

COMPANY REGISTRATION NUMBER: 07980955

Internet Mobile Communications Limited
Financial Statements
30 June 2020

EDMUND CARR LLP
Chartered Accountants & statutory auditor
146 New London Road
Chelmsford
Essex
CM2 0AW

Internet Mobile Communications Limited

Financial Statements

Year ended 30 June 2020

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Internet Mobile Communications Limited

Officers and Professional Advisers

The board of directors

Chun Yan Shao
Wen Lei Sun
S M J Leary
A M Fox
M J Stewart

Company secretary

M J Stewart

Registered office

Hurst House
131-133 New London Road
Chelmsford
CM2 0QT

Auditor

Edmund Carr LLP
Chartered Accountants & statutory auditor
146 New London Road
Chelmsford
Essex
CM2 0AW

Internet Mobile Communications Limited

Strategic Report

Year ended 30 June 2020

The principal activity of the company during this year was the promotion of its automated telecommunications trading marketplace called Bank of Telecom® which continued to deliver strong growth. The Company revenues grew from £62.4m (2019) to £119.9m (2020). Members consist of Mobile Network Operators, Tier 1 and Tier 2 telecommunications operators from 109 countries (2019) increasing to 114 countries (2020). Bank of Telecom ® Members increased from 1,279 (2019) to 1,453 (2020) whilst Revenue per employee (including contractors) increased from £1.94m (2019) to £3m (2020). Revenue per Member increased from £48,475 (2019) to £82,450 (2020).

The Company strengthened executive management with the appointment of Apostolos Chatzimeletiou (Akis) as Chief Commercial Officer, Connie Barragan as Director of Finance and Tom Anthony as Financial Controller. IMC also welcomed back Bank of Telecom Chief Evangelist and Co-Founder, Eugene Nedbailo after a two-year placement in IMC's Malta company.

The company engaged Silverpeak LLP in March 2020 to raise a minimum pf £10m to fund its growth plan however this has been delayed by COVID-19.

Operationally the company can state that although its offices have been impacted by COVID-19 outbreaks it has always worked heavily on an international basis using communications tools such as Slack and Skype to hold internal and external meetings. COVID-19 has not proved to be a business risk to the company and its impact to the telecoms industry has been mildly positive for our business since the general volume of international calls and sms are increasing as a result of travel restrictions.

This report was approved by the board of directors on 2nd Nov 2020 and signed on behalf of the board by:



M J Stewart
Director

Registered office:
Hurst House
131-133 New London Road
Chelmsford
CM2 0QT

Internet Mobile Communications Limited

Directors' Report

Year ended 30 June 2020

The directors present their report and the financial statements of the company for the year ended 30 June 2020.

Principal activities

The principal activity of the company during the year was the promotion of its automated telecommunications trading service with same day settlements called Bank of Telecom PaaS (Platform as a Service) offered in association with Western Union Business Solutions and American Express Corporation providing the company with Fx settlements facilities. Bank of Telecom offers an automated Voice and SMS trading solution with Valued Added services to the international telecommunications market estimated to be worth \$1.5Tn in 2019.

Directors

The directors who served the company during the year were as follows:

Chun Yan Shao
Wen Lei Sun
S M J Leary
A M Fox
M J Stewart

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Internet Mobile Communications Limited

Directors' Report *(continued)*

Year ended 30 June 2020

Auditor

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 21 Nov 2020 and signed on behalf of the board by:



M J Stewart
Director

Registered office:
Hurst House
131-133 New London Road
Chelmsford
CM2 0QT

Internet Mobile Communications Limited

Independent Auditor's Report to the Members of Internet Mobile Communications Limited

Year ended 30 June 2020

Opinion

We have audited the financial statements of Internet Mobile Communications Limited (the 'company') for the year ended 30 June 2020 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Internet Mobile Communications Limited

Independent Auditor's Report to the Members of Internet Mobile Communications Limited *(continued)*

Year ended 30 June 2020

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Internet Mobile Communications Limited

Independent Auditor's Report to the Members of Internet Mobile Communications Limited *(continued)*

Year ended 30 June 2020

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Internet Mobile Communications Limited

Independent Auditor's Report to the Members of Internet Mobile Communications Limited *(continued)*

Year ended 30 June 2020

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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



Colin Barker (Senior Statutory Auditor)

For and on behalf of
Edmund Carr LLP
Chartered Accountants & statutory auditor
146 New London Road
Chelmsford
Essex
CM2 0AW

2 November 2020

Internet Mobile Communications Limited

Statement of Comprehensive Income

Year ended 30 June 2020

	Note	2020 £	2019 £
Turnover	4	119,871,327	62,422,678
Cost of sales		111,502,512	58,302,800
Gross profit		<u>8,368,815</u>	<u>4,119,878</u>
Administrative expenses		2,018,328	1,410,346
Other operating income		325,943	—
Operating profit	5	<u>6,676,430</u>	<u>2,709,532</u>
Other interest receivable and similar income	9	1,281	3,762
Interest payable and similar expenses	10	<u>466,726</u>	<u>483,592</u>
Profit before taxation		<u>6,210,985</u>	<u>2,229,702</u>
Tax on profit	11	<u>1,058,237</u>	<u>389,375</u>
Profit for the financial year and total comprehensive income		<u><u>5,152,748</u></u>	<u><u>1,840,327</u></u>

All the activities of the company are from continuing operations.

The notes on pages 13 to 23 form part of these financial statements.

Internet Mobile Communications Limited

Statement of Financial Position

30 June 2020

	Note	2020		2019	
		£	£	£	£
Fixed assets					
Intangible assets	13		–		4,200
Tangible assets	14		67,484		15,685
Investments	15		10,083		14,550
			<u>77,567</u>		<u>34,435</u>
Current assets					
Debtors	16	30,289,589		10,633,439	
Cash at bank and in hand		<u>1,305,316</u>		<u>558,585</u>	
		31,594,905		11,192,024	
Creditors: amounts falling due within one year	17	<u>19,245,869</u>		<u>4,844,258</u>	
Net current assets			<u>12,349,036</u>		<u>6,347,766</u>
Total assets less current liabilities			<u>12,426,603</u>		<u>6,382,201</u>
Creditors: amounts falling due after more than one year	18		<u>3,661,972</u>		<u>2,296,318</u>
Net assets			<u>8,764,631</u>		<u>4,085,883</u>
Capital and reserves					
Called up share capital	22		395		395
Share premium account	23		1,508,855		1,508,855
Profit and loss account	23		<u>7,255,381</u>		<u>2,576,633</u>
Shareholders funds			<u>8,764,631</u>		<u>4,085,883</u>

These financial statements were approved by the board of directors and authorised for issue on 2 Nov 2020 and are signed on behalf of the board by:



A M Fox
Director



M J Stewart
Director

Company registration number: 07980955

The notes on pages 13 to 23 form part of these financial statements.

Internet Mobile Communications Limited

Statement of Changes in Equity

Year ended 30 June 2020

		Called up share capital £	Share premium account £	Profit and loss account £	Total £
At 1 July 2018		345	708,905	951,356	1,660,606
Profit for the year		—	—	1,840,327	1,840,327
Total comprehensive income for the year		—	—	1,840,327	1,840,327
Dividends paid and payable	12	—	—	(215,050)	(215,050)
Exercise of options, rights and warrants		50	799,950	—	800,000
Total investments by and distributions to owners		50	799,950	(215,050)	584,950
At 30 June 2019		395	1,508,855	2,576,633	4,085,883
Profit for the year		—	—	5,152,748	5,152,748
Total comprehensive income for the year		—	—	5,152,748	5,152,748
Dividends paid and payable	12	—	—	(474,000)	(474,000)
Total investments by and distributions to owners		—	—	(474,000)	(474,000)
At 30 June 2020		395	1,508,855	7,255,381	8,764,631

The notes on pages 13 to 23 form part of these financial statements.

Internet Mobile Communications Limited

Statement of Cash Flows

Year ended 30 June 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	5,152,748	1,840,327
<i>Adjustments for:</i>		
Depreciation of tangible assets	13,484	6,778
Amortisation of intangible assets	4,200	4,200
Loss on financial assets at fair value through profit or loss	4,467	–
Other interest receivable and similar income	(1,281)	(3,762)
Interest payable and similar expenses	466,726	483,592
Tax on profit	1,058,237	389,375
Accrued expenses	8,756,385	2,141,317
<i>Changes in:</i>		
Trade and other debtors	(19,656,150)	(6,425,042)
Trade and other creditors	5,905,763	1,212,533
Cash generated from operations	1,704,579	(350,682)
Interest paid	(466,726)	(483,592)
Interest received	1,281	3,762
Tax paid	(167,197)	(147,727)
Net cash from/(used in) operating activities	<u>1,071,937</u>	<u>(978,239)</u>
Cash flows from investing activities		
Purchase of tangible assets	(65,283)	(11,628)
Acquisition of subsidiaries	–	(14,550)
Net cash used in investing activities	<u>(65,283)</u>	<u>(26,178)</u>
Cash flows from financing activities		
Proceeds from issue of ordinary shares	–	800,000
Proceeds from borrowings	3,687,199	2,060,677
Repayments of borrowings	(3,517,522)	(1,969,277)
Payments of finance lease liabilities	44,400	–
Dividends paid	(474,000)	(215,050)
Net cash (used in)/from financing activities	<u>(259,923)</u>	<u>676,350</u>
Net increase/(decrease) in cash and cash equivalents	746,731	(328,067)
Cash and cash equivalents at beginning of year	558,585	886,652
Cash and cash equivalents at end of year	<u>1,305,316</u>	<u>558,585</u>

The notes on pages 13 to 23 form part of these financial statements.

Internet Mobile Communications Limited

Notes to the Financial Statements

Year ended 30 June 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Hurst House, 131-133 New London Road, Chelmsford, CM2 0QT.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The directors have considered the impact of the Covid-19 pandemic in their assessment of the company's ability to prepare accounts as a going concern. Because of the uncertainties surrounding the effects of the economic slowdown it is difficult to predict the impact on the company and its customers, but having taken all the factors into account, the directors are of the opinion that the company has sufficient resources to continue trading for the next 12 months from the date of signing these accounts.

Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 402 of the Companies Act 2006 on the basis that its subsidiaries are excluded from consolidation on the grounds that their inclusion is not material for the purpose of giving a true and fair view.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered.

Revenue from the provision of airtime and SMS is recognised when it is matched with a supplier of the service, and the billing period occurs in the period of the financial statements.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2020

3. Accounting policies *(continued)*

Income tax *(continued)*

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Intangible assets

Trademarks and patents are recorded at cost and amortisation over five years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Trademarks & patents	-	5 years
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If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment	-	25% straight line
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Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2020

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Financial instruments

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

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2020	2019
	£	£
Rendering of services	119,871,327	62,422,678

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2020

4. Turnover *(continued)*

An analysis of turnover by geographical area is given below:

	2020	2020
	£	£
United Kingdom	37,153,040	27,459,831
European Union	1,198,485	222,501
Rest of the World	81,519,802	34,740,346
	<u>119,871,327</u>	<u>62,422,678</u>

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2020	2019
	£	£
Amortisation of intangible assets	4,200	4,200
Depreciation of tangible assets	13,484	6,778
Impairment of trade debtors	277,491	172,741
Foreign exchange differences	(223,833)	70,516
	<u></u>	<u></u>

6. Auditor's remuneration

	2020	2019
	£	£
Fees payable for the audit of the financial statements	<u>19,000</u>	<u>20,000</u>

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2020	2019
	No.	No.
Administrative staff	<u>13</u>	<u>9</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2020	2019
	£	£
Wages and salaries	508,399	319,070
Social security costs	54,966	30,007
Other pension costs	8,651	4,496
	<u>572,016</u>	<u>353,573</u>

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2020

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2020	2019
	£	£
Remuneration	267,470	106,250
Company contributions to defined contribution pension plans	2,236	1,462
	<u>269,706</u>	<u>107,712</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2020	2019
	No.	No.
Defined contribution plans	<u>1</u>	<u>1</u>

Remuneration of the highest paid director in respect of qualifying services:

	2020	2019
	£	£
Aggregate remuneration	121,000	99,500
Company contributions to defined contribution pension plans	2,236	1,462
	<u>123,236</u>	<u>100,962</u>

9. Other interest receivable and similar income

	2020	2019
	£	£
Interest on cash and cash equivalents	<u>1,281</u>	<u>3,762</u>

10. Interest payable and similar expenses

	2020	2019
	£	£
Interest on obligations under finance leases and hire purchase contracts	604	-
Other interest payable and similar charges	466,122	483,592
	<u>466,726</u>	<u>483,592</u>

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2020

11. Tax on profit

Major components of tax expense

	2020 £	2019 £
Current tax:		
UK current tax expense	1,180,562	435,443
Adjustments in respect of prior periods	(122,325)	(46,068)
Total current tax	<u>1,058,237</u>	<u>389,375</u>
Tax on profit	<u>1,058,237</u>	<u>389,375</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020 £	2019 £
Profit on ordinary activities before taxation	<u>6,210,985</u>	<u>2,229,702</u>
Profit on ordinary activities by rate of tax	1,180,087	423,644
Adjustment to tax charge in respect of prior periods	(122,325)	(46,068)
Effect of expenses not deductible for tax purposes	9,519	11,925
Effect of capital allowances and depreciation	(9,044)	(126)
Tax on profit	<u>1,058,237</u>	<u>389,375</u>

12. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2020 £	2019 £
Dividends on equity shares	<u>474,000</u>	<u>215,050</u>

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2020

13. Intangible assets

	Patents, trademarks and licences £
Cost	
At 1 July 2019 and 30 June 2020	21,000
Amortisation	
At 1 July 2019	16,800
Charge for the year	4,200
At 30 June 2020	<u>21,000</u>
Carrying amount	
At 30 June 2020	—
At 30 June 2019	<u>4,200</u>

14. Tangible assets

	Equipment £	Total £
Cost		
At 1 July 2019	32,366	32,366
Additions	65,283	65,283
At 30 June 2020	<u>97,649</u>	<u>97,649</u>
Depreciation		
At 1 July 2019	16,681	16,681
Charge for the year	13,484	13,484
At 30 June 2020	<u>30,165</u>	<u>30,165</u>
Carrying amount		
At 30 June 2020	<u>67,484</u>	<u>67,484</u>
At 30 June 2019	<u>15,685</u>	<u>15,685</u>

15. Investments

	Shares in group undertaking s £
Cost	
At 1 July 2019	14,550
Revaluations	(4,467)
At 30 June 2020	<u>10,083</u>
Impairment	
At 1 July 2019 and 30 June 2020	—

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2020

15. Investments *(continued)*

	Shares in group undertaking s £
Carrying amount	
At 30 June 2020	<u>10,083</u>
At 30 June 2019	<u>14,550</u>

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 402 of the Companies Act 2006 on the basis that its subsidiaries are excluded from consolidation on the grounds that their inclusion is not material for the purpose of giving a true and fair view.

The accounts of Internet Mobile Communications Chile SpA accounts were audited for the year. The accounts of Internet Mobile Communications Malta Ltd were not audited as they were deemed not material to the group. Internet Mobile Communications SRL (Moldova) has ceased trading and is scheduled for closure in January 2021.

Subsidiaries, associates and other investments

	Class of share	Percentage of shares held
Subsidiary undertakings		
Internet Mobile Communications Chile SPA	Ordinary	100
Internet Mobile Communications SRL	Ordinary	100
Internet Mobile Communications Malta Limited	Ordinary	100

The results and capital and reserves for the year are as follows:

	Capital and reserves		Profit/(loss) for the year	
	2020 £	2019 £	2020 £	2019 £
Subsidiary undertakings				
Internet Mobile Communications Chile SPA	(167,013)	(104,486)	(62,527)	(104,486)
Internet Mobile Communications SRL	–	(13,479)	–	(13,479)
Internet Mobile Communications Malta Limited	<u>(629,245)</u>	<u>2,650</u>	<u>(561,089)</u>	<u>2,650</u>

16. Debtors

	2020 £	2019 £
Trade debtors	9,677,353	8,486,048
Amounts owed by group undertakings	536,271	92,662
Prepayments and accrued income	8,600,088	1,549,880
Other debtors	<u>11,475,877</u>	<u>504,849</u>
	<u>30,289,589</u>	<u>10,633,439</u>

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2020

17. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	3,324,311	363,629
Accruals and deferred income	11,104,616	2,348,231
Corporation tax	1,180,562	289,522
Social security and other taxes	78,644	–
Obligations under finance leases and hire purchase contracts	16,650	–
Director loan accounts	265,519	95,842
Other creditors	3,275,567	1,747,034
	<u>19,245,869</u>	<u>4,844,258</u>

18. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Obligations under finance leases and hire purchase contracts	27,750	–
Other creditors	3,634,222	2,296,318
	<u>3,661,972</u>	<u>2,296,318</u>

Within creditors falling due after more than one year are balances owed to Chun Yan Shao and Wen Lei Sun of £200,000 each by way of directors loans. Interest of 3% is charged per annum.

19. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	2020	2019
	£	£
Not later than 1 year	16,650	–
Later than 1 year and not later than 5 years	27,750	–
	<u>44,400</u>	<u>–</u>

20. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £6,415 (2019: £3,034).

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2020

21. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2020 £	2019 £
Financial assets measured at fair value through profit or loss		
Trade and other receivables	30,289,589	10,633,439
Cash and cash equivalents	1,305,316	558,585
	<u>31,594,905</u>	<u>11,192,024</u>
Financial liabilities measured at fair value through profit or loss		
Trade and other payables	16,368,539	3,424,522
Financial liabilities measured at amortised cost		
Loans payable	6,539,302	3,716,054

22. Called up share capital

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £0.00001 each	39,500,000	395	39,500,000	395

The company as at 30 June 2020 had outstanding warrants in respect of 730,000 new shares at 80p each until 31 December 2020 and also 250,000 new shares at 150p each until 30 June 2021.

23. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

24. Analysis of changes in net debt

	At 1 Jul 2019 £	Cash flows £	At 30 Jun 2020 £
Cash at bank and in hand	558,585	746,731	1,305,316
Debt due within one year	(1,419,736)	(1,501,993)	(2,921,729)
Debt due after one year	(2,296,318)	(1,365,654)	(3,661,972)
	<u>(3,157,469)</u>	<u>(2,120,916)</u>	<u>(5,278,385)</u>

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2020

25. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	£	£
Not later than 1 year	492,725	8,650
Later than 1 year and not later than 5 years	683,703	–
	<u>1,176,428</u>	<u>8,650</u>

26. Related party transactions

During the year directors supplied telecoms consultancy services totalling £0 (2019: £19,129) to the company.

At the year end the company owed directors £751,800 (2019: £527,842). £486,281 (2019: £432,000) of this relates to loans that are included within other creditors in note 17 and 18 and interest of 3% per annum is payable on these loans.

During the year the company was supplied consultancy services of £130,845 (2019: £300,251) by various related parties.

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £272,619 (2019: £140,337).

Internet Mobile Communications Limited

Management Information

Year ended 30 June 2020

The following pages do not form part of the financial statements.

Internet Mobile Communications Limited

Detailed Income Statement

Year ended 30 June 2020

	2020	2019
	£	£
Turnover	119,871,327	62,422,678
Cost of sales		
Cost of calls, telephone numbers and minutes	111,493,395	58,213,696
Intercompany management fees	9,117	89,104
	<u>111,502,512</u>	<u>58,302,800</u>
Gross profit	8,368,815	4,119,878
Overheads		
Administrative expenses		
Rent and rates	52,548	26,616
Light and heat	2,600	—
Insurance	97,080	71,660
Repairs and renewals	—	1,942
Cleaning costs	250	75
Wages and salaries	334,429	233,070
Employers national insurance contributions	43,777	21,648
Staff pension contributions	6,415	3,034
Travel and subsistence	26,233	42,021
Vehicle leasing charges	6,869	8,391
Telephone	32,062	27,511
Computers and software	348,239	75,079
Printing postage and stationery	2,969	1,492
Staff training	219	2,320
Sundry expenses	3,102	5,225
Subscriptions	5,864	1,994
Marketing and patents	35,200	97,899
Entertaining	4,058	2,752
Provision for doubtful debts	277,491	172,741
Bank charges	10,759	(2,905)
Foreign currency gains/losses	(223,833)	70,516
Executive and employee profit share	395,739	135,000
Legal and professional fees	129,569	17,264
Consultancy fees	186,617	244,699
Accountancy fees	15,993	23,503
Auditors remuneration	19,000	20,000
Directors salaries	173,970	86,000
Directors national insurance contributions	11,189	8,359
Directors pension contributions	2,236	1,462
Amortisation of intangible assets	4,200	4,200
Depreciation of tangible assets	13,484	6,778
	<u>2,018,328</u>	<u>1,410,346</u>
Other operating income	325,943	—
Operating profit	<u>6,676,430</u>	<u>2,709,532</u>

Internet Mobile Communications Limited

Detailed Income Statement *(continued)*

Year ended 30 June 2020

	2020	2019
	£	£
Other interest receivable and similar income	1,281	3,762
Interest payable and similar expenses	(466,726)	(483,592)
Profit before taxation	<u>6,210,985</u>	<u>2,229,702</u>

Internet Mobile Communications Limited

Notes to the Detailed Income Statement

Year ended 30 June 2020

	2020 £	2019 £
Other operating income		
Management recharge income	<u>325,943</u>	<u>—</u>
Other interest receivable and similar income		
Interest on cash and cash equivalents	<u>1,281</u>	<u>3,762</u>
Interest payable and similar expenses		
Interest on hire purchase and finance lease contracts	604	—
Other interest payable and similar charges	<u>466,122</u>	<u>483,592</u>
	<u>466,726</u>	<u>483,592</u>