2. Includes additional remuneration for Chairmanship of the Company's Gibraltar insurance company UWI Limited.

3. Reflects results of market benchmarking exercise as detailed in the 2022 Annual Report.

4. Appointed 26 July 2023.

5. For comparative purposes Suzi Williams' remuneration for the year ended 31 March 2021 has been annualised.

Chief Executive pay ratio

The table below sets out the Chief Executive pay ratio, using the Co-Chief Executive's (Andrew Lindsay's) single total remuneration as disclosed on page 80 to the comparable full-time equivalent total remuneration of the UK employees whose pay is ranked at the 25th percentile, median and 75th percentile.

The Company used Option A to calculate the ratios as this is the approach typically preferred by shareholders and proxy voting agencies. The remuneration figures for the employee at each quartile were calculated as at that the last day of the relevant financial year. Sensitivity analysis has been performed to ensure that the median and quartile employees are reasonably representative.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2020	A	38:1	22:1	16:1
2021	A	59:1	41:1	33:1
2022	A	79:1	44:1	35:1
2023	A	62:1	53:1	42:1

Pay details for the individuals in 2023 are set out below:

	CEO	25th percentile (lower quartile)	50th percentile (median)	75th percentile (upper quartile)
Salary	£621,000	£22,605	£26,711	£31,119
Total remuneration	£1,520,000	£24,565	£28,532	£35,829

In the case of the CEO, his total remuneration comprises a significant proportion in variable pay. His total remuneration therefore varies considerably depending on the level of performance against the metrics driving the variable pay outcomes. In 2022/23 the annual bonus paid out at 95% of maximum potential (following the application of downwards discretion) compared to 69.5% in 2021/22 and 62.6% in 2020/21. This has resulted in an increase in the CEO median pay ratio this year compared to the two previous years.

The result of the median pay ratio is in line with the Company's general policy to provide a competitive remuneration package so as to enable the attraction and retention of high calibre individuals at each level.

Relative importance of the spend on pay

Set out below is a summary of the Company's levels of expenditure on pay and other significant cash outflows to key stakeholders. No share buybacks were made during the years ended 31 March 2022 or 31 March 2023.

Year ended 31 March	2023 £'000	2022 £'000	Change %
Wages and salaries	80,495	75,294	6.9%
Dividends	50,601	44,787	13.0%

Statement of Implementation of Remuneration Policy for the financial year commencing 1 April 2023

Information on how the Company intends to implement the Remuneration Policy for the financial year commencing 1 April 2023 is set out in the Annual Statement on page 67.

Advisers to the Committee

Wholly independent and objective advice on executive remuneration is received from the Committee's external advisers.

PwC were appointed as Remuneration Committee advisors in August 2022. PwC is one of the founding members of the Remuneration Consultants Group and is a signatory to its Code of Conduct.

Fees paid to PwC for their services to the Remuneration Committee during the year, based on time and expenses, amounted to £49,000 (excluding VAT). Fees paid to the Committee's former adviser Deloitte amounted to £33,000 (excluding VAT).

Shareholder vote and shareholder engagement

Details of the votes cast in relation to the main remuneration resolutions at the 2022 AGM are set out below:

	2022 AGM	%
To approve the 2022 Remuneration Report		
Votes cast in favour & Chairman discretion	50,644,906	81.78
Votes cast against	11,287,068	18.22
Total	61,931,974	100.00
Withheld	901	

	2022 AGM	%
To approve the Directors' Remuneration Policy		
Votes cast in favour & Chairman discretion	58,439,863	94.95
Votes cast against	3,107,477	5.05
Total	61,547,340	100.00
Withheld	385,535	

The Board of the Company noted the level of votes against the 2022 Directors' Remuneration Report put to the 2022 AGM. The Company understands that this was driven mainly by concerns raised by certain shareholders regarding the historical structure of the directors' remuneration policy. The Company has since consulted with shareholders during the year regarding a new remuneration policy which will be submitted for shareholder approval at the forthcoming AGM in August.

Andrew Blowers OBE

Chairman of the Remuneration Committee

On behalf of the Board

27 June 2023

Directors' Report

The directors have pleasure in presenting their report and the audited financial statements for the year to 31 March 2023.

Principal activities and business review

The Company's principal activity is to act as a holding company. The Company is incorporated and domiciled in England and Wales. The list of its subsidiaries is set out on page 125. A full review of the development of the business is contained in the Strategic Report on pages 1 to 50. A summary of the financial risk management objectives and policies is contained in note 22 to the financial statements. Environmental matters, including greenhouse house gas emissions are set out in the Sustainability Report on pages 32 to 43.

This Directors' Report, together with the information in the Strategic Report forms the management report for the purposes of DTR 4.1.8R. The Strategic Report, the Governance Reports, which includes this Directors' Report, and any notes to the Financial Statements include information that would otherwise be included in the Directors' Report required under the Companies Act 2006.

Results and dividends

The profit for the year after tax of £68,161,000 (2022: £35,003,000) has been transferred to reserves. An interim dividend of 34p per share (2022: 27p) was paid during the year. A final dividend of 46p per share (2022: 30p per share) is proposed. The adjusted profit before tax for the year ended 31 March 2023 was £96,201,000 (see Financial Review page 18).

Directors

The names of directors who served during the year and their interests, including those of their connected persons, in the share capital of the Company at the start and end of the year are set out in the table below. Details of the directors' share incentive awards are disclosed in the Directors' Remuneration Report on page 84.

Director	Ordinary 5p shares held at	
	31 March 2023	31 March 2022
Charles Wigoder*	8,430,674	11,014,169
Andrew Lindsay	359,149	359,149
Stuart Burnett	-	-
Nick Schoenfeld	7,951	7,951
Andrew Blowers*	-	-
Beatrice Hollond*	1,800	1,800
Suzi Williams*	-	-
Carla Stent*	-	-

*indicates non-executive directors

In respect of the above shareholdings, Mr Wigoder has a non-beneficial interest in 3,092,683 shares (2022: 3,592,683).

The powers of directors are set out in the Company's Articles of Association (the "Articles"). The Articles may be amended by way of a special resolution of the members of the Company. The Board may exercise all powers conferred on it by the Articles and in accordance with the Companies Act 2006, and other applicable legislation.

The Board has established a formal, rigorous and transparent process for the selection and subsequent appointment of new directors to the Board. The rules relating to the appointment and replacement of directors are contained within the Articles. The Articles provide that Directors may be appointed by an ordinary resolution of the members or by a resolution of the Directors, provided that, in the latter instance, a director appointed in that way retires at the first Annual General Meeting following their appointment. In addition, shareholders within excess of 20% of the shares in the Company are entitled under the Articles to appoint a director and remove any such director appointed.

In accordance with current best practice, all Board directors will be retiring at the forthcoming AGM and will then offer themselves for re-election.

Directors' conflicts of interest

The Directors have a statutory duty to avoid situations where they have, or could have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests. The Companies Act 2006 and the Company's Articles allow the Board to authorise such conflicts of interest should this be deemed to be appropriate.

The Board has put in place effective procedures for managing and, where appropriate, approving conflicts or potential conflicts of interest. Under these procedures, the Directors are required to declare all directorships or other appointments to companies which are not part of the Group, as well as other situations which could give rise to a potential conflict. The Board will, where appropriate, authorise a conflict or potential conflict, and will impose all necessary restrictions and/or conditions where it sees fit. The Company maintains a register of directors' interests which is reviewed regularly by the Board.

Political donations

The Company did not contribute in cash or in kind to any political party, whether by gift or loan. It will, however, ensure that the Group continues to act within the provisions of the Companies Act 2006 requiring companies to obtain shareholder authority before they make donations to political parties and/or political organisations as defined in the Companies Act 2006.

Directors' and Officers' liability insurance

The Company maintains appropriate insurance to cover directors' and officers' liability and has provided an indemnity, as permitted by the Companies Act 2006, in respect of all of the Company's directors which was in force throughout the financial year and remains in force. Neither the insurance nor the indemnity provides cover where a director has acted fraudulently or dishonestly.

Employees

The requirements of the Companies Act 2006 in respect of employees are set out in the Strategic Report on pages 28 to 31.

Stakeholder engagement

More information on stakeholder engagement, including our relationships with our Partners, suppliers, customers and our community can be found in the Strategic Report on pages 1 to 50.

Substantial shareholders

As at 27 June 2023, in addition to the directors, the following have notified the Company of their substantial shareholdings as detailed below:

Shareholder	Number of shares	Percentage of issued share capital
abdrn PLC	7,910,246	9.9%
JP Morgan Asset Management	4,384,857	5.5%
Primestone Capital	3,512,184	4.4%
Vanguard Group	3,238,897	4.1%
Schroders Investment Management	3,110,707	3.9%
Jupiter Asset Management	3,052,928	3.8%
BlackRock	3,039,078	3.8%

Capital structure

Restrictions on the transfer of shares

The Company only has ordinary shares in issue. Other than as set out below, there are no restrictions on the transfer of the ordinary shares, except where a holder refuses to comply with a statutory notice requesting details of those who have an interest and the extent of their interest in a particular holding of shares. In such cases, where the identified shares make up 0.25% or more of the ordinary shares in issue, the directors may refuse to register a transfer of any of the identified shares in certificated form and, so far as permitted by the Uncertificated Securities Regulations 2001, a transfer of any of the identified shares which are held in the electronic share dealing system CREST, unless the directors are satisfied that they have been sold outright to an independent third party.

Directors' Report

continued

Other than as set out below and so far as the directors are aware, there were no arrangements at 31 March 2023 by which, with the Company's co-operation, financial rights carried by securities are held by a person other than a holder of securities, or any arrangements between holders of securities that are known to the Company and which may result in restrictions on the transfer of securities or on voting rights.

Non-Executive Chairman Charles Wigoder entered into an agreement to charge 325,000 of his shares in the Company as security for a loan from Barclays Bank Plc ("Barclays") on 3 December 2013. The loan enabled him to apply for 57,142 ordinary shares as part of his open offer entitlement which resulted from funding the Company's entering into of the new energy supply arrangements with npower on 20 December 2013. Under the terms of the charge, title to the 325,000 shares can be transferred, sold or otherwise dealt with by Barclays following the occurrence of a failure to pay any amount due and payable under the loan.

On 22 March 2018, Charles Wigoder notified the Company that he had entered into an agreement to charge 1,404,000 of his shares in the Company as security for a loan from the Julius Baer Group ("Julius Baer"). Under the terms of the charge, title to the 1,404,000 shares can be transferred, sold or otherwise dealt with by Julius Baer following an event of default under the security agreement.

On 23 March 2018, Charles Wigoder notified the Company that he had deposited a further 350,000 of his shares in the Company into a collateral account at Barclays as partial security for an increase to his existing loan facility. Under the terms of his agreement with Barclays, title to the 350,000 shares can be transferred, sold or otherwise dealt with by them following an event of default under the security agreement.

The Company established a Joint Share Ownership Plan ("the JSOP") on 30 March 2011. As part of the JSOP an employee benefit trust was established to jointly hold shares with the participants in the plan ("the JSOP Share Trust"). As at 31 March 2023, the JSOP Share Trust held 252,638 shares. All voting and dividend rights attached to these shares have been waived.

Share plans

The Company operates a number of share-based incentive plans that provide the Company's ordinary shares to participants at exercise of share options upon vesting or maturity. The plans in operation include the Long Term Incentive Plan ("LTIP"), the Deferred Share Bonus Plan

("DBP"), the Employee Share Option Plans ("ESOPs"), and the Sharesave Scheme ("SAYE"). Details of these plans are set out in the Directors' Remuneration Report on pages 66 to 87 and in note 21 to financial statements.

Awards under these plans are satisfied by using either newly issued shares or market purchased shares held in the employee benefit trust ("EBT"). The trustee does not register votes in respect of these shares and has waived the right to receive any dividends.

Takeovers

There are no significant arrangements to which the Company is party that take effect, alter or terminate upon a change of control of the Company following a takeover bid, save in relation to the arrangements with E.ON (formerly npower) and EE/BT for the supply of energy and mobile telephony respectively, or any agreements between the Company and its directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that occurs because of a takeover bid.

Authority for purchase of own shares

At the last AGM held on 26 July 2022, the Company obtained authority to purchase up to 7,909,952 ordinary shares representing approximately 10% of the issued ordinary share capital (excluding treasury shares) as at 23 June 2022. The Company intends to renew this authority at this year's AGM.

Treasury shares

The Company held 482,276 ordinary shares in treasury as at 31 March 2023 (2022: 482,276).

Disclosure of information

Each of the directors has confirmed that so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and that 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 auditor is aware of that information.

Corporate governance

The Company's position in relation to compliance with the requirements of the UK Corporate Governance Code issued by the Financial Reporting Council is set out mainly in the Corporate Governance Statement on pages 54 to 60.

Environment and Emissions

In accordance with LR 9.8.6R, climate-related financial disclosures consistent with the Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations and recommended disclosures are contained in the Strategic report on pages 44 to 50. Information on the Company’s greenhouse gas emissions is set out in the Sustainability Report on page 40.

Overseas entities

During the period the Company established two overseas entities UW Spain S.L.U. in Spain and UWI Limited in Gibraltar (see note 9 to the financial statements).

Financial Instruments

Group companies use financial instruments to manage certain types of risks, including those relating to credit, foreign currency exchange, cash flow, liquidity, interest rates, and equity and property prices. Details of the objectives and management of these instruments are contained in note 22 to the financial statements.

Risk, control and viability

In accordance with the UK Corporate Governance Code, the Directors have assessed the viability of the Group over a three year period, taking into account the Group’s current position and the potential impact of the principal risks and uncertainties set out on pages 21 to 27. Based on this assessment, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to March 2026.

The directors have determined that a three-year period to 31 March 2026 constitutes an appropriate period over which to provide its viability statement. This is the period focussed on by the Board during the strategic planning process.

Whilst the directors have no reason to believe the Group will not be viable over a longer period, given the inherent uncertainty involved we believe this presents users of the Annual Report with a reasonable degree of confidence while still providing a longer-term perspective.

In making this statement, the Board carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity.

The Board considers at least annually, a three-year strategic plan. The output of this plan is used to perform central debt and headroom profile analysis, which includes a review of sensitivity to ‘business as usual’ risks, such as bad debt in severe but plausible events.

The Board also considers the ability of the Group to raise finance and deploy capital. The results take account of the availability and likely effectiveness of the mitigating actions that could be taken to avoid or reduce the impact or occurrence of the underlying risks.

Under the revised energy supply arrangements which were effective from 1 December 2013, E.ON continues to be responsible for funding the principal working capital requirements relating to the supply of energy to the Company’s customers. This includes funding the Budget Plans of customers who pay for their energy in equal monthly instalments.

The Group has from Barclays Bank PLC, Lloyds Bank PLC and Bank of Ireland total revolving credit facilities of £175.0 million for the period to 30 June 2024, of which only £90 million was drawn down as at 31 March 2023, with cash balances of £193.8m on deposit. In light of the track record of the Company and its continued prospects, successful refinancing beyond 2024 is anticipated by the directors.

The Company has considerable financial resources together with a large and diverse retail and small business customer base and long-term contracts with a number of key suppliers. As a consequence, the directors believe that the Company is well placed to manage its business risks.

Whilst this review does not consider all of the risks that the Group may face, the directors consider that this stress-testing based assessment of the Group’s prospects is reasonable in the circumstances of the inherent uncertainty involved.

For and on behalf of the Board
David Baxter
 Company Secretary
 27 June 2023

Statement of Directors' Responsibilities in Respect of the Report and Accounts and the Financial Statements

The directors are responsible for preparing the Report and Accounts and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements on the same basis.

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 Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the Group financial statements, UK-adopted international accounting standards;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule 4.1.14R, the financial statements will form part of the annual financial report prepared using the single electronic reporting format under the TD ESEF Regulation. The auditor's report on these financial statements provides no assurance over the ESEF format.

Responsibility statement of the directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Charles Wigoder
Non-Executive Chairman
27 June 2023

Nick Schoenfeld
Chief Financial Officer
27 June 2023

Independent Auditor's Report to the Members of Telecom Plus PLC

1. Our opinion is unmodified

We have audited the financial statements of Telecom Plus Plc. ("the Company") for the year ended 31 March 2023 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated and Company Cashflow Statements, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, and the related notes, including the accounting policies in note (a) to (aa).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit & Risk Committee.

We were first appointed as auditor by the directors on 15 December 2015. The period of total uninterrupted engagement is for the nine financial years ended 31 March 2023. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview

Materiality: group financial statements as a whole	£3.87m (2022: £2.36m) 4.5% (2022: 4.7%) of profit before tax
Coverage	97.9% (2022: 96%) of group profit before tax

Key audit matters vs 2022

Recurring risks	Expected Credit Losses on Trade Receivables and Accrued Income	◀▶
	Non-Smart Meter Energy Revenue Recognition	▲
	Recoverability of parent company's investment in subsidiaries (Parent)	◀▶

Independent Auditor's Report to the Members of Telecom Plus PLC **continued**

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the

key audit matters (unchanged from 2022), in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Expected credit losses on trade receivables and accrued income	Subjective estimate	Our procedures included:
<p>(Loss allowance: £42.7m; 2022: £25m) (Impairment loss on trade receivables: £28.7m; 2022: £11.6m)</p> <p>Refer to page 63 (Audit & Risk Committee Report), pages 110 to 111 (accounting policy) and page 129 to 130 (financial disclosures).</p>	<p>Significant estimation uncertainty is associated with the expected credit loss provision over trade receivables and accrued income at each reporting date. Similar to the previous year this uncertainty has been heightened by the impact of the cost of living crisis on recoverability of trade receivables and accrued income.</p> <p>The allowance for expected credit loss is recognised based on an estimate of future cash flows. In arriving at this estimate, the Group considers whether the customer is live or closed (live being an ongoing customer; closed being a former customer), the current ageing profile of debt, historical collections experience by payment plan, and an assessment of current economic conditions.</p> <p>The effect of these matters is that, as part of our risk assessment, we determined that the expected credit losses for trade receivables has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, The financial statements disclose the sensitivity estimated by the Group.</p>	<ul style="list-style-type: none"> • Test of Detail, Re-calculation: Validate the segmentation of debt (principally by age, and between live and closed accounts), by selecting a sample of receivables and agreeing to supporting documents. Assess whether the expected credit loss was accurately and consistently calculated in accordance with the Group's methodology. • Historical comparisons: Evaluate the appropriateness of the Group's estimate based on historical cash collections and write off information to the actual outcome. • Sector experience: Evaluate the assessment of how current and future economic scenarios are incorporated into the expected credit loss, based on our knowledge of the entity and experience of the industry in which it operates. • Assessing transparency: considering whether the disclosures properly reflect the expected credit loss accounting policy and related critical accounting estimates, judgements and assumptions therein; <p>We performed the tests above rather than seeking to rely on any of the group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.</p> <p>Our results</p> <ul style="list-style-type: none"> • We found the group's assessment of the expected credit losses on trade receivables and accrued income to be acceptable (2022: acceptable).

	The risk	Our response
Non-smart meter energy revenue recognition	Use of estimates	Our procedures included:
(£275.1 million; 2022: £94.7m) Refer to page 63 (Audit & Risk Committee Report), page 110 (accounting policy) and page 117 (financial disclosures).	<p>A significant element of Revenue recognised in relation to the supply of gas and electricity for non-smart meters, includes making an estimate of the volume of energy supplied to customers between the date of the last meter reading and the year end.</p> <p>The method of estimating usage is reliant on historical data, and is subject to volatility in weather patterns. In the current period, historical data usage is less reliable as a predictor of energy use, as a result of changes in consumption patterns, due to significant energy price rises in the year. Accordingly, the method has been adjusted to leverage smart meter usage data in order to adjust the expected usage for non smart meters, factoring in observed changes in consumption patterns. The risk of material misstatement is therefore heightened in current year. The risk of misstatement is that the estimated non-smart meter energy revenue does not reflect the gas and electricity actually delivered as at 31 March 2023. The quantum of revenue subject to an estimate is such that even a relatively small percentage error could result in a materially misstated outcome.</p> <p>The effect of these matters is that, as part of our risk assessment, we determined that non-smart meter energy revenue has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole. The financial statements disclose the sensitivity estimated by the Group.</p>	<ul style="list-style-type: none"> • Risk Assessment: Assessing the volume and nature of customer complaints received in relation to estimated meter readings in order to identify whether any indicators exist of an underlying issue with the Group's estimation of energy usage. • Assessing management expert's credentials: Evaluating the competence, capability and objectivity of the expert used by management to assist in evaluating the impact of changing consumption patterns and in developing a revised methodology to take this into account. • Assessing methodology: Considering whether the revised methodology for estimating non-smart meter revenue was appropriate. • Test of detail: Re-calculating the new overlay adjustment that leverages observed falls in smart meter consumption to reduce the estimated revenue on non-smart meters. The supporting actual and estimated meter readings for smart and non-smart meters were sampled, and samples validated to source documentation. • Assessing transparency: Considering whether the critical accounting estimates, judgements and assumptions, and accounting policy disclosures properly reflect the judgements and estimates inherent in recognising non- smart meter revenue. <p>We performed the tests above rather than seeking to rely on any of the group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.</p> <p>Our results</p> <ul style="list-style-type: none"> • We found the resulting estimate of non- smart meter energy revenue to be acceptable (2022 result: acceptable).

Independent Auditor's Report to the Members of Telecom Plus PLC **continued**

Recoverability of parent company's investment in subsidiary	Low risk, high value	Our procedures included:
<p>(£262.0m; 2022: £262.0m)</p> <p>Refer to page 115 (accounting policy) and page 125 (financial disclosures).</p>	<p>The carrying amount of the parent company's investment in subsidiary represents 99% (2022: 99%) of the company's total assets. Their recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the parent company financial statements, this is considered to be the area that had the greatest effect on our overall parent company audit.</p>	<ul style="list-style-type: none">• Tests of detail: Comparing the carrying amount of the investment value within the subsidiary's draft balance sheet to identify whether the net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether the subsidiary has historically been profit-making.• Assessing subsidiary audit: Assessing the work performed on that subsidiary and considering the results of our work on that subsidiary's profits and net assets. <p>We performed the tests above rather than seeking to rely on any of the group's controls because the nature of the balance is such that we would expect to obtain audit evidence primarily through the detailed procedures described.</p> <p>Our results</p> <ul style="list-style-type: none">• We found the group's assessment of the recoverability of the investment in its subsidiary to be acceptable. (2022 result: acceptable).

3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £3.87m (2022: £2.36m), determined with reference to a benchmark of Group profit before tax of £85.45m (2022: £49.8m), of which it represents 4.5% (2022: 4.7%).

Materiality for the parent Company financial statements as a whole was set at £2.8m (2022: £2m), determined with reference to a benchmark of Company total assets, of which it represents 1.1% (2022: 0.8%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 75% (2022: 75%) of materiality for the financial statements as a whole, which equates to £2.9m (2022: £1.77m) for the Group and £2.3m (2022: £1.5m) for the parent Company. We applied this percentage in our determination of performance materiality because all but one factor did not indicate an elevated level of risk.

We agreed to report to the Audit & Risk Committee any corrected or uncorrected identified misstatements exceeding £193,500 (2022: £118,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the Group's 10 (2022: 9) reporting components, we subjected 3 (2022: 4) to full scope audits for group purposes. All audits, including the audit of the parent company, were conducted by the group team, with component materiality ranging from £1.74m to £3.1m (2022: £0.93m to £2m).

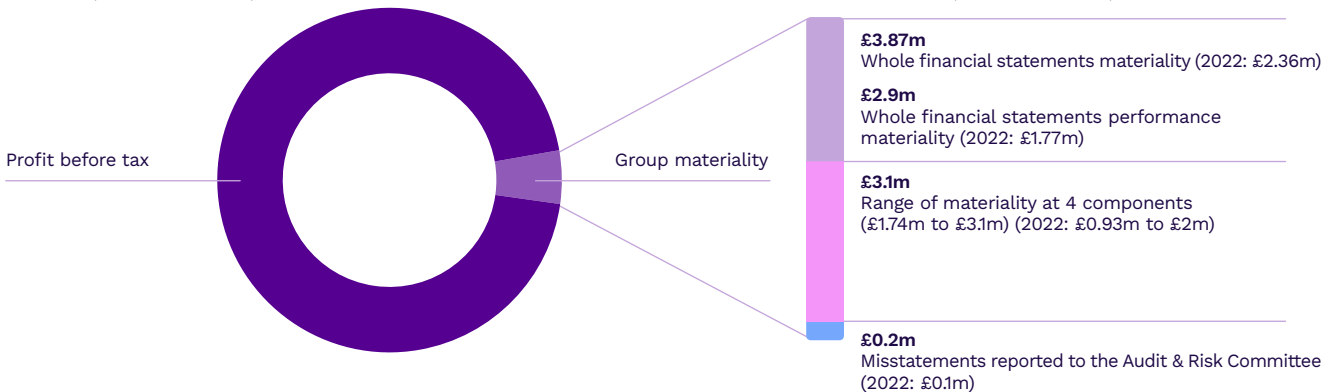
The components within the scope of our work accounted for the percentages illustrated opposite.

For the residual components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

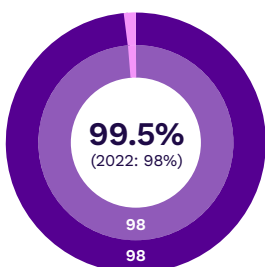
The scope of the audit work performed was predominately substantive as we placed limited reliance upon the Group's internal control over financial reporting.

Group Profit before tax

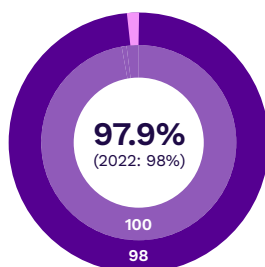
£85.45 (2022: £49.8m)



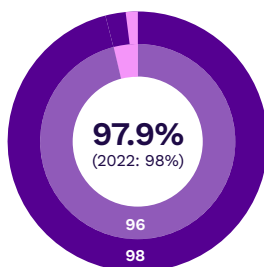
Group revenue



Group profit before tax



Group total assets



- Full scope for group audit purposes 2023
- Full scope for group audit purposes 2022
- Residual components

Independent Auditor's Report to the Members of Telecom Plus PLC **continued**

4. The impact of climate change on our audit

We have considered the potential impacts of climate change on the financial statements as part of the planning and risk assessment of our audit, and we held discussions with our climate change professionals to challenge our risk assessment. The key factor relevant to this consideration being that the principal activity of the company is as a reseller of utility services as opposed to power generation within the energy sector. This limits any direct impact on the financial statements and therefore no specific areas of focus were identified. We have read the disclosure of climate related information in the front half of the annual report and considered consistency with the financial statements and our audit knowledge.

5. Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group's and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Company's available financial resources over this period were:

- The potential churn of the customer base as a result of increased competition
- The ability of the customer base to pay for the services they are using as a result of impacts from the "cost of living crisis"

We considered whether these risks could plausibly affect the liquidity and covenant compliance in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources and covenants indicated by the Group's financial forecasts.

We considered whether the going concern disclosure in note b to the financial statements gives a full and accurate description of the Directors' assessment of going concern.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the directors' statement on page 109 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Company's use of that basis for the going concern period, and we found the going concern disclosure in note b to be acceptable; and
- the related statement under the Listing Rules set out on page 91 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

6. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the Audit & Risk Committee, and inspection of policy documentation as to the Group’s high-level policies and procedures to prevent and detect fraud, including the Group’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and Audit & Risk Committee meeting minutes.
- Considering remuneration incentive schemes and performance targets for management and directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- The risk that Group management may be in a position to make inappropriate accounting entries; and
- the risk that revenue may be overstated through over estimation of the energy use of non smart meter customers. This is due to significant judgement required this year to adjust the estimation method as a result of changes in consumer energy consumption in the face of cost of living pressures. Further details are set out in the key audit matter disclosure in section 2 of this report.

We also identified a fraud risk related to expected credit losses on trade receivables and accrued income because of the significant estimates and judgements required and potential pressures to meet profit targets. Further details are set out in the key audit matter disclosure in section 2 of this report.

We also performed procedures including:

- Identifying journal entries to test for all full scope components based on risk criteria and comparing the identified entries to supporting documentation. These included revenue, cash and intangible asset entries posted to unusual accounts.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the Group’s regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Independent Auditor's Report to the Members of Telecom Plus PLC **continued**

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: compliance with its licence obligations set by Ofgem, Ofcom, FCA, and certain aspects of company legislation recognising the regulated nature of the Group's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

We discussed with the Audit & Risk Committee matters related to actual or suspected breaches of laws or regulations, for which disclosure is not necessary, and considered any implications for our audit.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

7. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- the directors' confirmation within Risk, Control and Viability Statement, page 91 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks and Uncertainties disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and
- the directors' explanation in the Risk, Control and Viability Statement how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions

We are also required to review the Risk, Control and Viability Statement, set out on page 91 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- the section of the annual report describing the work of the Audit & Risk Committee, including the significant issues that the Audit & Risk Committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in these respects.

Independent Auditor's Report to the Members of Telecom Plus PLC **continued**

8. We have nothing to report on the other matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements and the part of the Directors' Remuneration Report to be audited 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.

We have nothing to report in these respects.

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 92, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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; assessing the Group and parent 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared using the single electronic reporting format specified in the TD ESEF Regulation. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with that format.

10. The purpose of our audit work and to whom we owe our responsibilities

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 an auditor's report 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.

Robert Seale (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL
27 June 2023

Consolidated Statement of Comprehensive Income for the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
Revenue	1	2,475,160	967,433
Cost of sales		(2,168,964)	(778,958)
Gross profit		306,196	188,475
Distribution expenses		(49,692)	(29,686)
Administrative expenses		(129,014)	(84,423)
Share incentive scheme charges	21	(2,849)	(960)
Amortisation of energy supply contract intangible	7	(11,228)	(11,228)
Total administrative expenses		(143,091)	(96,611)
Impairment loss on trade receivables	13	(28,675)	(11,566)
Impairment of goodwill	8	-	(1,536)
Other income	1	1,156	1,844
Operating profit	2	85,894	50,920
Financial income		1,016	136
Financial expenses	3	(5,051)	(2,709)
Net financial expense		(4,035)	(2,573)
Profit / (Loss) on disposal of subsidiary	24	3,595	(1,139)
Profit before taxation		85,454	47,208
Taxation	5	(17,293)	(12,205)
Profit for the period		68,161	35,003
Profit and other comprehensive income for the year attributable to owners of the parent		68,426	35,467
Loss for the year attributable to non-controlling interest		(265)	(464)
Profit for the period		68,161	35,003
Basic earnings per share	19	86.6p	45.1p
Diluted earnings per share	19	85.2p	45.0p

The accompanying notes form part of these financial statements.

Consolidated Balance Sheet as at 31 March 2023

	Note	2023 £'000	2022 £'000
Assets			
Non-current assets			
Property, plant and equipment	6	25,816	26,180
Investment property	6	8,271	8,345
Intangible assets	7	142,491	152,418
Goodwill	8	3,742	3,742
Other non-current assets	12	47,529	32,855
Total non-current assets		227,849	223,540
Current assets			
Inventories		5,698	4,152
Trade and other receivables	13	58,863	50,463
Current tax receivable		3,083	-
Accrued income	13	267,576	134,917
Prepayments		16,954	4,077
Costs to obtain contracts	14	20,912	15,151
Cash		193,804	29,647
Assets classified as held for sale	24	-	3,838
Total current assets		566,890	242,245
Total assets		794,739	465,785
Current liabilities			
Trade and other payables	16	(55,396)	(38,101)
Accrued expenses and deferred income	17	(417,354)	(113,493)
Current tax payable		-	(8)
Liabilities classified as held for sale	24	-	(7,551)
Total current liabilities		(472,750)	(159,153)
Non-current liabilities			
Long term borrowings	15	(89,721)	(99,215)
Lease liabilities	15	(659)	(766)
Deferred tax	10	(901)	(1,078)
Total non-current liabilities		(91,281)	(101,059)
Total assets less total liabilities		230,708	205,573
Equity attributable to equity holders of the parent			
Share capital	18	4,003	3,982
Share premium		150,652	147,112
Capital redemption reserve		107	107
Treasury shares	18	(5,502)	(5,502)
JSOP reserve		(1,150)	(1,150)
Retained earnings		82,598	61,935
		230,708	206,484
Non-controlling interest		-	(911)
Total equity		230,708	205,573

These accounts were approved and authorised for issue by the Board on 27 June 2023.

Andrew Lindsay, Director

Nick Schoenfeld, Director

The accompanying notes form part of these financial statements.

Company Balance Sheet as at 31 March 2023

	Note	2023 £'000	2022 £'000
Assets			
Non-current assets			
Investments in subsidiary undertakings	9	262,037	262,037
Other non-current assets	12	2,956	2,956
Total non-current assets		264,993	264,993
Current assets			
Trade and other receivables	13	317	50
Prepayments and accrued income		225	207
Cash		1,056	678
Total current assets		1,598	935
Total assets		266,591	265,928
Current liabilities			
Trade and other payables	16	(44,321)	(55,325)
Accrued expenses and deferred income	17	(117)	(68)
Total current liabilities		(44,438)	(55,393)
Non-current liabilities		-	-
Total assets less total liabilities		222,153	210,535
Equity			
Share capital	18	3,997	3,976
Share premium		150,652	147,112
Capital redemption reserve		107	107
Treasury shares	18	(5,502)	(5,502)
Retained earnings		72,899	64,842
Total equity		222,153	210,535

By virtue of section 408 of the Companies Act 2006 the Company is exempt from presenting a statement of comprehensive income. The Company made a loss for the year of £1,342,000 before the distributions from subsidiary companies of £60,000,000 (2022: loss of £942,000 before receipt of distributions from subsidiary companies of £50,000,000).

These accounts were approved and authorised for issue by the Board on 27 June 2023.

Andrew Lindsay, Director

Nick Schoenfeld, Director

The accompanying notes form part of these financial statements.

Consolidated and Company Cash Flow Statements for the year ended 31 March 2023

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Operating activities				
Profit before taxation	85,454	47,208	58,658	49,058
Adjustments for:				
Distributions from subsidiary companies	-	-	(60,000)	(50,000)
Net financial expense	4,035	2,573	-	-
Impairment of goodwill	-	1,536	-	-
(Profit) / Loss on disposal of subsidiaries	(3,595)	1,139	-	-
Depreciation of property, plant and equipment	3,968	4,558	-	-
Profit on disposal of fixed assets	(85)	(940)	-	-
Amortisation of intangible assets	17,407	15,786	-	-
Amortisation of debt arrangement fees	506	436	-	-
(Increase)/decrease in inventories	(1,546)	2,173	-	-
Increase in trade and other receivables (including Costs to obtain contracts)	(176,146)	(18,750)	(285)	(24)
Increase/(decrease) in trade and other payables	323,974	6,144	(14)	48
Decrease in inter-company payable	-	-	(10,941)	(5,946)
Share incentive scheme charges	2,849	960	-	-
Corporation tax paid	(20,605)	(11,528)	-	-
Net cash flow from operating activities	236,216	51,295	(12,582)	(6,864)
Investing activities				
Purchase of property, plant and equipment	(3,535)	(2,196)	-	-
Purchase of intangible assets	(7,480)	(7,747)	-	-
Disposal of property, plant and equipment	91	1,567	-	-
Distributions from subsidiary companies	-	-	60,000	50,000
Cash held in subsidiaries at disposal	(596)	-	-	-
Interest received	847	136	-	-
Cash flow from investing activities	(10,673)	(8,240)	60,000	50,000
Financing activities				
Dividends paid	(50,601)	(44,787)	(50,601)	(44,787)
Interest paid	(4,934)	(2,630)	-	-
Interest paid on lease liabilities	(17)	(238)	-	-
Drawdown of long term borrowing facilities	55,000	65,000	-	-
Repayment of long term borrowing facilities	(65,000)	(55,000)	-	-
Fees associated with borrowing facilities	-	(597)	-	-
Repayment of lease liabilities	(107)	(1,530)	-	-
Issue of new ordinary shares	3,561	2,032	3,561	2,032
Cancellation of B shares in subsidiary	-	(2)	-	-
Cash flow from financing activities	(62,098)	(37,752)	(47,040)	(42,755)
Increase in cash and cash equivalents	163,445	5,303	378	381
Net cash and cash equivalents at the beginning of the year	30,359	25,056	678	297
Net cash and cash equivalents at the year end	193,804	30,359	1,056	678
Cash and cash equivalents per balance sheet	193,804	29,647	1,056	678
Cash and cash equivalents included within assets classified as held for sale	-	712	-	-
Net cash and cash equivalents at the year end	193,804	30,359	1,056	678

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity for the year ended 31 March 2023

Consolidated	Share capital	Share premium	Capital redemption reserve	Treasury shares	JSOP reserve	Retained earnings	Non-controlling interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2021	3,970	145,094	107	(5,502)	(1,150)	70,306	(447)	212,378
Profit and total comprehensive income	-	-	-	-	-	35,467	(464)	35,003
Dividends	-	-	-	-	-	(44,787)	-	(44,787)
Credit arising on share options	-	-	-	-	-	960	-	960
Deferred tax on share options	-	-	-	-	-	(11)	-	(11)
Issue of new ordinary shares	14	2,018	-	-	-	-	-	2,032
Cancellation of B shares in subsidiary	(2)	-	-	-	-	-	-	(2)
Balance at 31 March 2022	3,982	147,112	107	(5,502)	(1,150)	61,935	(911)	205,573
Balance at 1 April 2022	3,982	147,112	107	(5,502)	(1,150)	61,935	(911)	205,573
Profit and total comprehensive income	-	-	-	-	-	68,426	(265)	68,161
Dividends	-	-	-	-	-	(50,601)	-	(50,601)
Credit arising on share options	-	-	-	-	-	2,849	-	2,849
Deferred tax on share options	-	-	-	-	-	(11)	-	(11)
Issue of new ordinary shares	21	3,540	-	-	-	-	-	3,561
Disposal of non-controlling interest	-	-	-	-	-	-	1,176	1,176
Balance at 31 March 2023	4,003	150,652	107	(5,502)	(1,150)	82,598	-	230,708

The accompanying notes form part of these financial statements.

Company Statement of Changes in Equity for the year ended 31 March 2023

Company	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Treasury shares £'000	Retained earnings £'000	Total £'000
Balance at 1 April 2021	3,962	145,094	107	(5,502)	60,571	204,232
Loss for the year	-	-	-	-	(942)	(942)
Distributions from subsidiary companies	-	-	-	-	50,000	50,000
Total comprehensive income for the year	-	-	-	-	49,058	49,058
Dividends	-	-	-	-	(44,787)	(44,787)
Issue of new ordinary shares	14	2,018	-	-	-	2,032
Balance at 31 March 2022	3,976	147,112	107	(5,502)	64,842	210,535
Loss for the year	-	-	-	-	(1,342)	(1,342)
Distributions from subsidiary companies	-	-	-	-	60,000	60,000
Total comprehensive income for the year	-	-	-	-	58,658	58,658
Dividends	-	-	-	-	(50,601)	(50,601)
Issue of new ordinary shares	21	3,540	-	-	-	3,561
Balance at 31 March 2023	3,997	150,652	107	(5,502)	72,899	222,153

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements

General information

Telecom Plus PLC (the 'Company') is a company domiciled in the United Kingdom. The consolidated financial statements of the Company for the year ended 31 March 2023 comprise the Company and its subsidiaries (together referred to as the 'Group') and the Group's interest in associates.

The financial statements were authorised for issue by the directors on 27 June 2023.

Presentation of financial statements

As a result of the relative size and historical volatility of share incentive scheme charges it has been decided to separately disclose the amounts on the face of the Consolidated Statement of Comprehensive Income.

In view of the size and nature of the charge as a non-cash item, the amortisation of energy supply contract intangible asset has also been separately disclosed on the face of the Consolidated Statement of Comprehensive Income for the period. More information regarding the intangible asset is set out in note 7 of these financial statements.

Significant accounting policies

(a) Statement of compliance

These Group and parent company financial statements were prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

(b) Basis of preparation

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 50. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the Financial Review on pages 18 to 20 and within notes 15 and 22 to the financial statements. In addition, notes 15 and 22 include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

Under the revised energy supply arrangements which were effective from 1 December 2013, E.ON (formerly npower) is responsible for energy volume purchases and

for carrying out any hedging required, thus protecting the Company from short term wholesale price movements. The agreement also allows the Company to match the payment profile for wholesale energy to E.ON to the collections from its customers each month. This includes customers who pay for their energy in equal monthly instalments throughout the year, thereby avoiding significant seasonal cashflow swings.

Going concern

Since September 2021, increases in wholesale costs have resulted in suppliers across the energy retail market collapsing. However, as a result of its wholesale supply agreement with E.ON the Group is not directly exposed to short-term fluctuations in the energy wholesale markets with E.ON undertaking the required hedging.

The Group has total revolving credit facilities of £175.0 million with Barclays Bank PLC, Lloyds Bank PLC and Bank of Ireland Group PLC for the period to 30 June 2024, of which £90 million was drawn down as at 31 March 2023 (2022: £100m drawn down). Further detail regarding the maturity and applicable covenants is disclosed in note 15. In light of the track record of the Company and its continued prospects, successful refinancing beyond June 2024 is anticipated by the directors. Until 30 July 2023 the Company has an option, subject to bank approval, to extend the existing facility by another year to 30 June 2025.

The directors have prepared base and sensitised forecasts for a period of at least 12 months from the date of authorisation of these financial statements, including the effect of severe, but plausible, downside scenarios. Those forecasts indicate that the Group can continue to operate within the terms of its existing bank facilities. Furthermore, the directors have considered the possibility of taking mitigating action, such as the temporary reduction or cancellation of the annual dividend, in the event of any severe but plausible scenarios.

Consequently, the directors have a reasonable expectation that the Group and Company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

The accounting policies set out below have been consistently applied to both years presented, unless otherwise stated. The financial statements have been prepared on a historical costs basis.

Notes to the Consolidated Financial Statements

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Critical accounting estimates, judgements and assumptions

In the process of applying the Group's accounting policies, which are described below, the Directors have made judgements, estimations and assumptions regarding the future. The judgements, estimations, and assumptions that have the most significant impact on the amounts recognised in the financial statements are detailed below.

Estimates and judgements are evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In future, actual results may differ from these estimates and assumptions.

Significant estimates

Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the year in which the estimates are revised and in any future years affected. The areas involving significant risk resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) Revenue recognition

The Group recognises energy revenues on an individual meter-by-meter basis. These revenues are recognised on the basis of actual meter readings where these are available at each month end, and estimation for each meter where meter readings are not available. Each month customers are sent a bill setting out the amount of energy that they have used, based either on actual or estimated meter readings. These amounts of individual customer billed usage form the basis of the recognition of energy revenues.

The Group is among the leaders in the energy industry for smart meter installations and has a very high penetration of smart meters within its customer base of approximately 65% at the year end. Smart meters are able to remotely feedback actual meter readings at period ends to suppliers. Actual meter readings received from smart meters at each period end are therefore used to recognise a large portion of energy revenues.

In relation to the estimation of revenues from non-smart meter customers, where meter readings have not been communicated through a manual meter reading, the Group estimates the amount of energy consumed by each meter. These estimations are based on observed historical consumption patterns. The Group uses assumptions provided by the relevant industry databases, being a combination of the expected annual quantities of usage on a meter-by-meter basis ("Annual Quantities" or "AQ's"

for gas and "Estimated Annual Consumption" or "EAC's" for electricity); a regional profiling factor to allocate the annual quantity per month, accounting for historic seasonality; and for gas meters, a further regional adjustment for the impact on usage of weather.

As consumer behaviour changes, e.g. reducing usage during periods of high prices, there is a lag before the meter-by-meter industry-calculated AQ's and EAC's reflect true consumption. The Group therefore refines its estimations to reflect the lag in the impact on AQ's and EACs from changes in behaviour. As a result of smart meters making up over half the Group's customer base, the Group assumes that customers without operating smart meters are on average using the same amount of energy as their smart equivalents in each region. These refinements are only applied in instances where customers have an estimated bill.

The amount of estimated energy revenue recognised from non-smart meters in the year ended 31 March 2023 was £275.1m (2022: £94.7m). The range of reasonable outcomes for the estimated energy revenue is considered to be significant, if the estimation routines used were impacted by an indicative sensitivity of +/-1.5% (2022: 1.0%) accuracy overall, the difference in energy revenues recognised in the period would be +/-£4.1m (2022: £0.9m).

During the current period the Group received payments from the Government energy support schemes. These amounts have been recognised as revenue as they are directly linked to the amount of energy used by each of the Group's customers, had the Government not funded the amounts they would have been collected directly from each customer. The amounts recognised have therefore arisen directly as a result of the Group's contracts with its customers for the supply of energy.

(ii) Recoverability of trade receivables

At each reporting date, the Group evaluates the estimated recoverability of trade receivables and records allowances for expected credit losses based on experience. Estimates associated with these allowances are based on, among other things, the historical collection experience of those categories (principally whether the indebted customer remains with the Group or not, and the age of the debt). The Group also makes an assessment of the expected future losses where appropriate. The actual level of trade receivables collected may differ from the estimated levels of recovery, which could impact operating results positively or negatively.

At 31 March 2023, the allowance for expected credit losses relating to customer invoicing was £42.7m. If the collection experience was to improve/decline by an indicative sensitivity of +/- 5% this would increase / decrease the provision by +/- £2.8m accordingly.

Significant judgements

There following key judgements have been made by management in the process of applying the Group's accounting policies.

(i) Revenues

During the current period the Group received payments from the Government energy support schemes of £367.8m in respect of electricity and £313.8m in respect of gas. The classification and presentation of these payments required significant judgement to determine whether they should be disclosed under IAS 20 (Government Grants), or IFRS 15 (Revenue). These amounts have been recognised as revenue as they are directly linked to the amount of energy used by each of the Group's customers, had the Government not funded the amounts they would have been collected directly from each customer. The amounts recognised have therefore arisen directly as a result of the Group's contracts with its customers for the supply of energy.

(c) Basis of consolidation

(i) Subsidiaries

The Group's financial statements consolidate the financial statements of Telecom Plus PLC and its subsidiaries. Subsidiaries are consolidated from the date on which control transfers to the Group and are included until the date on which the Group ceases to control them.

Control is recognised where an investor is expected to receive, or has rights to, variable returns from its investment in the investee and has the ability to affect these returns through its power over the relevant activities of the investee. Transactions between Group companies are eliminated on consolidation.

(ii) Assets and liabilities classified as held for sale

A non-current asset or a group of assets containing a non-current asset (a disposal group) is classified as held for sale if its carrying amount will be recovered principally through sale rather than through continuing use, it is available for immediate sale and sale is highly probable within one year.

On initial classification as held for sale, non-current assets and disposal groups are measured at the lower of previous carrying amount and fair value less costs to sell with any adjustments taken to profit or loss. The same applies to gains and losses on subsequent remeasurement although gains are not recognised in excess of any cumulative impairment loss. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

(iii) Employee benefit trusts

In accordance with IFRS 10 Consolidated Financial Statements, the assets and liabilities of employee benefit trusts are consolidated in the Group financial statements. Employee benefit trusts are treated as a legal entity separate from the Company but as subsidiaries of the Company.

Any loans made by the Company to employee benefit trusts are accounted for as loans in accordance with the relevant terms. When the trust transfers shares to employees to satisfy share incentive scheme awards, this is considered to be, in substance, two transactions: a distribution of the shares from the employee benefit trust back to the Company as treasury shares, followed by a distribution of those shares to the employees.

(d) Revenue

Overview

Revenue is the value of goods and services supplied to external customers and Partners excluding value added tax and other sales related taxes. For each of the Group's main income streams from the provision of fixed line telephony, broadband, mobile telephony, gas and electricity services, transactions are recorded as sales in the month when the transfer of those services or the supply of goods takes place. The Group's customers are invoiced in the month following that in which the services are provided. Tariffs are set by customer, by service, and these can vary depending on the number of services provided. Each element of any package is considered independently for the purposes of a performance obligation to determine how the price is derived.

Notes to the Consolidated Financial Statements

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The Group also generates revenue as a result of providing bill payment protection and accidental death cover to customers for a monthly fee. The Group also offers home insurance and boiler cover services to customers. The Group does not retain the insurance risk for these services.

Revenue recognition – agent versus principal

Management assesses the revenue recognition of each of the Group's service offerings on either an agent or principal basis. The identification of the principal in the contract is not always clear, specifically whether the Group controls the service prior to transfer to the customer. The determination of whether the Group is a principal or an agent for each service offering is evaluated by establishing which entity is responsible for providing the specified goods or services against a list of indicators that could indicate an agency relationship. These include:

- (i) Evaluating which entity is primarily responsible for providing the specified goods or services.
- (ii) Evaluating whether the Group has inventory risk.
- (iii) Evaluating whether the Group has the discretion to establish the pricing structure.

The Group primarily acts as a reseller of utilities and in supplying the majority of these services to customers the Group is considered to be primarily responsible for fulfilment of the service and has the discretion to establish pricing and key terms. Revenue for these services is therefore recognised as a principal.

For services where the Group offers home insurance, boiler and home emergency cover, and bill protection, revenue is recognised on an agency basis as the Group does not retain any underwriting risk and acts as an agent to the underlying insurer. During the period the Group recognised £7.3m (2022: £5.3m) of revenue on an agency basis.

Revenue recognition – Energy services

The recognition of revenue associated with the provision of gas and electricity services to customers on non-smart meters by the Group relies on estimates of usage where meter readings are not available. These estimations are based on observed historical seasonal meter-by-meter consumption patterns which are adjusted for the actual impact on usage of weather (using third-party information provided by the energy industry and information from smart meters). Revenue is recognised over time during the period in which the Group transfers control of the services to the customer as the customer simultaneously receives and consumes the benefits provided by the entity performance. Any unbilled revenue is accrued at each period end. During the current period the Group received payments from the Government energy support schemes in

relation to electricity and gas consumed by its customers. These amounts have been recognised as revenue as they are directly linked to the amount of energy used by each of the Group's customers, had the Government not funded the amounts they would have been collected directly from each customer. The amounts recognised have therefore arisen directly as a result of the Group's contracts with its customers for the supply of energy.

Revenue recognition – Telephony services

The Group principally generates revenue from providing the following telecommunications services where it is responsible to the customer for rendering the underlying services: (i) fixed telephony line rental, call and broadband data charges; (ii) mobile telephony call and data charges; and (iii) mobile handset sales. Both the handset and service are priced on the relative standalone selling prices of each distinct performance obligation. The contract terms for certain fibre broadband services are 18 months and for mobile handsets 24 months. In relation to items (i) and (ii), revenue is recognised over time during the period in which the Group transfers control of the services to the customer as the customer simultaneously receives and consumes the benefits provided by the entity performance. Any unbilled revenue is accrued at each period end. Revenue for mobile handset sales are considered a separate performance obligation recognised at the point in time when the Group transfers control of the devices to the end user.

In the provision of broadband services, the Group provides customers with a broadband router at the start of their contract. The terms and conditions under which broadband routers are supplied to customers mean that routers are accounted for as finance leases. The Group therefore recognises the sale of the router at the retail price and creates a finance lease asset on the balance sheet for the routers shipped to customers at the point in time in a given month.

Over the average customer lifetime of 7 years, the Group accrues finance income on the asset at the rate of interest that causes the present value of the future lease payments to equal the sum of the fair value of the asset. Part of the receipts under the service contract are then allocated between reducing the net asset and recognising finance income, resulting in the derecognition of the asset at the end of the 7 year life.

Revenue recognition – Cashback card services

The Company offers a Cashback card service which is a prepaid payment card allowing customers to earn a discount on their bills through spending on the card.

In relation to Cashback cards, the following revenue streams are recognised by the Group at the time the services are supplied and charged to customers: (i) a small fixed monthly fee to cover provision of card management services; and (ii) transaction fees to cover the facilitation of the top-up of customer cards. The majority of the Cashback received from the Cashback card programme manager is passed to customers to reduce the payment they are required to make to the Group for their monthly utilities. Revenue is recognised over time during the period in which the Group transfers control of the services to the customer as the customer simultaneously receives and consumes the benefits provided by the entity performance. Any unbilled revenue is accrued at each period end.

In addition, the Group charges a small administrative fee for facilitating the issue of each Cashback card. Under IFRS 15, as the initial application fee is considered to be a non-refundable upfront fee that does not relate to the transfer of a promised good or services, the associated fee is therefore recognised over the expected life of the customer.

Revenue recognition – Bill protection and life cover, home insurance and boiler cover services

The Group charges customers a small monthly fee for bill payment protection in the event of redundancy and for a small amount of monthly life insurance cover. The Group also offers home insurance services to customers. In relation to the provision of bill protection and life cover, home insurance and boiler cover the Group does not retain any underwriting risk and therefore acts as an agent of the underlying insurer. The Group therefore recognises revenues on a commission income basis over time each month as the services are supplied and billed.

Revenue recognition – Other services

The Group also generates revenues from providing customers with paper bills and from charging customers late payment fees. In addition, the Group generates revenues from providing services to its network of Partners. Revenue is recognised over time during the period in which the Group transfers control of the services to the customer, or the late payment fees are incurred, and any unbilled revenue is accrued at each period end.

In marketing the sale of bundled services, the Group formerly offered most “Double Gold” and certain “Gold” customers the provision and installation of LED light bulbs throughout their homes (the ‘Daffodil’ scheme). The provision of Daffodil light bulbs was distinct from the provision of the other bundled goods and services. This resulted in an allocation of revenue to the light bulbs, which was being recognised at the point in time that

control of the light bulbs was passed to the customer – i.e. at the point of installation by a Utility Warehouse fitter. There was a corresponding reduction in revenues from services over the remaining contractual term. The Group ceased these activities during the current year.

The Group also recognises revenue from the installation of central heating boilers. Revenue is recognised at the point in time when the Group transfers control of the boiler to the customer.

(e) Distributor commissions

The Group’s Partners earn commissions mainly on the introduction of new customers to the Group (‘upfront commissions’) and on the ongoing monthly use of the Group’s services by the customers they have introduced (‘trailing commissions’). Trailing commissions are recognised in the Statement of Comprehensive Income as they are earned by distributors on an accruals basis. Under IFRS 15, upfront commissions are capitalised and amortised over the expected life of the customer.

In relation to certain multiservice customers, distributors are able to bring forward the payment of a limited number of future monthly trailing commission payments expected to be due on the usage of customers they have introduced. These advanced commission payments are shown on the Balance Sheet within costs to obtain contracts and are amortised on a straight-line basis through the Statement of Comprehensive Income over the period during which they are earned and would otherwise have been paid had the payment not been brought forward.

(f) Financial income and expenses

Financial income comprises interest income and is recognised in the Statement of Comprehensive Income as it accrues, using the effective interest rate method. Financial expenses comprise bank interest and non-utilisation fees associates with the Company’s debt facilities

(g) Leases

As a lessee

Recognition of a lease

The contracts are assessed by the Group to determine whether a contract is, or contains, a lease. In general, contracts are deemed to contain a lease when the following apply:

- Conveys the right to control the use of an identified asset for a certain period in exchange for consideration;
- The Group has substantially all economic benefits from the use of the asset; and
- The Group can direct the use of the identified asset.

Notes to the Consolidated Financial Statements

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This policy is applied to contracts entered into, or changed, on or after 1 April 2019. At commencement or on modification of a contract that contains a lease component, the Group recognises a right-of-use asset and a lease liability at the lease commencement date.

As a lessor

Where the Group is a lessor, it determines at inception whether the lease is a finance or an operating lease. When a lease transfers substantially all the risks and rewards of ownership of the underlying asset then the lease is a finance lease; otherwise the lease is an operating lease.

Income from operating leases is recognised on a straight-line basis over the lease term. Income from finance leases is recognised at lease commencement with interest income recognised over the lease term. Where a lease term is not specified, the average customer lifetime is used.

Right-of-use asset

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term, or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Lease Liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The Group includes right-of-use assets within property, plant and equipment and the corresponding lease liabilities in 'lease liabilities' on the balance sheet.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(h) Hire purchase agreements

Hire purchase agreements relate to leases of assets where the Group has passed on substantially all the risks and rewards of ownership and are therefore classified as finance leases. When assets are leased out under finance leases, the present value of the minimum lease payments is recognised as a receivable.

(i) Taxation

The tax charge for the year comprises current and deferred tax. Taxation is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised, based on the balance sheet liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(j) Property, plant and equipment

Property, plant and equipment is stated at cost less a provision for depreciation. Depreciation is calculated so as to write off the cost less estimated residual value of the assets in equal instalments over their expected useful lives. No depreciation is provided on freehold land. Depreciation is provided on other assets at the following rates:

Freehold buildings	50 years
Freehold and leasehold improvements	3 to 25 years
Plant and machinery	15 years
Fixtures, fittings and office equipment	
- Fixtures and fittings	7 to 10 years
- Computer and office equipment	3 to 5 years
Motor vehicles	3 to 4 years

The carrying amounts of property, plant and equipment are reviewed for impairment when there is an indication that they may be impaired.

(k) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation. Rental income from investment properties is accounted for on an accruals basis.

(l) Intangible assets

Intangible assets which arise (e.g. on the entering into of significant commercial contractual arrangements) are capitalised and amortised over the shorter of their useful life and the term of any contractual arrangement.

IT, software and web development costs are capitalised as intangible assets to the extent that certain projects can be separately identified and involve the production of new and/or enhanced systems that the Company will use over the medium-term. It must also be considered probable that the asset will generate future economic benefits, and the development cost can be measured reliably. Where these conditions are not met, development expenditure is recognised as an expense in the year in which it is incurred.

Directly attributable costs that are capitalised include employee and external costs specifically incurred in the development of the intangible asset. These costs are amortised on a straight-line basis over their estimated useful economic lives of up to 10 years when each system is brought into use by the Company.

(m) Goodwill

Goodwill arising on the acquisition of a business, representing the difference between the fair value of consideration and the fair value of the separable net assets acquired is capitalised and is subject to impairment review, both annually and when there are indications that the carrying amount may not be recoverable.

(n) Impairment

The carrying amounts of the Group's assets, other than inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount of assets is the greater of their fair value less costs to sell and value in use.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

(o) Investments

In the Company's accounts, investments in subsidiary and associated undertakings are initially stated at cost. Provision is made for any impairment in the value of these investments. In the Group accounts investments in associated undertakings are shown at cost plus accumulated profits less any dividends received from the associated undertakings.

(p) Inventories

Inventories principally include mobile telephones, LED light bulbs and other electronic equipment and are valued at the lower of cost and net realisable value. Cost is measured on a first in, first out basis. Net realisable value represents the estimated selling price less all costs to be incurred in marketing, selling and distribution.

(q) Financial instruments

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are recognised on the trade date when the Group becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value plus, in the case of a financial instrument not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition, or issue, of the financial instrument. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial instruments are derecognised on the trade date when the Group is no longer a party to the contractual provisions of the instrument.

Notes to the Consolidated Financial Statements

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(r) Trade receivables

Trade receivables are stated at their nominal value as reduced by expected lifetime credit losses in accordance with IFRS 9. Trade receivables are not considered to contain a significant financing component and therefore the simplified approach for Expected Credit Losses is applied.

(s) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits with banks.

(t) Borrowings

Short and long-term borrowings comprise revolving credit facilities and bank loans. The fees associated with entering into borrowing facilities are capitalised and netted off against borrowings and amortised over the term of the borrowings.

(u) Trade payables

Trade payables are stated at their nominal value, as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material.

(v) Share based payments

The fair value at the date of grant of share-based remuneration, principally share options, is calculated using a binomial pricing model (LTIP 2016: Monte-Carlo model) and is charged to the Statement of Comprehensive Income on a straight-line basis over the vesting period of the award. The charge to the Statement of Comprehensive Income takes account of the estimated number of shares that will vest. All share option-based remuneration is equity settled.

(w) Segmental reporting

During the period, following a review of the financial information regularly reviewed by the chief operating decision makers, the executive directors of the Board, it was decided to present the Group as one operating segment. This reflects the fact that the chief operating decision makers consider the performance of the Group as a whole, particularly given the nature of the Group's bundled service offering.

(x) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

(y) Pensions

The Group makes contributions to certain employees' personal pension plans. These are charged to the Statement of Comprehensive Income in the year in which they become payable.

(z) Dividends

Final dividend distributions to the Company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders. Interim dividends are recognised when paid.

(aa) New standards issued but not yet effective

No new standards, interpretations and amendments issued but not yet effective are expected to have a material effect on the Group's future financial statements.

1. Revenue and Alternative Performance Measures disclosure

Revenue by service

	2023 £'000	2022 £'000
Electricity	1,214,683	450,544
Gas	1,028,267	295,696
Landline and broadband	132,678	129,703
Mobile	56,777	44,673
Other	42,755	46,817
	2,475,160	967,433

The Group operates solely in the United Kingdom.

During the current period, revenue includes payments received from the Government energy support schemes of £367.8m in respect of electricity and £313.8m in respect of gas (see accounting policies note (d)).

Other income in the Consolidated Statement of Comprehensive Income primarily relates to rental income from the Group's former head office building (see note 11).

Contract balances

The following table provides the information about contract assets and contract liabilities from contracts with customers.

Group	2023 £'000	2022 £'000
Contract assets, which are included in accrued income	-	-
Contract liabilities, which are included in deferred income	488	561

The Group has implemented an expected credit loss impairment model with respect to contract assets. This and any significant changes in contract assets and liabilities are disclosed in note 13. There are no contract balances from contracts with customers in the Company.

Alternative Performance Measures disclosure

Throughout this document the Group presents various alternative performance measures ('APMs') in addition to those reported under IFRS. The measures presented are those adopted by the Chief Operating Decision Makers ('CODMs', deemed to be the Co-Chief Executive Officers), together with the main Board, and analysts who follow us in assessing the performance of the business.

Adjusted profit before tax and adjusted basic EPS exclude share incentive scheme charges and the amortisation of the intangible asset arising from entering into the energy supply arrangements with npower in December 2013; this decision reflects both the relative size and non-cash nature of these charges. The loss for the period attributable to the non-controlling interest is excluded as these losses are not attributable to shareholders of the Company. In 2023 adjusted profit before tax also excludes the loss on the disposal of Glow Green; this decision reflects the one-off non-operating nature of this item.

Notes to the Consolidated Financial Statements

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Group	2023 £'000	2022 £'000
Statutory profit before tax	85,454	47,208
Adjusted for:		
Loss for period attributable to non-controlling interest	265	464
Amortisation of energy supply contract intangible assets	11,228	11,228
Share incentive scheme charges	2,849	960
Loss on disposal of subsidiary – UWHS	-	1,139
Profit on disposal of subsidiary – Glow Green	(3,595)	-
Impairment of goodwill – Glow Green	-	1,536
Profit on sale of freehold property	-	(603)
Adjusted profit before tax	96,201	61,932

2. Operating profit

Operating profit is stated after charging/(crediting):

	2023 £'000	2022 £'000
Depreciation and amortisation	21,375	20,344
Profit on disposal of fixed assets	(85)	(940)
Auditor's remuneration		
- audit of Company and consolidated accounts	400	231
- audit of subsidiaries of the Company	95	83
- audit related assurance services	35	31
Inventories expensed	15,296	15,313
Trade receivables and accrued income impairment loss	28,675	11,566
Rental income	(969)	(864)

Total fees paid to the auditor KPMG LLP during the year were £530,000 (2022: £345,000), including non-audit services of £35,000 (2022: £31,000). Included within the audit fees during the year were £67,800 billed in respect of the March 2022 audit.

3. Financial expenses

An analysis of financial expenses included in the Statement of Comprehensive Income is set out below.

	2023 £'000	2022 £'000
Interest costs on bank loans and overdrafts	5,032	2,187
Interest costs on lease liabilities	17	238
Other financial expenses	2	284
Total financial expenses	5,051	2,709

4. Personnel expenses

The total charge in the Statement of Comprehensive Income comprised the following:

	2023 £'000	2022 £'000
Wages and salaries	80,495	75,294
Social security costs	9,853	7,649
Pension contributions	2,454	2,577
	92,802	85,520
Share incentive scheme charges	2,849	960
	95,651	86,480

Average number employed by the Group during the year (excluding directors):

	2023	2022
Employees	2,078	1,987

5. Taxation

(i) Recognised in the Income Statement

	2023 £'000	2022 £'000
Current tax charge		
Current year – UK tax	17,566	12,354
Current year – Foreign tax	12	-
Adjustments in respect of prior years	(108)	(104)
	17,470	12,250
Deferred tax charge		
Decelerated capital allowances	371	87
Other timing differences	(746)	(480)
Effect of tax rate change on opening balance	(118)	376
Adjustment in respect of prior years	316	(28)
	(177)	(45)
Total tax charge	17,293	12,205

Notes to the Consolidated Financial Statements

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(ii) Reconciliation of total tax charge

	2023 £'000	2022 £'000
Profit before tax	85,454	47,208
Impairment of goodwill	-	1,536
Loss on disposal of subsidiary	-	1,139
Profit subject to corporation tax	85,454	49,883
Corporation tax using the UK corporation tax rate of 19% (2022: 19%)	16,236	9,478
Expenses not deductible for taxation purposes	1,782	2,680
Foreign tax	3	-
Assets ineligible for capital allowances	16	264
Adjustment in respect of share options	(1,035)	(394)
Adjustments in respect of prior years - current tax	(108)	(104)
- deferred tax	316	(28)
Remeasurement of deferred tax for changes in rates	(118)	285
Deferred tax not recognised	201	402
Other deferred tax adjustments	-	(378)
Total tax charge	17,293	12,205

The UK corporation tax rate is currently 19%. Section 6 of the Finance Act 2021 (FA 2021) increases the main rate of corporation tax by six percentage points, from 19 per cent to 25 per cent, with effect from the financial year beginning 1 April 2023. The Company's future current tax charge will therefore increase accordingly. The deferred

tax balance at 31 March 2023 has been calculated at 25%, (2022: 25%) which reflects that the rate increase from 1 April 2023. The increase in the adjustment in respect of share options is due to the increase in the Company's share price during the period and the increased number of options exercised by employees.

6. Property, plant and equipment

Group 2023	Investment property	Freehold land & buildings	Leasehold land & buildings	Freehold & leasehold improvements	Plant & machinery	Fixtures, fittings & office equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
At 1 April 2022	13,923	27,147	1,086	266	741	18,178	979	62,320
Additions	206	-	-	-	16	3,433	69	3,724
Adjustments	-	(189)	-	-	-	-	-	(189)
Disposals	-	-	-	-	-	-	(165)	(165)
At 31 March 2023	14,129	26,958	1,086	266	757	21,611	883	65,690
Depreciation								
At 1 April 2022	(5,578)	(6,018)	(344)	(266)	(332)	(14,504)	(753)	(27,795)
Charge for the year	(280)	(841)	(110)	-	(50)	(2,571)	(116)	(3,968)
Disposals	-	-	-	-	-	-	160	160
At 31 March 2023	(5,858)	(6,859)	(454)	(266)	(382)	(17,075)	(709)	(31,603)
Net book amounts								
At 31 March 2023	8,271	20,099	632	-	375	4,536	174	34,087

The balances in leasehold land & buildings comprise right of use assets with a net book value of £0.6m (2022: £0.7m). The Company no longer holds any property, plant and equipment following the Group reorganisation in April 2017.

The adjustments in freehold land & buildings comprise a correction to the previous capitalisation of certain property improvement costs.

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Group 2022	Investment property	Freehold land & buildings	Leasehold land & buildings	Freehold & leasehold improvements	Plant & machinery	Fixtures, fittings & office equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
At 1 April 2021	13,862	27,383	3,817	1,420	1,205	16,925	7,522	72,134
Additions	61	190	-	31	28	1,716	170	2,196
Disposals	-	(426)	-	(498)	-	-	(991)	(1,915)
Disposals - UWHS	-	-	(2,057)	(679)	(475)	(244)	(5,475)	(8,930)
Transfer to current assets held for sale	-	-	(674)	(8)	(17)	(219)	(247)	(1,165)
At 31 March 2022	13,923	27,147	1,086	266	741	18,178	979	62,320
Depreciation								
At 1 April 2021	(5,287)	(5,259)	(869)	(873)	(566)	(13,087)	(2,753)	(28,694)
Charge for the year	(291)	(862)	(427)	(82)	(187)	(1,665)	(1,044)	(4,558)
Disposals	-	103	-	498	-	3	686	1,290
Disposals - UWHS	-	-	644	183	415	125	2,310	3,677
Transfer to current assets held for sale	-	-	308	8	6	120	48	490
At 31 March 2022	(5,578)	(6,018)	(344)	(266)	(332)	(14,504)	(753)	(27,795)
Net book amounts								
At 31 March 2022	8,345	21,129	742	-	409	3,674	226	34,525
At 31 March 2021	8,575	22,124	2,948	547	639	3,838	4,769	43,440

The operations of the Company were transferred into new head offices at Merit House in 2015 and the former head office building, Southon House, was vacated. Southon House is held as an investment property and separately disclosed on the balance sheet of the Company.

An independent valuation of Southon House was conducted on 4 June 2021 in accordance with RICS Valuation – Professional Standards UK January 2014 (revised April 2015) guidelines. The independent market value of Southon

House was determined to be £11.9 million and has been categorised as a Level 3 fair value based on the inputs to the valuation technique used. The valuation was prepared on a Market Value basis as defined in the Valuation Standards and was primarily derived from using comparable market transactions carried out on an arm's length basis. These inputs are deemed unobservable. The directors believe that there have not been any material changes in circumstances that would lead to a significant reduction in the market valuation of Southon House from £11.9m.

7. Intangible assets

Group 2023	Energy Supply Contract £'000	IT Software & Web Development £'000	Total £'000
Cost			
At 1 April 2022	224,563	35,744	260,307
Additions	-	7,480	7,480
At 31 March 2023	224,563	43,224	267,787
Amortisation			
At 1 April 2022	(93,567)	(14,322)	(107,889)
Charge for the period	(11,228)	(6,179)	(17,407)
At 31 March 2023	(104,795)	(20,501)	(125,296)
Net book amounts			
At 31 March 2023	119,768	22,723	142,491

Group 2022	Energy Supply Contract £'000	IT Software & Web Development £'000	Total £'000
Cost			
At 1 April 2021	224,563	28,270	252,833
Additions	-	7,747	7,747
Disposals - UWHS	-	(273)	(273)
At 31 March 2022	224,563	35,744	260,307
Amortisation			
At 1 April 2021	(82,339)	(9,868)	(92,207)
Charge for the period	(11,228)	(4,558)	(15,786)
Disposals - UWHS	-	104	104
At 31 March 2022	(93,567)	(14,322)	(107,889)
Net book amounts			
At 31 March 2022	130,996	21,422	152,418
At 31 March 2021	142,224	18,402	160,626

The Energy Supply Contract intangible asset relates to the entering into of the energy supply arrangements with npower (now owned by E.ON) on improved commercial terms through the acquisition by the Company of Electricity Plus Supply Limited and Gas Plus Supply Limited ('the Companies') from npower Limited having effect from

1 December 2013 ('the Transaction'). There were no processes acquired as a result of the Transaction and it was therefore treated as an asset acquisition. The principal asset acquired was the supply contract with npower Limited.

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The total consideration for the Transaction comprised a payment to npower of £196.5 million on 20 December 2013, a deferred amount of £21.5 million paid in December 2016 and a payment of £2.5 million made in January 2014 for the net assets acquired in the Companies which comprised cash and short term working capital balances.

The addition to intangible assets of £221.6 million in 2014 therefore represented the total consideration paid and payable to npower, excluding the payment for net assets acquired in the Companies, plus certain transaction costs of £3.6 million which in accordance with the relevant accounting standards were recognised as a cost of acquisition.

The intangible asset is being amortised evenly over the 20-year life of the new energy supply agreement reflecting the period over which the Company will benefit from the agreement.

The IT Software and Web Development intangible asset relates to the capitalisation of certain costs associated with the development of new IT and web systems. Approximately £7.4m million (2022: £2.0m) of the additions during the year relate to IT systems which remain under construction.

Following the Group re-organisation there are no intangible assets held by the Company.

8. Goodwill

Group 2023	£'000
Cost	
At 1 April 2022 and 31 March 2023	6,094
Impairment	
At 1 April 2022 and 31 March 2023	(2,352)
Carrying amounts	
At 31 March 2023	3,742

Group 2022	£'000
Cost	
At 1 April 2021	6,140
Disposals - UWHS	(46)
At 31 March 2022	6,094
Impairment	
At 1 April 2021	(816)
Impairment	(1,536)
At 31 March 2022	(2,352)
Carrying amounts	
At 31 March 2022	3,742
At 31 March 2021	5,324

Goodwill now relates to the Company's subsidiary Telecommunications Management Limited ('TML') cash generating unit.

The Group regularly monitors the carrying amount of its goodwill. A review was undertaken at 31 March 2023, to assess whether the carrying amount of assets was supported by their value in use determined by the net present value of the future cash flows derived from the assets using cash flow projections from internal forecasts based on current levels of profitability and expectations of growth in the business.

In relation to TML, a pre-tax discount rate of 14.4% into perpetuity was used based on a premium to the Group WACC of 10.7%. This was considered appropriate given the relatively small size and maturity of the business, offset by the growth opportunity in mobile telephony, and the expectation that, for the foreseeable future, TML will continue to operate as a going concern. A growth rate of 2.0% (2022: 2.0%) into perpetuity was also used. The result of the review undertaken at 31 March 2023 indicated that no impairment was necessary. No reasonably possible change in the assumptions used in the impairment calculation would give rise to an impairment of goodwill.

9. Investments

Investment in subsidiary companies

On 1 April 2017 the trading activities, the majority of the assets and liabilities, and the employees of Telecom Plus PLC, as well as all its subsidiaries, were transferred to Utility Warehouse Limited a 100% subsidiary of Telecom Plus PLC under a group reorganisation. The reorganisation was designed to provide the Group with a more conventional legal structure in line with other large publicly-listed entities. The reorganisation has not had any impact on the consolidated trading results of the Group.

The cost of investment in subsidiary undertakings on the Company balance sheet of £262.0 million as at 31 March 2023 represents the transfer of the majority of the assets, liabilities and subsidiaries of Telecom Plus PLC to Utility Warehouse Limited in exchange for shares in Utility Warehouse Limited under the group reorganisation on 1 April 2017.

Following the group reorganisation, the Company retained its investment in the JSOP Share Trust. Included within Company Trade and other receivables is a loan receivable from the JSOP Share Trust of £2,275,000 (2022: £2,275,000), which represents the maximum exposure to loss from its interest in the JSOP Share Trust.

Utility Warehouse Limited owns 100% of the ordinary share capital of Telecommunications Management Limited ('TML'), being two £1 shares. The principal activity of TML is the supply of fixed wire and mobile telecommunication services to business and public sector customers.

Utility Warehouse Limited also owns 100% of the ordinary share capital of Utilities Plus Limited ('Utilities Plus'), being two £1 shares. Utilities Plus is an FCA Consumer Credit Act licensed entity which provides loans and hire purchase agreements to employees and Partners.

Utility Warehouse Limited also owns 100% of the ordinary share capital of Electricity Plus Supply Limited ('Electricity

Plus') and Gas Plus Supply Limited ('Gas Plus'), being one £1 share in each company. The principal activity of Electricity Plus and Gas Plus is to hold the licences for the supply of energy services to residential and business customers in the UK.

Utility Warehouse Limited owns 100% of the ordinary share capital of UW Spain S.L.U. being 3,000 €1 shares. UW Spain S.L.U. is a subsidiary set up to employ people resident in Spain.

Utility Warehouse Limited owns 100% of the ordinary share capital of UWI Limited being 9,600 £1 shares. UWI Limited is a subsidiary set up to write insurance business from Gibraltar with passporting rights into the UK.

As at 31 March 2023, Utility Warehouse Limited also owned 100% of the ordinary share capital of eight dormant non-trading subsidiaries as listed below:

Freetalk Limited	Utility House Limited
Mobile Xtra Limited	Value Group Limited
Savings Plus Limited	Value Plus Limited
The Peoples Champion Limited	Utility Debt Collectors Limited

As at 31 March 2023, TML owned 100% of the ordinary share capital of the following eight dormant non-trading subsidiaries:

1p Mobile Limited	Penny Telecom Limited
One Penny Mobile Limited	1p Broadband Limited
One Penny Telecoms Limited	One Penny Broadband Limited
Penny Mobile Limited	Penny Broadband Limited

The registered office of each company referred to in this note is: Network HQ, 508 Edgware Road, London, NW9 5AB. The registered office of UW Spain is C/Bac de Roda, 64, edif. D, planta 3a, 08019, Barcelona, B10575538. The registered office of UWI Limited is 5/5 Crutchett's Ramp, Gibraltar, GX11 1AA.

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10. Deferred tax

The deferred tax liability recognised in the financial statements is as follows:

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Tax effect of temporary differences:				
Accelerated capital allowances	(3,021)	(2,222)	-	-
Other short term temporary differences	145	35	-	-
Transitional tax adjustments relating to IFRS 9	65	65	-	-
Share based payments	1,917	1,051	-	-
Transfers from acquisitions	(37)	(37)	-	-
Transfers to liabilities classified as held for sale	30	30	-	-
	(901)	(1,078)	-	-

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
At 1 April	(1,078)	(1,145)	-	-
Transfers to liabilities classified as held for sale	-	30	-	-
Charged to the Statement of Comprehensive Income	177	45	-	-
Taken to equity	-	(11)	-	-
Other differences	-	3	-	-
At 31 March	(901)	(1,078)	-	-

11. Leases as lessor

Finance leases

In the provision of broadband services, the Group provides customers with a broadband router at the start of their contract. The terms and conditions under which broadband routers are supplied to customers mean that routers are accounted for as finance leases.

To manage the risks associated with their rights to the underlying right of use assets pertaining to the finance

lease, the agreement stipulates that routers must be returned or else a termination fee will apply. This termination fee reduces by 50% after two years, but there is no expiry date.

Interest income of £2.3m (2022: £1.5m) has been recognised in profit or loss in respect of finance leases.

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

	2023 £'000	2022 £'000
Less than one year	5,269	3,962
Between one and two years	5,269	3,962
Between two and three years	5,269	3,962
Between three and four years	5,269	3,962
Between four and five years	3,864	3,149
More than five years	2,731	2,547
Total undiscounted lease receivable	27,671	21,544
Unearned finance lease income	(7,614)	(6,201)
Net investment in finance leases	20,057	15,343

Hire purchase agreements

The following table sets out a maturity analysis of hire purchase agreements receivables, showing the undiscounted payments to be received after the reporting date:

	2023 £'000	2022 £'000
Less than one year	1,137	1,356
Between one and two years	923	982
Between two and three years	776	766
Between three and four years	769	548
Between four and five years	508	522
More than five years	695	171
Total undiscounted hire purchase agreement receivable	4,808	4,345

Hire purchase agreements relate to branded vehicles supplied to distributors on hire purchase agreements.

Operating leases

The operations of the Company were transferred into newly refurbished head offices at Merit House in 2015 and the former head office building, Southon House, was vacated. Southon House is therefore now held as an investment

property and rented to third-party tenants. During the year £0.9m (2022: £0.9m) was recognised as rental income by the Group.

The following table sets out a maturity analysis of the lease payments due to be received from the tenants of Southon House, showing the undiscounted lease payments to be received after the reporting date.

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	2023 £'000	2022 £'000
Less than one year	803	878
Between one and two years	803	878
Between two and three years	803	878
Between three and four years	803	878
Between four and five years	712	878
More than five years	2,504	3,283
	6,428	7,673

12. Other non-current assets

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Hire purchase agreements receivable	3,681	2,989	-	-
Finance lease assets	19,514	14,875	-	-
Loan to JSOP Share Trust	-	-	2,275	2,275
Trade receivables	14,728	11,303	-	-
Loan receivable	6,450	-	-	-
Other non-current receivables	3,156	3,688	681	681
Total other non-current assets	47,529	32,855	2,956	2,956

Hire purchase agreements receivable relates to branded vehicles supplied to distributors on hire purchase agreements (see note 11). The loan receivable from the JSOP Share Trust does not bear interest and is repayable on demand. There is no current expectation that the loan will be recalled by the Company within the next 12 months. Finance lease assets represent assets where

the Company is the lessor. Non-current assets include Expected Credit Losses of £8.5m (2022: £5.7m) against trade receivables. The Expected Credit Losses on all other non-current assets are not material. The loan receivable relates to amounts owed by former subsidiary Glow Green (see note 24).

13. Receivables and accrued income

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade receivables	50,241	31,103	-	-
Other receivables	7,495	18,004	317	50
Hire purchase agreements receivable	1,127	1,356	-	-
Trade and other receivables	58,863	50,463	317	50
Accrued income	267,576	134,917	-	-
Trade and other receivables	58,863	50,463	317	50
Accrued income	267,576	134,917	-	-
Receivables and accrued income (net)	326,439	185,380	317	50

Accrued income represents unbilled receivables. Gross accrued income of £274,090,000 (2022: £136,439,000) has offset against it an allowance for bad debts of £6,514,000 (2022: £1,522,000), resulting in a net balance of £267,576,000 (2022: £134,917,000). Gross accrued income includes: £289,596,000 (2022: £82,724,000) revenue yet to be invoiced mainly relating to March usage; plus unbilled energy debtors of £99,946,000 (2022: £53,715,000); less £123,058,000 (2022: £Nil) of EPG funds received; plus £7,606,000 (2022: £Nil) of Energy Bill Relief Scheme (“EBRS”) funds owed. Unbilled energy debtors represent amounts owed by customers who pay for their energy in fixed monthly amounts, rather than paying for actual energy usage, with the balance expected to equalise over the course of a year.

The hire purchase agreements receivable shown separately in the above table relates to the provision of branded vehicles to Partners. The majority of the vehicles are supplied on interest-free hire purchase agreements and therefore there are no reconciling items to disclose between the present value of the minimum lease payments and gross investment in the leases.

Allowance for credit losses on trade receivables and accrued income from customer invoicing

In accordance with note (r) of the Significant Accounting Policies, trade receivables are stated at their nominal value as reduced by the expected lifetime credit losses. The Expected Credit Loss model is applied to trade receivables from customer invoicing with credit losses measured using a provisioning metric, adjusted where required, to take into account current macro-economic factors. The Group do not consider any current or non-current assets to contain a significant financing component and therefore have applied the simplified approach for Expected Credit Losses.

The Group assesses the expected recoverability of trade receivables based on a categorisation matrix and applies a provision against such trade receivables based on the historical collection experience of those categories (principally whether the indebted customer remains with the Group or not, and the age of the debt). The Group also assesses the latest information it has available on customer collections post the balance sheet date in order to evaluate whether there has been any impact on its customers from changes in the prevailing macroeconomic situation.

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Allowances as at 1 April	25,026	23,152	-	-
Additions – charged to consolidated income statement	28,675	11,566	-	-
Allowances used on fully written down receivables	(11,010)	(9,692)	-	-
Allowances as at 31 March	42,691	25,026	-	-

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Analysis of trade receivables and accrued income from customer invoicing

The tables below show an aged debt analysis between debts owed by customers who are still supplied by the Group (“Live”) and customers who are no longer supplied by the group (“Closed”).

As at 31 March 2023	Live		Closed		Total		Net £'000
	Gross £'000	Allowance £'000	Gross £'000	Allowance £'000	Gross £'000	Allowance £'000	
Accrued income - not past due	274,090	(6,514)	-	-	274,090	(6,514)	267,576
Trade receivables - past due							
0-30 days	11,490	(2,669)	1,525	(323)	13,015	(2,992)	10,023
31-90 days	22,174	(5,815)	3,367	(2,583)	25,541	(8,398)	17,143
>91 days	31,527	(9,561)	7,789	(6,680)	39,316	(16,241)	23,075
Total past due	65,191	(18,045)	12,681	(9,586)	77,872	(27,631)	50,241
Trade receivables							
Total due in over 1 year	23,274	(8,546)	-	-	23,274	(8,546)	14,728
Total trade receivables	88,465	(26,591)	12,681	(9,586)	101,146	(36,177)	64,969
Total	362,555	(33,105)	12,681	(9,586)	375,236	(42,691)	332,545

As at 31 March 2022	Live		Closed		Total		Net £'000
	Gross £'000	Allowance £'000	Gross £'000	Allowance £'000	Gross £'000	Allowance £'000	
Accrued income - not past due	136,439	(1,522)	-	-	136,439	(1,522)	134,917
Trade receivables - past due							
0-30 days	4,523	(879)	441	(300)	4,964	(1,179)	3,785
31-90 days	7,516	(1,654)	1,049	(912)	8,565	(2,566)	6,000
>91 days	30,049	(9,194)	5,362	(4,900)	35,412	(14,094)	21,318
Total past due	42,088	(11,727)	6,852	(6,112)	48,941	(17,839)	31,103
Trade receivables							
Total due in over 1 year	16,969	(5,665)	-	-	16,969	(5,665)	11,303
Total trade receivables	59,057	(17,392)	6,852	(6,112)	65,910	(23,504)	42,406
Total	195,496	(18,914)	6,852	(6,112)	202,349	(25,026)	177,323

As at 31 March 2023 and 31 March 2022 the Group had made provision for past due debts and therefore has no material exposure to trade receivables that were passed due and not individually impaired.

14. Costs to obtain contracts

The Group has the following assets at the reporting date in relation to contract costs:

	2023 £'000	2022 £'000
Commissions paid to acquire contracts	3,152	4,350
Commissions paid in advance	17,760	10,801
	20,912	15,151

Commissions paid to acquire contracts represent up-front commissions paid to Partners for introducing customers to the Group and are amortised when the related revenues are recognised over the average lifetime of the Group's customers. In the current period the amount of amortisation was £1.2m (2022: £1.4m). Partners also earn commission on the ongoing monthly use of the Group's services by customers they have introduced ("trailing commissions"). Trailing commissions are recognised in the Statement of Comprehensive Income as they are earned by Partners on an accruals basis. In the current period the amount of trailing commissions was £24.2m (2022: £16.2m).

Commissions paid in advance represent the bringing forward of certain future trailing commission payments expected to be due on customers Partners have introduced. These advance commission payments are amortised on a straight-line basis through the Statement of Comprehensive Income over the period during which they are earned and would otherwise have been paid had the payment not been brought forward. In the current period the amount of amortisation was £6.2m (2022: £4.1m). See accounting policies note (e).

15. Interest bearing loans and borrowings

Bank loans – changes in liabilities from financing activities

Group	2023 £'000	2022 £'000
As at 1 April	99,215	89,376
Changes from financing cashflows		
Drawdown of bank loans	55,000	65,000
Repayment of bank loans	(65,000)	(55,000)
Total changes from financing cashflows	(10,000)	10,000
Other changes - arrangement fees		
Additions	-	(597)
Amortisation	506	436
Total other changes	506	(161)
Total long term borrowings as at 31 March	89,721	99,215
Interest expense	5,051	2,709
Interest paid	4,934	2,630
Due within one year	-	-
Due after one year	90,000	100,000
	90,000	100,000

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The bank loans, when drawn down, are stated net of unamortised arrangement fees of £279,000 (2022: £785,000) on the face of the Balance sheet. These costs have been capitalised and are being amortised over the term of the bank loans.

In November 2021 the Group agreed to extend its revolving debt facilities to £175,000,000 with Barclays Bank PLC, Lloyds Bank PLC and Bank of Ireland Group PLC ('the Revolving Debt Facilities') for the period to 30 June 2024. Until 30 July 2023 the Company has an option, subject to bank approval, to extend the existing facility by another year to 30 June 2025. The Revolving Debt Facilities are subject to two financial covenants: (i) Net debt/EBITDA of not more than 3.0:1; and (ii) EBITDA/net finance charges of not less than 3.0:1. The covenants are tested twice

per year and the Group has significant headroom to the covenant limits under both these measures. The Group draws down on the Revolving Debt Facilities in tranches as funds are required. The interest period on the drawn tranches is typically one month and the tranches automatically rollover at the end of each interest period unless the Group, at its discretion, decides to repay the tranche.

In addition, as at 31 March 2023 the Group had letters of credit in place relating to certain energy distribution charges with a total value covered of £3,600,000 (2022: £2,800,000).

All bank loans are secured through a floating charge on the assets of the Group.

Maturity analysis

Group	2023 £'000	2022 £'000
Due in one year or less	-	-
Due in more than one year but not more than two years	102,049	-
Due in more than two years but not more than five years	-	107,046
	102,049	107,046

The analysis of maturity above includes interest to be paid during the term of the loans in accordance with IFRS 7 Financial Instruments: Disclosures.

Lease liabilities - changes in liabilities from financing activities

Group	2023 £'000	2022 £'000
As at 1 April	766	7,096
Changes from financing cashflows		
Payment of lease liabilities	(124)	(1,768)
Interest relating to lease liabilities	17	238
Total changes from financing cashflows	(107)	(1,530)
Other changes		
Disposals	-	(280)
Disposals - UWHS	-	(4,133)
Transfers to liabilities classified as held for sale	-	(387)
Total other changes	-	(4,800)
As at 31 March	659	766

Maturity analysis

Group	2023 £'000	2022 £'000
Due in one year or less	104	121
Due in more than one year but not more than two years	502	506
Due in more than two years but not more than five years	100	201
	706	828

The analysis of maturity above shows the contractual undiscounted cashflows associated with lease liabilities. There are no lease liabilities in the Company.

16. Trade and other payables

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Current				
Trade payables	38,830	28,644	5	68
Inter-company payables	-	-	44,316	55,257
Other taxation and social security	16,566	9,457	-	-
	55,396	38,101	44,321	55,325

The contractual maturities for trade payables fall within one year.

17. Accrued expenses and deferred income

	Group		Company	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Accrued expenses	416,866	112,932	117	68
Deferred income	488	561	-	-
	417,354	113,493	117	68

The contractual maturities of accrued expenses fall within one year.

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18. Capital and reserves

Issued share capital	2023		2022	
	Number ('000)	£'000	Number ('000)	£'000
Authorised ordinary shares of 5p each in the Company	160,000	8,000	160,000	8,000
Allotted, called up and fully paid ordinary share capital:				
At 1 April	79,508	3,976	79,236	3,962
Issue of new ordinary shares	429	21	272	14
At 31 March	79,937	3,997	79,508	3,976
Authorised 'B' shares of 2p each in subsidiary	650	13	650	13
Allotted and fully paid 'B' share capital:				
At 1 April	330	6	405	8
Issue of new 'B' shares	-	-	-	-
Cancellation of 'B' shares	-	-	(75)	(2)
At 31 March	330	6	330	6
Total Group share capital at 31 March		4,003		3,982

At the year end the Company's share price was 1,890p and the range during the financial year was 1,500p to 2,500p.

At 31 March 2023, the Company had 79,937,421 (2022: 79,508,132) shares in issue. The total number of voting rights of 5p ordinary shares in the Company was 79,455,145 (2022: 79,025,856), excluding shares held in treasury. Since the year end, a further 13,408 shares have been issued to satisfy the exercise of employee and distributor share options, increasing the total number of voting rights of 5p ordinary shares in the Company to 79,468,553.

As at 31 March 2023 there were 482,276 ordinary shares held in treasury (2022: 482,276).

There are 252,638 ordinary shares held in the JSOP Share Trust, representing approximately 0.3% of issued share capital, on which voting and dividend rights have been waived. These shares are included in the above total voting rights figure of 79,455,145. The JSOP reserve in the Group accounts represents ordinary shares in the Company held by the JSOP Share Trust.

As at 31 March 2023, the total 'B' share capital in Utility Warehouse Limited was £6,000 (2022: £6,000) and therefore the total Group share capital is £4,003,000 (2022: £3,982,000). This 'B' share capital represents the capital contributions from employees for subscriptions to the LTIP 2016 - growth shares incentive scheme detailed in note 21.

Capital management

The Group's overall objective when managing capital is to continue to provide attractive returns to shareholders.

Total shareholder equity at 31 March 2023 was £230.7 million (2022: £205.6 million).

The Group's current capital management strategy is to retain sufficient working capital for day-to-day operating requirements. The Group's capital management strategy is also to ensure that interest costs are minimised.

Under the Group's energy supply arrangements, E.ON (formerly npower) is responsible for funding the principal working capital requirements relating to the supply of energy to the Company's customers. This includes funding the Budget Plans of customers who pay for their energy in equal monthly instalments.

Dividends

	2023 £'000	2022 £'000
Prior year final paid 30p (2022: 30p) per share	23,689	23,559
Interim paid 34p (2022: 27p) per share	26,912	21,228

The Directors have proposed a final dividend of 46p per ordinary share totalling approximately £36.4 million, payable on 11 August 2023, to shareholders on the register at the close of business on 21 July 2023. In accordance

with the Group's accounting policies the dividend has not been included as a liability as at 31 March 2023. This dividend will be subject to income tax at each recipient's individual marginal income tax rate.

19. Earnings per share

The calculation of basic and diluted earnings per share ("EPS") is based on the following data:

	2023 £'000	2022 £'000
Earnings for the purpose of basic and diluted EPS	68,426	35,467
Share incentive scheme charges (net of tax)	2,346	793
Amortisation of energy supply contract intangible assets	11,228	11,228
(Profit) / Loss on disposal of subsidiary	(3,595)	1,139
Impairment of goodwill - Glow Green	-	1,536
Profit on disposal of freehold office building (net of tax)	-	(488)
Earnings excluding share incentive scheme charges and amortisation of intangibles for the purpose of adjusted basic and diluted EPS	78,405	49,675

	Number ('000s)	Number ('000s)
Weighted average number of ordinary shares for the purpose of basic EPS	79,049	78,601
Effect of dilutive potential ordinary shares (share incentive awards)	1,220	286
Weighted average number of ordinary shares for the purpose of diluted EPS	80,269	78,887
Adjusted basic EPS ¹	99.2p	63.2p
Basic EPS	86.6p	45.1p
Adjusted diluted EPS ¹	97.7p	63.0p
Diluted EPS	85.2p	45.0p

1. Adjusted basic and diluted EPS exclude share incentive scheme charges and the amortisation of the intangible asset recognised as a result of the new energy supply arrangements entered into with npower in December 2013.

It has been deemed appropriate to present the analysis of adjusted EPS excluding share incentive scheme charges due to the relative size and historical volatility of the charges. In view of the size and nature of the charge as a non-cash item the amortisation of intangible assets arising from the energy supply agreement with E.ON has also been adjusted. It has also been deemed appropriate to

exclude the impact of the disposal of Glow Green Limited and Cofield Limited ("Glow Green"). The amortisation of the energy supply contract intangible assets, the profit on the disposal of Glow Green have not been adjusted for taxation as these items do not impact the amount of corporation tax paid by the Group.

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20. Commitments

Capital commitments

At 31 March 2023 the Company had no significant capital commitments (2022: £Nil).

Energy supply arrangements

The Group entered into a 20-year energy supply agreement with npower ('the SSA') on 20 December 2013. Following the merger between npower and E.ON's UK operations the supply contract was novated to E.ON in 2021. The terms of the supply agreement were not changed as a result of this novation.

In the event that the SSA is terminated by E.ON in certain circumstances, including on a material breach by the Group or on the insolvency of the Company, additional consideration of up to £154 million may become payable by the Company to E.ON. Full details of the termination provisions of the SSA were set out in paragraph 4 of Part VIII on page 38 of the prospectus issued to shareholders on 20 November 2013.

However, given the energy supply agreement termination rights are either, in the directors' view, very unlikely to occur or entirely within the control of the Group, the directors believe the likelihood of this type of termination event is remote.

The amount of the additional consideration reduces from £145 million to £11 million over the remaining life of the supply agreement. Furthermore, depending on the circumstances giving rise to a termination event, the additional consideration (if payable) may be spread over the unexpired term of the supply agreement. Following any such termination event, the Group would have direct access to the wholesale energy markets and the opportunity to earn additional margin from sourcing energy directly for the Group's customer base.

21. Share-based payments

Share options

The Company has two share option plans, one of which is available to employees, the other to distributors of the Company. The Company also has a Save As You Earn share option plan ('the 2015 Employee SAYE Share Option Plan') for employees. A Deferred Share Bonus Plan is in place for the executive directors.

All new employees who have passed the requisite probationary period are issued with market price options over shares in the Company, further options are also granted to existing employees depending on their seniority and length of service ('The Telecom Plus PLC 2017 Employee Share Option Plan'). The 2015 Employee SAYE Share Option Plan enables employees of the group to acquire shares in the Company in a tax efficient manner using monies saved from salary over a three or five-year period.

The distributor scheme ('The Telecom Plus PLC 2017 Networkers and Consultants Share Option Plan') exists to provide incentives to the people who are most successful in gathering new customers for the Company. As it is not possible to measure directly the benefit received from these activities, the fair value of the benefit received has been measured by reference to the fair value of the equity instruments granted.

A reconciliation of movements in the numbers of share options for the Group can be summarised as follows:

	2023		2022	
	Number	Weighted average exercise price	Number	Weighted average exercise price
At 1 April	2,639,501	1,261p	2,662,415	1,240p
Options granted	1,755,252	2,181p	1,157,927	1,277p
Options exercised	(610,868)	1,118p	(450,988)	1,039p
Options lapsed/expired	(491,029)	1,672p	(729,853)	1,348p
At 31 March	3,292,856	1,706p	2,639,501	1,261p

The weighted average share price at the date of exercise for the options exercised during the year was 2,052.6p (2022: 1,474.8p).

During the current year ended 31 March 2023 and prior year ended 31 March 2022, the Group issued share options to employees on the occasions set out below. No share options were issued to distributors during these periods.

Grant date	Share price at grant date (pence)	Exercise price (pence)	Expected volatility (%)	Option life (years)	Risk free rate (%)	Dividend yield (%)	Fair value per option (pence)
2017 Employee Share Option Plan							
22/07/2021	1,030	1,045	30.12	10	0.18	5.45	128
16/12/2021	1,520	1,526	33.64	10	1.73	3.75	361
26/07/2022	2,190	2,178	32.98	10	3.02	2.98	644
15/12/2022	2,280	2,247	41.47	10	3.52	3.56	765
Deferred Shares Bonus Plan							
22/07/2021	1,030	5	N/A	10	N/A	N/A	N/A
26/07/2022	2,190	5	N/A	10	N/A	N/A	N/A
2015 Employee SAYE Share Option Plan							
18/08/2021	1,036	1,040	29.72	2.5	0.18	5.50	123
18/08/2022	2,125	2,156	33.76	3.5	3.02	3.01	648

The Group has used a binomial model to value its share options, with account being taken of vesting conditions where these were considered material. The expected

volatility for the share option arrangements is based on historical volatility determined by the analysis of daily share price movements over the previous 12 months.

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The options outstanding at the end of the year relating to employees are as follows:

	Number 1 April 2022	Number 31 March 2023	Exercise price per share	Exercisable from	Expiry date
2007 Employee Share Option Plan					
26 Jun 2012	22,800	-	828.0p	26 Jun 2015	25 Jun 2022
10 Dec 2012	9,200	-	878.0p	10 Dec 2015	09 Dec 2022
17 Jun 2013	5,147	4,300	1,219.0p	17 Jun 2016	16 Jun 2023
16 Dec 2013	6,000	2,500	1,739.0p	16 Dec 2016	15 Dec 2023
01 Jul 2014	4,450	2,250	1,337.0p	01 Jul 2017	30 Jun 2024
16 Dec 2014	2,350	1,350	1,254.0p	16 Dec 2017	15 Dec 2024
13 Jul 2015	221,705	86,946	985.0p	13 Jul 2018	12 Jul 2025
10 Dec 2015	5,850	2,729	1,074.0p	10 Dec 2018	09 Dec 2025
22 Jul 2016	68,764	56,250	1,047.0p	22 Jul 2019	21 Jul 2026
08 Dec 2016	47,738	18,210	1,209.0p	08 Dec 2019	07 Dec 2026
20 Jul 2017	65,755	36,396	1,117.0p	20 Jul 2020	19 Jul 2027
12 Dec 2017	43,449	17,590	1,181.0p	12 Dec 2020	11 Dec 2027
26 Jul 2018	86,119	49,722	1,057.0p	26 Jul 2021	25 Jul 2028
13 Dec 2018	68,000	29,625	1,370.0p	13 Dec 2021	12 Dec 2028
25 Jul 2019	202,450	97,285	1,342.0p	25 Jul 2022	24 Jul 2029
16 Dec 2019	160,500	85,951	1,383.0p	16 Dec 2022	15 Dec 2029
23 Jul 2020	287,950	243,450	1,382.0p	23 Jul 2023	22 Jul 2030
16 Dec 2020	230,710	126,200	1,474.0p	16 Dec 2023	15 Dec 2030
22 Jul 2021	311,500	238,250	1,045.0p	22 Jul 2024	21 Jul 2031
16 Dec 2021	555,000	489,750	1,520.0p	16 Dec 2024	15 Dec 2031
26 Jul 2022	-	775,645	2,178.0p	26 Jul 2025	25 Jul 2032
15 Dec 2022	-	739,785	2,247.0p	15 Dec 2025	14 Dec 2032
Deferred Shares Bonus Plan					
22 Jul 2021	42,437	40,450	5.0p	22 Jul 2023	22 Jul 2031
26 Jul 2022	-	22,327	5.0p	26 Jul 2024	26 Jul 2032
2015 Employee SAYE Share Option Plan					
23 Aug 2018	2,072	-	1,042.0p	01 Nov 2021	30 Apr 2022
21 Aug 2019	17,325	3,197	1,349.0p	01 Nov 2022	30 Apr 2023
19 Aug 2020	31,415	14,542	1,382.0p	01 Nov 2023	30 Apr 2024
18 Aug 2021	59,815	51,501	1,036.0p	01 Nov 2024	30 Apr 2025
18 Aug 2022	-	20,155	2,156.0p	01 Nov 2025	30 Apr 2026
Total employees	2,558,501	3,256,356			
Weighted average exercise price	1,269.4p	1,712.6p			

The options outstanding at the end of the year relating to distributors are as follows:

	Number 1 April 2022	Number 31 March 2023	Exercise price per share	Exercisable from	Expiry date
2007 Networkers and Consultants Share Option Plan					
01 Jun 2012	16,000	-	721.0p	01 Jun 2015	31 May 2022
26 Jun 2012	5,000	-	828.0p	26 Jun 2015	25 Jun 2022
20 Nov 2012	14,000	-	854.5p	20 Nov 2015	19 Nov 2022
10 Dec 2012	1,000	-	878.0p	10 Dec 2015	09 Dec 2022
17 Jun 2013	4,000	3,000	1,219.0p	17 Jun 2016	16 Jun 2023
16 Dec 2013	2,000	2,000	1,739.0p	16 Dec 2016	15 Dec 2023
01 Jul 2014	7,900	6,900	1,337.0p	01 Jul 2017	30 Jun 2024
16 Dec 2014	4,500	4,500	1,254.0p	16 Dec 2017	15 Dec 2024
13 Jul 2015	22,100	18,600	985.0p	13 Jul 2018	12 Jul 2025
10 Dec 2015	1,500	-	1,074.0p	10 Dec 2018	09 Dec 2025
22 Jul 2016	3,000	1,500	1,047.0p	22 Jul 2019	21 Jul 2026
Total distributors	81,000	36,500			
Weighted average exercise price	982.7p	1,147.8p			

At 31 March 2023, a total of 527,604 share options were exercisable (2022: 738,327) at a weighted average exercise price of 1,193.44p (2022: 1,055.5p). The average remaining contractual life of the outstanding options was 8.1 years (2022: 7.3 years).

LTIP 2016 – growth shares

The LTIP 2016 comprises the issue to participants of a class of ‘growth’ shares in Utility Warehouse Limited (“B shares”), which potentially become convertible into ordinary shares in the Company over a period of typically 3-10 years following the achievement of stretching targets. If these targets are not achieved, then the growth shares lapse with no value to participants.

The first awards of growth shares (“B1 shares”) were made to initial participants in the scheme on 4 April 2017; these included the Chief Executive Officer and Chief Financial Officer of the Company. In total 325,000 growth shares were issued to the directors and certain senior employees on 4 April 2017, of which 120,000 have lapsed due to leavers. As set out in the Directors’ Remuneration Report

for the year ended 31 March 2021, a further 37,500 held by directors have lapsed due to the introduction of the new Deferred Share Bonus Plan.

On 30 July 2018 and 20 November 2018, further awards of growth shares were made to certain senior employees (“B2 shares”). In total 61,500 and 18,000 growth shares were issued respectively on these dates, of those issued on 30 July 2018 43,500 have lapsed due to leavers and of those issued on 20 November 2018 8,000 have lapsed.

No further awards will be made under the LTIP 2016.

The fair value of the growth shares issued for the purposes of IFRS 2 has been based on a Monte-Carlo model and the key assumptions are set out below.

B1 shares – April 2017	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Fair value (per share granted)	£16.51	£17.71	£18.07	£17.08
Number of awards granted	81,250	81,250	81,250	81,250

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Key assumptions	
Share price at grant	£12.10
Exercise price	Nil
Dividend yield	4.5%
Expected term	2.3 to 9.3 years
Risk free rate	0.11% to 0.99%
Share price volatility of the Company	33.2%
Discount for post vesting transfer restrictions for Tranches 1, 2 and 3 awards	6.3%
Discount for post vesting transfer restrictions for Tranche 4 awards	11.2%

B2 shares – July 2018	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Fair value (per share granted)	£10.14	£10.70	£10.79	£9.68
Number of awards granted	15,375	15,375	15,375	15,375

Key assumptions	
Share price at grant	£10.36
Exercise price	Nil
Dividend yield	4.9%
Expected term	3 to 10 years
Risk free rate	0.86% to 1.48%
Share price volatility of the Company	30.9%
Discount for post vesting transfer restrictions for Tranches 1, 2 and 3 awards	5.9%
Discount for post vesting transfer restrictions for Tranche 4 awards	10.3%

B2 shares – November 2018	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Fair value (per share granted)	£18.23	£19.39	£19.17	£17.39
Number of awards granted	4,500	4,500	4,500	4,500

Key assumptions	
Share price at grant	£13.24
Exercise price	Nil
Dividend yield	4.5%
Expected term	2.7 to 9.7 years
Risk free rate	0.78% to 1.35%
Share price volatility of the Company	29.9%
Discount for post vesting transfer restrictions for Tranches 1, 2 and 3 awards	5.7%
Discount for post vesting transfer restrictions for Tranche 4 awards	10.1%

22. Financial instruments

Treasury activities take place under procedures and policies approved and monitored by the Board. They are designed to minimise the financial risks faced by the Group which primarily arise from credit, interest rate and liquidity risks.

Carrying amounts of financial instruments

All financial assets, which include cash, trade and other receivables and accrued income, are held at amortised cost, with a total value for the Group of £585,532,000 (2022: £258,682,000) and for the Company of £4,329,000 (2022: £3,684,000).

All financial liabilities, which include trade and other payables and accrued expenditure, are held at amortised cost with a total value for the Group of £547,648,000 (2022: £250,580,000) and for the Company £44,454,000 (2022: £55,420,000).

Credit risk

All customers are invoiced monthly and approximately 90% pay by direct debit; accordingly credit risk in respect of trade receivables is considered relatively low due to the large number of customers supplied, each of whom represents an insignificant proportion of total revenue.

The Company has a universal supply obligation in relation to the provision of energy to domestic customers. This means that although the Company is entitled to request a reasonable deposit from a potential new customer who is not considered creditworthy, the Company is obliged to supply domestic energy to anyone who submits a properly completed application form. Where such customers subsequently fail to pay for the energy they have used, there is likely to be a delay before the Company is able to eliminate its exposure to future bad debt from them by either installing a pre-payment meter or disconnecting their supply, and the costs associated with preventing such customers from increasing their indebtedness are not always fully recoverable.

Trade receivables are stated at their nominal value as reduced by the expected lifetime credit losses. The Expected Credit Loss model is applied to trade receivables from customer invoicing with credit losses measured using a provisioning metric, adjusted where required, to take into account current macro-economic factors. The Group applies judgement to assess the expected credit loss, taking into account historical collection patterns.

The maximum credit risk for the Group is £585,532,000 (2022: £258,682,000) and for the Company £4,329,000 (2022: £3,684,000).

Interest rate risk

The Group finances its day-to-day operations primarily through cash generated within the business. Cash surpluses are placed on deposit with Barclays Bank PLC and Lloyds Bank PLC at money market rates to maximise returns. As set out in note 15, the interest charged on the Group's borrowing facilities varies according to the prevailing 3-month SONIA rate.

The Group's profit and equity for the current year will not be significantly affected by changes in the UK base rate of +/- 1% from current levels.

Commodity price risk

The Group is not materially exposed to any fluctuations in commodity prices due to the nature of the agreements with wholesale providers of telephony and energy services and its ability to pass the effect of any such fluctuations through to its customers.

Liquidity risk

The Group's treasury management policies are designed to ensure continuity of funding. In the light of its track record, strong cash generation and continued prospects, the Group has been consistently successful in refinancing the debt facilities detailed in note 15. As a result of predictable cashflows and an asset-light operating model, the Group is able to maintain relatively conservative gearing levels which remain well within the covenants detailed in note 15. The covenants are formally tested twice per year and regular communication is maintained with the lenders. Any drawdowns and repayments of the Company's debt facilities are small in number, typically made at broadly the same time each year, and approved by the executive directors.

Foreign currency risk

The Group does not have any significant foreign currency exposure.

Interest rate and currency profile of financial assets and liabilities

All financial assets and liabilities are denominated in Sterling. Receivables due after one year include £3,929,000 (2022: £3,297,000) due mainly from distributors, elements of which earn interest at varying rates above Base Rate.

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Borrowing facilities

At 31 March 2023, the Group had total revolving credit facilities of £175,000,000 (2022: £175,000,000). These facilities are available to the Group until 30 June 2024. As at 31 March 2023 £90,000,000 of the facilities was drawn down (2022: £100,000,000 drawn down). As at 31 March 2023 the Group also had letters of credit in place relating to certain energy distribution charges with a total value covered of £3,600,000 (2022: £2,800,000).

The facilities are secured by fixed and floating charges over the assets of the Group and through cross guarantees with the subsidiaries Utility Warehouse Limited, Electricity Plus Supply Limited, Gas Plus Supply Limited, Utilities Plus Limited and Telecommunications Management Limited. Further details of the facilities are set out in note 15 of these financial statements.

Fair values

There is not considered to be any material difference between the fair value of any financial instruments and their net book amount due to the short-term maturity of the instruments.

23. Related parties

Identity of related parties

The Company has related party relationships with its subsidiaries (see note 9) and with its directors and executive officers. Related party transactions are conducted on an arm's length basis.

Transactions with key management personnel

Directors of the Company and their immediate relatives control approximately 11.1% of the voting shares of the Company. No other employees are considered to meet the definition of key management personnel other than those disclosed in the Directors' Remuneration Report.

Details of the total remuneration paid to the directors of the Company as key management personnel for qualifying services are set out below:

	2023 £'000	2022 £'000
Short-term employee benefits	3,816	3,200
Deferred shares bonus	723	443
Social security costs	543	428
Post-employment benefits	12	12
	5,094	4,083
Share incentive scheme charges	400	42
	5,494	4,125

During the year, the Group acquired goods and services worth £Nil (2022: £Nil) from companies in which directors have a beneficial interest. No amounts were owed to these companies by the Group as at 31 March 2023. During the year, the Group sold goods and services worth £Nil (2022: £Nil) to companies in which directors have a beneficial interest.

During the year directors purchased goods and services on behalf of the Group worth £256,000 (2022: £306,000). The directors were fully reimbursed for the purchases and no amounts were owing to the directors by the Group as at 31 March 2023. During the year ended 31 March 2023, the Group made sales to Glow Green worth £159,300 and purchases worth £161,000. During the year the directors purchased goods and services from the Group worth approximately £109,000 (2022: £28,000) and persons closely connected with the directors earned commissions as Partners for the Group of approximately £9,000 (2022: £6,000).

Subsidiary companies

During the year ended 31 March 2023, the Company purchased goods and services from the subsidiaries in the amount of £782,000 (2022: £96,000 purchased by the Company from the subsidiaries).

During the year ended 31 March 2023 the Company also received distributions from subsidiaries of £60,000,000 (2022: £50,000,000). At 31 March 2023 the Company owed the subsidiaries £104,376,000 which is recognised within trade payables (2022: £55,257,000 owed by the Company to the subsidiaries).

24. Disposal

Having received FCA change of control approval, the Group completed the disposals of its 75% shareholdings in Glow Green Limited and Cofield Limited (“Glow Green”) for cash consideration of £1 to Charles Wigoder, Non-Executive Chairman of the Group on 31 July 2022. Since acquiring Glow Green in 2018, the business was consistently

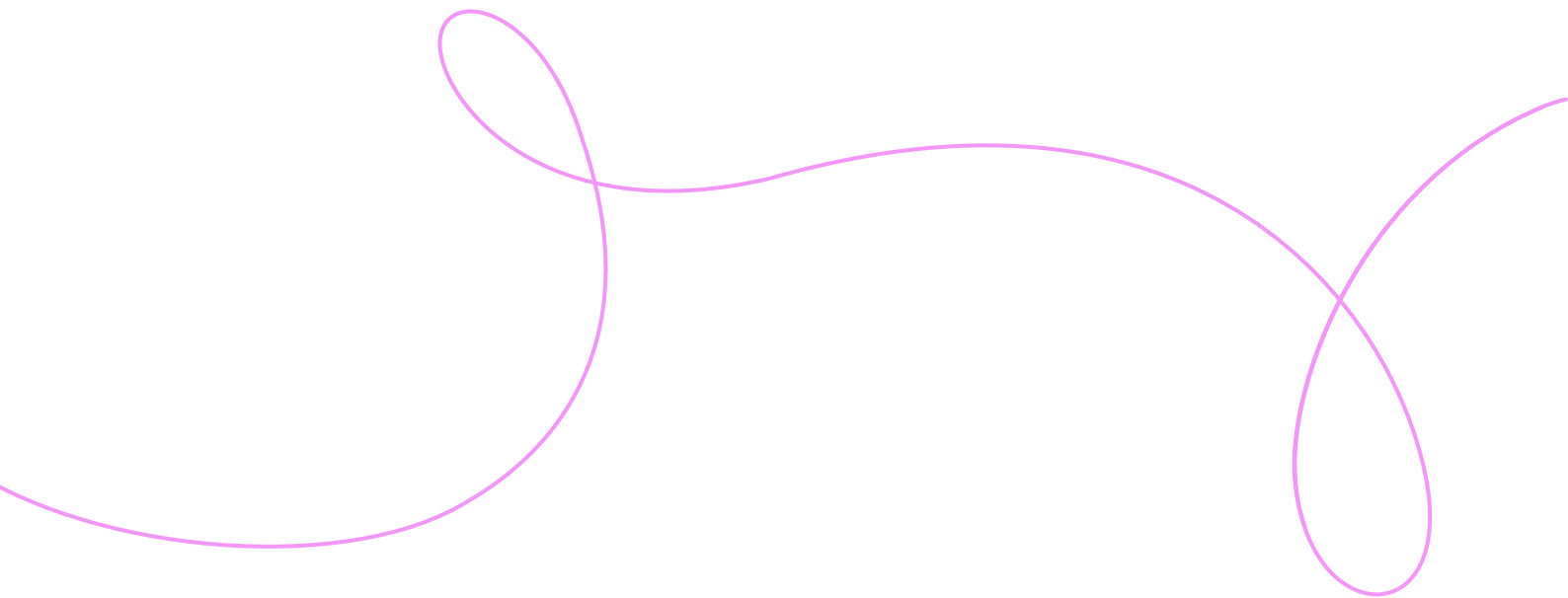
loss-making; this contributed to a cumulative funding requirement of over £6m that remained with Glow Green as a debt to the Group and will be repaid over time. The repayment of the loan has been personally guaranteed by Charles Wigoder.

As a smaller related party transaction, the disposal fell within the requirements of section 11.1.10R of the Listing Rules and the Board obtained written confirmation from its sponsor that the terms of the proposed transaction were fair and reasonable as far as the shareholders of the Group are concerned.

The net liabilities of Glow Green as at 31 July 2022 were £(4.8)m and the profit on disposal of the Group’s 75% share was therefore £3.6m in the current period. This has been reflected in the Profit on disposal of subsidiary line in the Consolidated Statement of Comprehensive Income.

On completion, the following assets and liabilities were disposed of as part of the sale of Glow Green:

As at 31 July	2023 £'000
Assets	
Property, plant and equipment	610
Inventories	1,771
Trade and other receivables	2,946
Cash and cash equivalents	596
	5,923
Liabilities	
Trade and other payables	(10,314)
Deferred tax	(30)
Finance lease liabilities	(351)
	(10,695)



Shareholder Information

Telecom Plus Plc is a public listed company incorporated and domiciled in the United Kingdom. It has a primary listing on the London Stock Exchange.

Corporate website

The Company's corporate website **telecomplus.co.uk** provides shareholders with financial and governance information.

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