

Internet Mobile Communications Limited
Financial Statements
30 June 2023

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 2023

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Internet Mobile Communications Limited

Officers and Professional Advisers

The board of directors

M P Fletcher
A M Fox
S M J Leary
C Shao
M J Stewart
C Bell (Appointed 16 January 2024)

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 2023

Strategic Report

Review of the business

The principal activity of the company during the 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. The Company is proud to have been awarded the GCCM Global Telecoms Award as the Best Telecoms Marketplace 2023 for the fifth year running. At the same awards, IMC won the Best People and Culture award for the international telecoms industry 2023.

The company revenues grew to US\$676m (2022: US\$460m). Bank of Telecom® Members consist of Mobile Network Operators, Tier 1 and Tier 2 telecommunications operators and SMS Aggregators, from around the world. Bank of Telecoms Members increased to 1,923 (2022: 1,800) and Revenue per employee (including contractors) increased to US\$42m (2022: US\$36m). Revenue per Member increased to US\$351,770 (2022: US\$255,469).

In July 2023, the company appointed Joh. Berenberg, Gossler & Co. KG ("Berenberg") as its corporate financial advisors to evaluate options for a shareholder liquidity event.

Post balance sheet, in September 2023 the company increased its debt facility by \$25m to \$45m with its existing debt partner Investec Bank PLC.

During the year the company continued to make progress in making the company "investment 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.

We are pleased to confirm that on the 25th January 2024 the Chilean Minister for Transport and Telecommunications signed a decree awarding Internet Mobile Communications Chile SpA a 30 year national telecommunications license for the Republic of Chile.

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.

Internet Mobile Communications Limited

Strategic Report *(continued)*

Year ended 30 June 2023

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 of its infrastructure with fully resilient fail-over procedures with regular testing of back-up and recovery 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 2023

Engagement with Employees

In the post COVID-19 era, 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 2023

This report was approved by the board of directors on 22 February 2024 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 2023

The directors present their report and the financial statements of the company for the year ended 30 June 2023.

Directors

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

M P Fletcher
A M Fox
S M J Leary
C Shao
M J Stewart
W L Sun

(Resigned 31 August 2022)

Dividends

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

Future developments

In September 2023, the company signed a facility agreement extension with Investec Bank plc, the proceeds of which were used to partially refinance existing borrowing and provide additional working capital. 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 undertaking, IMC Chile SPA and IMCBOT Communications India Private Limited ("IMC India"), detailed in note 16 to the financial statements, the company has branch operations Yerevan, Armenia and Jordan 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.

Engagement with suppliers, customers and others in a business relationship

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.

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.

Greenhouse gas emissions and energy consumption

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

Internet Mobile Communications Limited

Directors' Report *(continued)*

Year ended 30 June 2023

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 borrowings at fixed and variable rates; borrowings issued at fixed rates expose the company to fair value interest rate risk, and borrowings issued at variable rates expose the company to cash flow interest rate risk.

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 US\$809,982 (2022: US\$254,100).

Credit risk is mitigated as most receivables are insured up to at least £1m per customer.

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 loss of US\$585,091 (2022: gain of US\$4,313,935).

Internet Mobile Communications Limited

Directors' Report *(continued)*

Year ended 30 June 2023

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 2023

This report was approved by the board of directors on 22 February 2024 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 2023

Opinion

We have audited the financial statements of Internet Mobile Communications Limited (the 'company') for the year ended 30 June 2023 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 2023 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 2023

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 2023

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.

Internet Mobile Communications Limited

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

Year ended 30 June 2023

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.

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.

Internet Mobile Communications Limited

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

Year ended 30 June 2023

- 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.

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.

SP Martin

Stewart Martin (Senior Statutory Auditor)

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

22/2/2024

Internet Mobile Communications Limited

Statement of Comprehensive Income

Year ended 30 June 2023

	Note	2023 \$000	2022 \$000
Turnover	4	676,454	459,844
Cost of sales		635,729	434,772
Gross profit		<u>40,725</u>	<u>25,072</u>
Opex		8,601	4,147
Doubtful debts		3,121	952
Depreciation		2,331	924
Foreign exchange losses / (gains)		585	(4,314)
Total administrative expenses		<u>14,638</u>	<u>1,709</u>
Other operating income	5	–	123
Adjusted EBITDA		32,859	21,116
Depreciation	15	(2,331)	(924)
Foreign exchange (losses) / gains		(585)	4,314
Provision for doubtful debts		(3,121)	(952)
Share-based payment charges	24	(735)	(68)
Operating profit	6	<u>26,087</u>	<u>23,486</u>
Other interest receivable and similar income	10	266	225
Interest payable and similar expenses	11	4,497	4,142
Profit before taxation		<u>21,856</u>	<u>19,569</u>
Tax on profit	12	5,262	4,012
Profit for the financial year and total comprehensive income		<u>16,594</u>	<u>15,557</u>

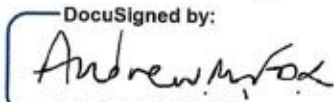
All the activities of the company are from continuing operations.

The notes on pages 19 to 32 form part of these financial statements.

Internet Mobile Communications Limited**Consolidated Statement of Financial Position****30 June 2023**

	Note	2023 \$000	2022 \$000
Fixed assets			
Tangible assets	14	6,466	4,923
Investments	15	<u>1</u>	<u>1</u>
		6,467	4,924
Current assets			
Debtors	16	101,108	69,161
Cash at bank and in hand		<u>13,006</u>	<u>3,630</u>
		114,114	72,791
Creditors: amounts falling due within one year	17	<u>43,416</u>	<u>38,237</u>
Net current assets		<u>70,698</u>	<u>34,554</u>
Total assets less current liabilities		<u>77,165</u>	<u>39,478</u>
Creditors: amounts falling due after more than one year	18	26,737	3,127
Provisions - Asset	20	<u>(171)</u>	<u>-</u>
Net assets		<u>50,599</u>	<u>36,351</u>
Capital and reserves			
Called up share capital	25	1	1
Share premium account	26	5,611	5,611
Other reserves, including the fair value reserve	26	858	123
Profit and loss account	26	<u>44,129</u>	<u>30,616</u>
Shareholders funds		<u>50,599</u>	<u>36,351</u>

These group financial statements were approved by the board of directors and authorised for issue on 22 February 2024, and are signed on behalf of the board by:

DocuSigned by:

 A M Fox 1779D026FFF746A...
 Director


 M J Stewart
 Director

Company registration number: 07980955

The notes on pages 21 to 35 form part of these group financial statements.

Internet Mobile Communications Limited

Notes to the Financial Statements

Year ended 30 June 2023

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 measured at fair value through profit or loss.

The financial statements of the Company are prepared in US dollars (the functional currency), which is the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Company's transactions. Balances in currencies other than the functional currency have been translated into US dollars as follows:

Monetary assets and liabilities — at the rate of exchange applicable at the end of the reporting year; Income and expenditure items — at exchange rates applicable as of the date of recognition of those items; Non-monetary items — at the rate of exchange at the time of the transaction.

All prior year accounts were denominated in pound sterling. The board of directors has determined that the company's functional currency has always been US dollars. As a result, the company's accounts will be denominated in US dollars for this year onwards. The comparatives shown in this set of accounts have also been restated to US dollars.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered, stated net of discounts and of Value Added Tax.

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.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

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 2023

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.

Deferred tax is recognised in respect of all timing differences at the reporting date. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

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.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

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% or 33% straight line
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Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2023

3. Accounting policies *(continued)*

Investments

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

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.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

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.

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2023

3. Accounting policies *(continued)*

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.

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:

	2023	2022
	\$000	\$000
Rendering of services	676,454	459,844

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2023

4. Turnover *(continued)*

An analysis of turnover by geographical area is given below:

	2023	2022
	\$000	\$000
United Kingdom	25,841	12,227
European Union	55,266	27,618
Rest of the World	595,348	419,999
	<u>676,454</u>	<u>459,844</u>

5. Other operating income

	2023	2022
	\$000	\$000
Other operating income	<u>-</u>	<u>123</u>

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2023	2022
	\$000	\$000
Depreciation of tangible assets	2,331	924
Impairment of debtors	3,121	854
Equity-settled share-based payments expense	735	68
Foreign exchange differences	<u>585</u>	<u>(4,314)</u>

7. Auditor's remuneration

	2023	2022
	\$000	\$000
Fees payable for the audit of the financial statements	<u>25</u>	<u>16</u>
Fees payable to the company's auditor and its associates for other services: Other non-audit services	<u>12</u>	<u>10</u>

8. Staff costs

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

	2023	2022
	No.	No.
Administrative staff:		
United Kingdom	16	13
Overseas	46	35
	<u>62</u>	<u>48</u>

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2023

8. Staff costs *(continued)*

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

	2023	2022
	\$000	\$000
UK salaries and bonuses	951	657
Overseas salaries, bonuses and commission	653	371
Directors' salaries, bonuses and profit share	1,288	531
Equity-settled share-based payments (note 24)	735	68
Social security costs	152	165
Other pension costs	17	16
	<u>3,796</u>	<u>1,808</u>

9. Directors' remuneration

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

	2023	2022
	\$000	\$000
Remuneration	1,288	531
Company contributions to defined contribution pension plans	7	5
	<u>1,295</u>	<u>536</u>

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

	2023	2022
	\$000	\$000
Aggregate remuneration	384	424
Company contributions to defined contribution pension plans	2	2
	<u>386</u>	<u>426</u>

10. Other interest receivable and similar income

	2023	2022
	\$000	\$000
Interest on cash and cash equivalents	266	225

11. Interest payable and similar expenses

	2023	2022
	\$000	\$000
Other interest payable and similar charges	4,497	4,142

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2023

12. Tax on profit

Major components of tax expense

	2023 \$000	2022 \$000
Current tax:		
UK current tax expense	5,409	4,166
Adjustments in respect of prior periods	24	(154)
Total current tax	<u>5,433</u>	<u>4,012</u>
Deferred tax:		
Origination and reversal of timing differences	(171)	–
Tax on profit	<u>5,262</u>	<u>4,012</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK of 20.50% (2022: 19%).

	2023 \$000	2022 \$000
Profit on ordinary activities before taxation	21,856	19,569
Profit on ordinary activities by rate of tax	4,481	3,718
Adjustment to tax charge in respect of prior periods	24	(154)
Effect of expenses not deductible for tax purposes	552	20
Effect of capital allowances and depreciation	(1)	5
Other tax adjustment to increase/(decrease) tax liability	377	423
Origination and reversal of timing differences	(171)	–
Tax on profit	<u>5,262</u>	<u>4,012</u>

13. Dividends

	2023 \$000	2022 \$000
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>3,502</u>	<u>1,551</u>

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2023

14. Intangible assets

	Patents, trademarks and licences \$000
Cost	
At 1 July 2022 and 30 June 2023	27
Amortisation	
At 1 July 2022 and 30 June 2023	27
Carrying amount	
At 30 June 2023	—
At 30 June 2022	—

15. Tangible assets

	Equipment \$000
Cost	
At 1 July 2022	5,918
Additions	3,874
At 30 June 2023	<u>9,792</u>
Depreciation	
At 1 July 2022	995
Charge for the year	2,331
At 30 June 2023	<u>3,326</u>
Carrying amount	
At 30 June 2023	6,466
At 30 June 2022	<u>4,923</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 \$000
At 30 June 2023	6,303
At 30 June 2022	<u>4,552</u>

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2023

16. Investments

	Shares in group undertaking s \$000
Cost	
At 1 July 2022 and 30 June 2023	3
Impairment	
At 1 July 2022 and 30 June 2023	—
Carrying amount	
At 30 June 2023	3
At 30 June 2022	3

Subsidiaries, associates and other investments

Subsidiary undertakings	Registered office	Class of share	Percentage of shares held
Internet Mobile Communications Chile SPA	San Sebastian 2812, Comuna De Las Condes, Santiago, Chile	Ordinary	100
IMCBOT Communications India Private Limited	Santha Arcade, Anjili Road, Sankers Hospital Junction, Kollam, Kerala, India, 691001	Ordinary	99.99

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

	Capital and reserves		Profit/(loss) for the year	
	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Subsidiary undertakings				
Internet Mobile Communications Chile SPA	(37)	(425)	388	171
IMCBOT Communications India Private Limited	17	1	16	—

17. Debtors

	2023 \$000	2022 \$000
Trade debtors	93,236	63,290
Amounts owed by group undertakings	1,000	—
Prepayments and accrued income	5,899	3,487
Other debtors	586	2,335
	<u>100,721</u>	<u>69,112</u>

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2023

17. Debtors *(continued)*

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

	2023	2022
	\$000	\$000
Other debtors	453	2,231

18. Creditors: amounts falling due within one year

	2023	2022
	\$000	\$000
Trade creditors	4,854	3,899
Amounts owed to group undertakings	—	686
Accruals and deferred income	1,505	2,511
Corporation tax	5,334	3,868
Social security and other taxes	65	38
Obligations under finance leases and hire purchase contracts	3,094	1,737
Director loan accounts	869	457
Loans	26,870	23,857
Other creditors	792	1,041
	<u>43,383</u>	<u>38,094</u>

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

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

	2023	2022
	\$000	\$000
Obligations under finance leases and hire purchase contracts	3,210	2,816
Loans	23,527	311
	<u>26,737</u>	<u>3,127</u>

\$20,000,000 of the loans repayable in more than one year are secured on the assets of the company by way of a floating charge.

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

20. Finance leases and hire purchase contracts

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

	2023	2022
	\$000	\$000
Not later than 1 year	3,094	1,737
Later than 1 year and not later than 5 years	3,210	2,816
	<u>6,304</u>	<u>4,553</u>

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2023

21. Provisions

	Deferred tax (note 22) \$000
At 1 July 2022	–
Origination and reversal of timing differences	(171)
At 30 June 2023	<u>(171)</u>

22. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2023 \$000	2022 \$000
Included in provisions (note 21)	<u>(171)</u>	<u>–</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2023 \$000	2022 \$000
Accelerated capital allowances	5	–
General bad debt provision	(176)	–
	<u>(171)</u>	<u>–</u>

23. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was \$16,650 (2022: \$16,178).

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2023

24. Share-based payments

The Company offers share-based awards over its ordinary shares to selected employees to align their interests with those of shareholders and to contribute to the maintenance of a competitive total reward offer for its senior staff.

The Company's equity-settled share option plan is the Enterprise Management Incentive (EMI), which is designed to align the stakeholders interest in the business. Details of the number and weighted average exercise prices (WAEP) of EMI share options during the year are as follows:

	2023		2022	
	No.	WAEP (£)	No.	WAEP (£)
Outstanding at 1 July 2022	520,000	0.60	510,000	0.50
Granted during the year	233,972	1.40	105,000	1.00
Forfeited during the year	—	—	(95,000)	0.50
Outstanding at 30 June 2023	<u>753,972</u>	<u>0.85</u>	<u>520,000</u>	<u>0.60</u>

The fair value of the options is measured using the Black-Scholes method. 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 liquidity event, 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.

In addition, the company has a Long-Term Incentive Plan (LTIP) for certain employees not eligible for the EMI plan. The LTIP entitles participants to a bonus based on the increase in value of the Company's ordinary shares. The company has the option to settle the bonus by the allotment of shares in the company. The LTIP is an equity-settled share-based scheme and has a five-year vesting period. The number of units allotted under the plan as at 30 June 2023 was 709,000 (2022: 443,000).

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

	2023	2022
	\$000	\$000
Equity-settled share-based payments		
- EMI options	303	68
- LTIP options	432	-
	<u>735</u>	<u>68</u>

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2023

25. Financial instruments

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

	2023 \$000	2022 \$000
Financial assets measured at fair value through profit or loss		
Trade and other receivables	100,721	69,112
Cash and cash equivalents	12,986	3,582
	<u>113,727</u>	<u>72,694</u>
Financial liabilities measured at fair value through profit or loss		
Trade and other payables	13,419	12,500
	<u>13,419</u>	<u>12,500</u>

26. Called up share capital

Issued, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary shares of £0.00001 each	41,350,000	414	41,350,000	414
			<u>41,350,000</u>	<u>414</u>

27. 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 and LTIP share option schemes.

28. Analysis of changes in net debt

	At 1 Jul 2022 \$000	Cash flows \$000	New finance leases \$000	At 30 Jun 2023 \$000
Cash at bank and in hand	3,582	9,404	-	12,986
Debt due within one year	(26,737)	(2,745)	(1,350)	(30,832)
Debt due after one year	(3,127)	(21,071)	(2,539)	(26,737)
	<u>(26,282)</u>	<u>(14,412)</u>	<u>(3,889)</u>	<u>(44,583)</u>

29. Operating leases

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

	2023 \$000	2022 \$000
Not later than 1 year	936	2,149
Later than 1 year and not later than 5 years	5	935
	<u>941</u>	<u>3,084</u>

Internet Mobile Communications Limited

Notes to the Financial Statements *(continued)*

Year ended 30 June 2023

30. Related party transactions

At the year end the company owed directors \$868,750 (2022: \$894,362).

During the year the company charged interest of \$266,399 (2022: \$224,507) to the Settle Technology Limited group, over which two of the directors of Internet Mobile Communications Limited have significant control. At the year-end, Settle Technology Limited group owed the company \$3,017,672 (2022: \$2,231,240) but after impairment was \$452,651 (2022: \$2,231,240), and 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 \$1,531,321 (2022: \$1,129,701).

Internet Mobile Communications Limited

Management Information

Year ended 30 June 2023

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

Internet Mobile Communications Limited

Detailed Income Statement

Year ended 30 June 2023

	2023 \$000	2022 \$000
Turnover		
Sales	676,454	459,844
Cost of sales		
Cost of calls, telephone numbers and minutes	635,729	434,772
Gross profit	<u>40,725</u>	<u>25,072</u>
Overheads		
Administrative expenses		
Personnel costs		
Directors salaries	648	369
Directors national insurance contributions	81	73
Directors pensions	7	5
Wages and salaries	1,216	663
Equity-settled share-based payments	735	68
Employers national insurance contributions	71	92
Staff pension contributions	10	11
	<u>2,768</u>	<u>1,281</u>
Establishment expenses		
Rent and rates	90	94
Light and heat	11	5
Insurance	523	338
	<u>624</u>	<u>437</u>
General expenses		
Travel and subsistence	98	92
Vehicle leasing charges	20	4
Telephone	27	7
Computers and software	318	568
Printing postage and stationery	2	3
Staff training	3	3
Sundry expenses	376	118
Subscriptions	55	16
Charitable donations	6	8
Marketing and patents	95	58
Entertaining	23	26
Executive and employee profit share	567	626
Legal and professional fees	1,991	57
Consultancy fees	444	408
Auditors remuneration	37	26
Depreciation of tangible assets	2,331	924
	<u>6,393</u>	<u>2,944</u>

Internet Mobile Communications Limited

Detailed Income Statement *(continued)*

Year ended 30 June 2023

	2023	2022
	\$000	\$000
Financial costs		
Provision for doubtful debts	3,121	854
Loan arrangement fees	1,089	414
Bank charges	58	93
Foreign currency gains/losses	585	(4,314)
	<u>4,853</u>	<u>(2,953)</u>
	14,638	1,709
Other operating income	-	123
	<u>26,087</u>	<u>23,486</u>
Operating profit	26,087	23,486
Other interest receivable and similar income	266	225
Interest payable and similar expenses	(4,497)	(4,142)
	<u>21,856</u>	<u>19,569</u>
Profit before taxation	21,856	19,569

Internet Mobile Communications Limited

Notes to the Detailed Income Statement

Year ended 30 June 2023

	2023 \$000	2022 \$000
Other operating income		
Other operating income	—	123
	<u>—</u>	<u>123</u>
Other interest receivable and similar income		
Interest on cash and cash equivalents	266	225
	<u>266</u>	<u>225</u>
Interest payable and similar expenses		
Other interest payable and similar charges	4,497	4,142
	<u>4,497</u>	<u>4,142</u>