

COMPANY REGISTRATION NUMBER: 07980955

Internet Mobile Communications Limited
Financial Statements
30 June 2022

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 2022

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Internet Mobile Communications Limited

Officers and Professional Advisers

The board of directors

M J Stewart
A M Fox
S M J Leary
Chun Yan Shao
M P Fletcher

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 *(continued)*

Year ended 30 June 2022

Review of the business

The principal activity of the company during this year was the promotion of its automated telecommunications trading marketplace called Bank of Telecom® that has become a positive disruptor in the international telecommunications market. During the year the company was admitted as a full member into the Global Leadership Forum (GLF) the industry steering group of the 32 largest telecommunications carriers. In May 2022 Bank of Telecom® won the GCCM Global Telecoms Awards as the 'Best Telecoms Marketplace 2022' for the fourth year running.

The company revenues grew to £348m (2021: £206.8m). Bank of Telecom® Members consist of Mobile Network Operators, Tier 1 and Tier 2 telecommunications operators and SMS Aggregators, around the world. Bank of Telecom® Members increased to 2,186 (2021: 1,584) and Revenue per employee (including contractors) increased to £6.9m (2021: £4.8m). Revenue per Member increased to £159,194 (2021: £130,681).

In July 2022, the company chose Investec Bank plc as its strategic debt partner closing a US\$20m loan facility, the proceeds of which were used to provide working capital to exploit new opportunities for growth and to refinance some existing borrowing. Further, on 30 September 2022, the company entered into a contract for differences (CFD) heading contract of £10m at a rate of 1.0863 for June 2023. There were no other significant post-balance sheet events.

The company can also report that its Chilean subsidiary Internet Mobile Communications Chile SpA posted 2022 revenues of £4.8m with EBITDA of £55k, these results are not consolidated into the financial results for the company. Further, we have appointed Kareen Goldfarb as General Manager who will be leading our full Chilean license application.

During the year the company continued to make progress in making the company equity investment or IPO ready by ensuring the development and adoption of the appropriate policies and procedures and the onboarding of its overseas staff to wholly owned subsidiaries and branches.

IMC India, IMC Armenia and IMC Guatemala are corporate cost centres employing staff promoting and supporting IMC and the Bank of Telecom® and do not make sales via the local entities.

Principal risks and uncertainties

Market and economic conditions

Market and economic conditions are recognised as one of the principal risks in the current trading environment. Risk is mitigated by the monitoring of trading conditions and changes in government legislation and global telecoms market conditions; the company is constantly searching for ways to achieve new efficiencies in the business without impacting service levels.

Competition

The company operates in a highly competitive marketplace and while the directors believe the company enjoys certain key strengths and advantages in competing for business, the company remains vigilant and monitors competitors' activity and constantly reviews its own services and prices to ensure a competitive position in the market is maintained.

Infrastructure failure

The directors believe that one of the key differentiators the company offers is that its services are managed through its own controlled and managed Bank of Telecom® marketplace and its 24x7x365 Network Operations Centre providing customers with comfort over the resilience and reliability. The company is exposed to risks of infrastructure failure; however, a critical element of our operating procedures is to mitigate such risks through the careful construction, maintenance, and management

Internet Mobile Communications Limited

Strategic Report *(continued)*

Year ended 30 June 2022

plans.

S.172 Companies Act 2006: Statement of Directors' Duties to Stakeholders

The Board is mindful of the duties of directors under S.172 of the Companies Act 2006. The directors act in a way they consider, in good faith, to be most likely to promote the success of the company for the benefit of its members. In doing so, they each have regard to a range of matters when making decisions for the long-term success of the company.

The directors are committed to developing and maintaining a governance framework that is appropriate to the business and supports effective decision making coupled with robust oversight of risks and internal controls.

The main methods used by the directors to perform their duties and ensure decisions are made with section 172 factors in mind are:

- Monthly board meetings;
- Board papers that address stakeholder requirements, for example financial overview, strategic decisions, investor relations, rolling agenda points and consistent minute taking; and
- Consideration of risks facing the business.

Examples of decisions made by the board during the year include the company's additional borrowings and further growth-funding opportunities; these decisions involved consideration of all our stakeholders.

Standards of business conduct

The Board's policy is to behave responsibly, ethically, and fairly at all times towards shareholders and other external stakeholders, in line with our company values, and to ensure that our management team operates the business in a responsible and fair manner and to the highest standards of business conduct and good governance.

During the year the directors reviewed all of the company's governance policies.

The impact our business decisions will have on our stakeholders is central to our strategic thinking as well as our statutory duty under section 172 of the Companies Act 2006.

We have set out below our key groups of stakeholders.

Investors and shareholders

We place considerable importance on the maintenance of regular and open dialogue with our investors and shareholders. Our goal is to deliver returns to them through profitable and sustainable development with efficient use of capital.

Internet Mobile Communications Limited

Strategic Report *(continued)*

Year ended 30 June 2022

Engagement with Employees

Following the end of COVID-19 pandemic lock-down restrictions, and in accordance with government guidelines, we continued measures to protect employees and, where appropriate, continued remote working across operations. Employees continue to be supported throughout, and we remain focused on internal performance management and development to ensure employees have clear objectives and an understanding of their contribution to our overall business success and goals.

We strive to create a diverse and inclusive working environment where every employee feels welcome and can do their best work.

We believe in the benefits of diversity and the importance of bringing a wide range of skills, experience, and perspectives into our business. The directors continually work with senior management to promote our values and to monitor attitudes and behaviours to ensure that they are consistent with our culture.

Suppliers

As a business dependent on suppliers and partners to deliver services to all our stakeholders, we strive to manage these relationships as closely as possible to ensure they meet our standards. The company is committed to ensuring the highest standards and quality across our operations and require both our suppliers and partners to operate to the same high standards.

Customers

Our goal is to deliver best-in-class service to all our customers and to provide seamless service acting as a premier provider of services to our customers.

Society and Environment

The company acknowledges its responsibilities for environmental matters and where practicable adopts environmentally sound policies in its working practices, such as recycling paper and packaging waste and using specialist recyclers of IT equipment.

We make use of in-house collaboration and communication tools to reduce the need for travel to meetings and operate flexible working practices where possible, reducing the environmental impact of commuting.

The company is a sponsor of DARWIN200 project which is training 200 young conservationists and inspiring global nature and conservation efforts, by re-tracing Charles Darwin's famous journey on HMS Beagle. Starting in 2023 they will undertake this epic journey, lasting 2 years, on a tall ship, creating the world's most exciting classroom.

Internet Mobile Communications Limited

Strategic Report *(continued)*

Year ended 30 June 2022

This report was approved by the board of directors on 14th Oct 22 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 2022

The directors present their report and the financial statements of the company for the year ended 30 June 2022.

Principal activities

The principal activity of the company during the year was the promotion of its automated marketplace for telecoms trade called Bank of Telecom®.

Bank of Telecom® offers an automated Voice and SMS trading solution and service to the international telecommunications market estimated to be worth US\$1.7 trillion and which is expected to expand at a compound annual growth rate (CAGR) of 5.4% through to 2028.

The company's immediately addressable market is the global telecom services market for voice and SMS services which was estimated to be valued at US\$200 billion in 2022.

The company now intends to embark on M&A activity in the coming year to further increase market share and shareholder value.

The Board would like to thank Wen Lei Sun for her 5 years of service as an IMC Director and are pleased she remains a Technical Director responsible for SMS Operations.

Directors

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

M J Stewart	
A M Fox	
S M J Leary	
Chun Yan Shao	
Wen Lei Sun	(Resigned 31 August 2022)
M P Fletcher	(Appointed 28 April 2022)

Dividends

Particulars of recommended dividends are detailed in note 13 to the financial statements.

Future developments

In July 2022, the company signed a facility agreement with Investec Bank plc, the proceeds of which were used to provide additional working capital and refinance existing borrowing. There were no other significant post-balance sheet events.

The company has begun the new financial year trading strongly; and the directors are looking forward to delivering significant year-on-year growth in revenues, EBITDA and profit.

In addition to its subsidiary undertakings, IMC Chile SPA and IMCBOT Communications India Private Limited ("IMC India"), detailed in note 16 to the financial statements, the company has a branch operation in Yerevan, Armenia from where the company manages some of its sales and marketing activities.

The company continues to invest resources in its research and development activities, and in doing so fully owns the intellectual property underpinning its proprietary platform and secondary systems, for example a customer relationship management solution which was authored entirely in-house.

Internet Mobile Communications Limited

Directors' Report *(continued)*

Year ended 30 June 2022

Financial instruments

A key objective of the company is to manage financial risk, secure cost-effective funding where necessary and minimise adverse effects of fluctuations in the financial markets on the value of the company's financial assets and liabilities, on reported profitability and on cash flows.

The company's principal financial instruments for fundraising are short-term unsecured borrowings; in addition, the company has various other financial instruments such as cash, trade receivables and trade payables that arise directly from its operations.

The carrying amount of assets and liabilities is equivalent to their fair value.

Cash flow interest risk

The company pays interest on its borrowings.

The company has no borrowings at variable rates which would expose it to cash flow interest rate risk. Borrowings issued at fixed rates expose the company to fair value interest rate risk. The company does not use derivatives.

Price risk

The company is not exposed to significant commodity or security price risk.

Credit risk

Credit risk is managed at an operational level on a deal-by-deal basis. Credit risk arises from cash and cash equivalents as well as credit exposures to customers, including outstanding receivables. Individual risk limits are set based on internal and external ratings and reviewed by management. The utilisation of credit limits is regularly monitored with appropriate action taken by management in the event of the breach of a credit limit. The company has applied the simplified approach applying a provision matrix based on number of days past due to measure lifetime expected credit losses and after considering customers with different credit risk profiles and current and forecast trading conditions.

The company has recognised a provision in respect of trade receivables of £209,540 (2021: £209,540).

Liquidity risk

Management reviews cash forecasts of the company and liquidity is managed by projecting cash flows and considering the level of liquid assets necessary to meet these forecasted requirements.

Foreign exchange risk

The company operates internationally and is exposed to foreign exchange risk, primarily the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the company.

The risk is not hedged, and exchange gains or losses are recognised in the Statement of Comprehensive Income as a gain of £5,388,151 (2021: loss of £1,831,380).

Internet Mobile Communications Limited

Directors' Report *(continued)*

Year ended 30 June 2022

Greenhouse gas emissions, energy consumption and energy efficiency

Greenhouse gas emissions, energy consumption and energy efficiency disclosures are not given because the company's annual energy consumption is under 40,000 kWh.

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.

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.

Internet Mobile Communications Limited

Directors' Report *(continued)*

Year ended 30 June 2022

This report was approved by the board of directors on 14th Oct 22 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 2022

Opinion

We have audited the financial statements of Internet Mobile Communications Limited (the 'company') for the year ended 30 June 2022 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 2022 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

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

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

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

Internet Mobile Communications Limited

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

Year ended 30 June 2022

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 2022

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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations
- We identified the laws and regulations applicable to the company through discussions with directors and other management
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations for the company, including the Companies Act 2006, tax legislation and data protection, anti-bribery, employment, environmental and health and safety legislation

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by:

- Considered the internal controls in place to mitigate the risks of fraud and non-compliance with laws and regulations
- Understanding the design of the company's remuneration policies
- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships
 - Tested journal entries to identify unusual transactions
 - Investigated the rationale behind significant or unusual transactions
-

Internet Mobile Communications Limited

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

Year ended 30 June 2022

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation
- Reading the minutes of meetings of those charged with governance
- Enquiring of management as to actual and potential litigation and claims
- Reviewing correspondence with HMRC and relevant regulators

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 2022

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 Andrew Barker (Senior Statutory Auditor)

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

14 October 2022

Internet Mobile Communications Limited

Statement of Comprehensive Income

Year ended 30 June 2022

	Note	2022 £	2021 £
Turnover	4	348,308,603	206,838,125
Cost of sales		329,257,099	194,327,227
Gross profit		19,051,504	12,510,898
Administrative expenses		4,362,409	2,275,598
Other operating income	5	91,070	140,133
Foreign currency gains/losses		(5,388,151)	1,831,380
Adjusted EBITDA		16,163,534	10,757,685
Depreciation	15	(710,415)	(24,133)
Amortisation	14	-	-
Foreign currency gains/losses		5,388,151	(1,831,380)
Provision for doubtful debts		(622,613)	(316,575)
Share based payment charges	22	(50,341)	(41,544)
Operating profit	6	20,168,316	8,544,053
Other interest receivable and similar income	10	166,761	49,000
Interest payable and similar expenses	11	3,073,151	916,095
Profit before taxation		17,261,926	7,676,958
Tax on profit	12	3,100,433	1,201,561
Profit for the financial year and total comprehensive income		<u>14,161,493</u>	<u>6,475,397</u>

All the activities of the company are from continuing operations.

The notes on pages 19 to 30 form part of these financial statements.

Internet Mobile Communications Limited

Statement of Financial Position

30 June 2022

	Note	2022		2021
		£	£	£
Fixed assets				
Tangible assets	15		3,787,576	50,063
Investments	16		2,220	1,150
			<u>3,789,796</u>	<u>51,213</u>
Current assets				
Debtors	17	58,113,996		29,946,083
Cash at bank and in hand		<u>2,956,634</u>		<u>1,726,390</u>
		61,070,630		31,672,473
Creditors: amounts falling due within one year	18	<u>32,443,324</u>		<u>13,592,585</u>
Net current assets			<u>28,627,306</u>	<u>18,079,888</u>
Total assets less current liabilities			<u>32,417,102</u>	<u>18,131,101</u>
Creditors: amounts falling due after more than one year	19		<u>2,625,916</u>	<u>1,269,899</u>
Net assets			<u>29,791,186</u>	<u>16,861,202</u>
Capital and reserves				
Called up share capital	25		414	414
Share premium account	26		4,240,536	4,240,536
Share options reserve	26		91,885	41,544
Profit and loss account	26		<u>25,458,351</u>	<u>12,578,708</u>
Shareholders funds			<u>29,791,186</u>	<u>16,861,202</u>

These financial statements were approved by the board of directors and authorised for issue on 14th Oct. 22, and are signed on behalf of the board by:

M J Stewart
Director



A M Fox
Director



Company registration number: 07980955

The notes on pages 19 to 30 form part of these financial statements.

Internet Mobile Communications Limited

Statement of Changes in Equity

Year ended 30 June 2022

	Called up share capital £	Share premium account £	Share options reserve £	Profit and loss account £	Total £
At 1 July 2020	395	1,508,855	–	7,255,381	8,764,631
Profit for the year	–	–	–	6,475,397	6,475,397
Total comprehensive income for the year	–	–	–	6,475,397	6,475,397
Issue of shares	9	2,174,991	–	–	2,175,000
Issue of bonus shares	402,300	(402,300)	–	–	–
Dividends paid and payable 13	–	–	–	(1,152,070)	(1,152,070)
Issue of options, rights and warrants	–	–	41,544	–	41,544
Exercise of options, rights and warrants	10	958,990	–	–	959,000
Demerger of subsidiary	(402,300)	–	–	–	(402,300)
Total investments by and distributions to owners	19	2,731,681	41,544	(1,152,070)	1,621,174
At 30 June 2021	414	4,240,536	41,544	12,578,708	16,861,202
Profit for the year	–	–	–	14,161,493	14,161,493
Total comprehensive income for the year	–	–	–	14,161,493	14,161,493
Dividends paid and payable 13	–	–	–	(1,281,850)	(1,281,850)
Issue of options, rights and warrants	–	–	66,649	–	66,649
Forfeited options, rights and warrants	–	–	(16,308)	–	(16,308)
Total investments by and distributions to owners	–	–	50,341	(1,281,850)	(1,231,509)
At 30 June 2022	<u>414</u>	<u>4,240,536</u>	<u>91,885</u>	<u>25,458,351</u>	<u>29,791,186</u>

The notes on pages 19 to 30 form part of these financial statements.

Internet Mobile Communications Limited

Statement of Cash Flows

Year ended 30 June 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	14,161,493	6,475,397
<i>Adjustments for:</i>		
Depreciation of tangible assets	710,415	24,133
Government grant income	(2,174)	(24,092)
Other interest receivable and similar income	(166,761)	(49,000)
Interest payable and similar expenses	3,073,151	916,095
Equity-settled share-based payments	50,341	41,544
Tax on profit	3,100,433	1,201,561
Accrued expenses/(income)	887,344	(9,910,099)
<i>Changes in:</i>		
Trade and other debtors	(28,167,913)	343,506
Trade and other creditors	1,816,325	2,550,288
Cash generated from operations	(4,537,346)	1,569,333
Interest paid	(3,073,151)	(916,095)
Interest received	166,761	49,000
Tax paid	(1,316,413)	(969,583)
Net cash used in operating activities	(8,760,149)	(267,345)
Cash flows from investing activities		
Purchase of tangible assets	-	(6,712)
Acquisition of subsidiaries	(1,070)	-
Net cash used in investing activities	(1,070)	(6,712)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	-	230,170
Proceeds from borrowings	36,840,056	10,348,679
Repayments of borrowings	(24,862,762)	(8,739,090)
Government grant income	2,174	24,092
Payments of finance lease liabilities	(706,155)	(16,650)
Dividends paid	(1,281,850)	(1,152,070)
Net cash from financing activities	9,991,463	695,131
Net increase in cash and cash equivalents	1,230,244	421,074
Cash and cash equivalents at beginning of year	1,726,390	1,305,316
Cash and cash equivalents at end of year	2,956,634	1,726,390

The notes on pages 19 to 30 form part of these financial statements.

Internet Mobile Communications Limited

Notes to the Financial Statements

Year ended 30 June 2022

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.

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.

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.

Intangible assets

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

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

3. Accounting policies *(continued)*

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

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% or 33% straight line

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.

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.

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

3. Accounting policies *(continued)*

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.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

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.

Share-based payments

Equity-settled share-based payment transactions are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. This is based upon the company's estimate of the shares or share options that will eventually vest which takes into account all vesting conditions and non-market performance conditions, with adjustments being made where new information indicates the number of shares or share options expected to vest differs from previous estimates.

Internet Mobile Communications Limited

Notes to the Financial Statements (continued)

Year ended 30 June 2022

3. Accounting policies (continued)

Share-based payments (continued)

Fair value is determined using an appropriate pricing model. All market conditions and non-vesting conditions are taken into account when estimating the fair value of the shares or share options. As long as all other vesting conditions are satisfied, no adjustment is made irrespective of whether market or non-vesting conditions are met.

Where the terms of an equity-settled transaction are modified, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the fair value of the transaction, as measured at the date of modification.

Where an equity-settled transaction is cancelled or settled, it is treated as if it had vested on the date of cancellation or settlement, and any expense not yet recognised in profit or loss is expensed immediately.

4. Turnover

Turnover arises from:

	2022	2021
	£	£
Rendering of services	<u>348,308,603</u>	<u>206,838,125</u>

An analysis of turnover by geographical area is given below:

	2022	2021
	£	£
United Kingdom	9,070,186	7,485,074
European Union	20,486,716	19,075,223
Rest of the World	318,751,701	180,277,828
	<u>348,308,603</u>	<u>206,838,125</u>

5. Other operating income

	2022	2021
	£	£
Government grant income	2,174	24,092
Management recharge income	88,896	116,041
	<u>91,070</u>	<u>140,133</u>

6. Operating profit

Operating profit or loss is stated after charging:

	2022	2021
	£	£
Depreciation of tangible assets	710,415	24,133
Impairment of trade debtors	622,613	316,575
Equity-settled share-based payments expense	<u>50,341</u>	<u>41,544</u>

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

7. Auditor's remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	<u>19,500</u>	<u>18,000</u>

8. Staff costs

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

	2022	2021
	No.	No.
Administrative staff	<u>13</u>	<u>15</u>

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

	2022	2021
	£	£
Wages and salaries	816,912	848,976
Social security costs	122,154	67,131
Other pension costs	12,675	10,651
	<u>951,741</u>	<u>926,758</u>

9. Directors' remuneration

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

	2022	2021
	£	£
Remuneration	448,250	453,679
Company contributions to defined contribution pension plans	4,284	2,020
	<u>452,534</u>	<u>455,699</u>

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

	2022	2021
	No.	No.
Defined contribution plans	<u>5</u>	<u>3</u>

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

	2022	2021
	£	£
Aggregate remuneration	199,250	249,100
Company contributions to defined contribution pension plans	1,321	1,314
	<u>200,571</u>	<u>250,414</u>

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

10. Other interest receivable and similar income

	2022 £	2021 £
Interest on cash and cash equivalents	<u>166,761</u>	<u>49,000</u>

11. Interest payable and similar expenses

	2022 £	2021 £
Interest on obligations under finance leases and hire purchase contracts	150,439	1,813
Other interest payable and similar charges	<u>2,922,712</u>	<u>914,282</u>
	<u>3,073,151</u>	<u>916,095</u>

12. Tax on profit

Major components of tax expense

	2022 £	2021 £
Current tax:		
UK current tax expense	3,219,485	1,412,540
Adjustments in respect of prior periods	<u>(119,052)</u>	<u>(210,979)</u>
Total current tax	<u>3,100,433</u>	<u>1,201,561</u>
Tax on profit	<u>3,100,433</u>	<u>1,201,561</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022 £	2021 £
Profit on ordinary activities before taxation	<u>17,261,926</u>	<u>7,676,958</u>
Profit on ordinary activities by rate of tax	3,279,766	1,458,622
Adjustment to tax charge in respect of prior periods	<u>(119,052)</u>	<u>(210,979)</u>
Effect of expenses not deductible for tax purposes	15,746	25,348
Effect of capital allowances and depreciation	3,973	3,310
Effect of revenue exempt from tax	–	(74,740)
Other tax adjustment to increase/(decrease) tax liability	<u>(80,000)</u>	<u>–</u>
Tax on profit	<u>3,100,433</u>	<u>1,201,561</u>

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

13. Dividends

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

	2022 £	2021 £
Dividends on equity shares	<u>1,281,850</u>	<u>1,152,070</u>

14. Intangible assets

	Patents, trademarks and licences £
Cost	
At 1 July 2021 and 30 June 2022	<u>21,000</u>
Amortisation	
At 1 July 2021 and 30 June 2022	<u>21,000</u>
Carrying amount	
At 30 June 2022	<u>–</u>
At 30 June 2021	<u>–</u>

15. Tangible assets

	Equipment £	Total £
Cost		
At 1 July 2021	104,361	104,361
Additions	4,447,928	4,447,928
At 30 June 2022	<u>4,552,289</u>	<u>4,552,289</u>
Depreciation		
At 1 July 2021	54,298	54,298
Charge for the year	710,415	710,415
At 30 June 2022	<u>764,713</u>	<u>764,713</u>
Carrying amount		
At 30 June 2022	<u>3,787,576</u>	<u>3,787,576</u>
At 30 June 2021	<u>50,063</u>	<u>50,063</u>

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Equipment £
At 30 June 2022	<u>3,784,152</u>
At 30 June 2021	<u>41,979</u>

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

16. Investments

	Shares in group undertaking s £
Cost	
At 1 July 2021	1,150
Additions	<u>1,070</u>
At 30 June 2022	<u>2,220</u>
Impairment	
At 1 July 2021 and 30 June 2022	<u>—</u>
Carrying amount	
At 30 June 2022	<u>2,220</u>
At 30 June 2021	<u>1,150</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.

Subsidiaries, associates and other investments

	Class of share	Percentage of shares held
Subsidiary undertakings		
Internet Mobile Communications Chile SPA	Ordinary	100
IMCBOT Communications India Private Limited	Ordinary	99.99

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

	Capital and reserves		Profit/(loss) for the year	
	2022 £	2021 £	2022 £	2021 £
Subsidiary undertakings				
Internet Mobile Communications Chile SPA	(383,332)	(182,013)	955	(18,000)
IMCBOT Communications India Private Limited	<u>1,070</u>	<u>—</u>	<u>—</u>	<u>—</u>

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

17. Debtors

	2022 £	2021 £
Trade debtors	53,301,421	27,773,886
Amounts owed by group undertakings	–	80,500
Prepayments and accrued income	2,688,502	1,145,403
Other debtors	2,124,073	946,294
	<u>58,113,996</u>	<u>29,946,083</u>

The debtors above include the following amounts falling due after more than one year:

	2022 £	2021 £
Other debtors	<u>2,037,360</u>	<u>901,920</u>

18. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	4,217,383	1,771,964
Amounts owed to group undertakings	566,933	–
Accruals and deferred income	2,081,861	1,194,517
Corporation tax	3,196,560	1,412,540
Social security and other taxes	30,884	61,401
Obligations under finance leases and hire purchase contracts	1,441,861	16,650
Director loan accounts	737,582	529,182
Loans	19,315,120	6,297,281
Other creditors	855,140	2,309,050
	<u>32,443,324</u>	<u>13,592,585</u>

The amounts due under hire purchase and finance lease agreements are effectively secured on the underlying assets as disclosed in note 15.

Within director loan accounts are balances owed to Chun Yan Shao of £160,000 and to Wen Lei Sun of £200,000. Interest of 3% is charged per annum.

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

	2022 £	2021 £
Obligations under finance leases and hire purchase contracts	2,327,662	11,100
Loans	298,254	1,258,799
	<u>2,625,916</u>	<u>1,269,899</u>

The amounts due under hire purchase and finance lease agreements are effectively secured on the underlying assets as disclosed in note 15.

Internet Mobile Communications Limited

Notes to the Financial Statements (continued)

Year ended 30 June 2022

20. Finance leases and hire purchase contracts

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

	2022	2021
	£	£
Not later than 1 year	1,441,861	16,650
Later than 1 year and not later than 5 years	2,327,662	11,100
	<u>3,769,523</u>	<u>27,750</u>

21. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £12,675 (2021: £10,651).

22. Share-based payments

The EMI share options may be exercised at any time after the fifth anniversary of the date of grant, or earlier if there is a listing, change of control or voluntary winding up. If any optionholder ceases to be a director or employee of the company before that date then their option will lapse on the date their employment ceases, unless the option is allowed to continue to exist at the discretion of the board.

Details of the number and weighted average exercise prices (WAEP) of share options during the year are as follows:

	2022		2021	
	No.	WAEP	No.	WAEP
Outstanding at 1 July 2021	510,000	0.50	–	–
Granted during the year	105,000	1.00	675,000	0.50
Forfeited during the year	(95,000)	0.50	(165,000)	0.50
Outstanding at 30 June 2022	<u>520,000</u>	<u>0.60</u>	<u>510,000</u>	<u>0.50</u>

The total expense recognised in profit or loss for the year is as follows:

	2022	2021
	£	£
Equity-settled share-based payments	<u>50,341</u>	<u>41,544</u>

A market value of £1.00 per £0.00001 ordinary share was accepted by HMRC for the purpose of the EMI option grants issued in the year ending 30 June 2022 (£0.50 per £0.00001 ordinary share for those issued in the year ending 30 June 2021).

23. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2022	2021
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	<u>2,174</u>	<u>24,092</u>

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

24. Financial instruments

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

	2022 £	2021 £
Financial assets measured at fair value through profit or loss		
Trade and other receivables	58,113,996	27,869,683
Cash and cash equivalents	2,956,634	1,726,390
	<u>61,070,630</u>	<u>29,596,073</u>
Financial liabilities measured at fair value through profit or loss		
Trade and other payables	11,686,343	5,903,242

25. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £0.00001 each	41,350,000	414	41,350,000	414

26. 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.

Other reserves - This represents amounts accrued under the EMI share options scheme.

27. Analysis of changes in net debt

	At 1 Jul 2021 £	Cash flows £	New finance leases £	At 30 Jun 2022 £
Cash at bank and in hand	1,726,390	1,230,244		2,956,634
Debt due within one year	(6,615,515)	(13,448,287)	(1,430,761)	(21,494,563)
Debt due after one year	(1,269,899)	971,645	(2,327,662)	(2,625,916)
	<u>(6,159,024)</u>	<u>(11,246,398)</u>	<u>(3,758,423)</u>	<u>(21,163,845)</u>

28. Operating leases

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

	2022 £	2021 £
Not later than 1 year	1,625,795	1,728,905
Later than 1 year and not later than 5 years	708,140	2,051,642
	<u>2,333,935</u>	<u>3,780,547</u>

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2022

29. Contingencies

In the prior year the company introduced a long term incentive plan for non-UK employees and consultants. Under the plan the individuals concerned are allocated units which entitle them to a bonus based on the increase of the share price above the grant price. The bonus becomes payable either on exit (sale of the company) or on submission of a claim at a date between 30 June 2025 and 30 June 2030, whichever is the earlier. The bonus due may be settled in new shares in the company or in cash.

There are number of significant uncertainties affecting the amount of the bonus, including the share price at the time of payment, the date of payment and whether the individual is still providing services to the company at that time (no payment being due to individuals who are no longer providing services). Had a bonus been payable at 30 June 2022 the estimated bonus would have been £327,700 (2021: £170,500).

30. Related party transactions

At the year end the company owed directors £737,582 (2021: £529,182).

During the year the company charged interest of £166,052 (2021: £49,000) to the BoTCoin Holdings Limited group, over which one of the directors of Internet Mobile Communications Limited has significant control. At the year end, the BoTCoin Holdings Limited group owed the company £1,842,499 (2021: £937,461) by way of a loan, which is shown under other debtors.

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 £508,148 (2021: £502,476).