

**Company Registration No. 05175576**

**IMImobile International Limited**

**Annual Report and Financial Statements**

**For the year ended 31 March 2022**

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# **IMImobile International Limited**

## **Annual Report and Financial Statements for the year ended 31 March 2022**

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# **IMImobile International Limited**

## **Annual Report and Financial Statements for the year ended 31 March 2022**

### **Officers and professional advisers**

#### **Directors**

Jayesh Patel  
Michael Jefferies

#### **Registered Office**

5 St. John's Lane  
London  
EC1M 4BH  
United Kingdom

# **IMI Mobile International Limited**

## **Annual Report and Financial Statements for the year ended 31 March 2022**

### **Directors' report**

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

This report has been prepared taking advantage of the small companies exemption in accordance with s414B 'Strategic report: small companies exemption' of the Companies Act 2006.

#### **Principal activities**

The Company's principal activity is that of a holding company.

#### **Results**

At 31 March 2022 the Company had net current assets of £534,596 (2021: net current liabilities £2,425,079). The Company recorded a profit of £86.9 million (2021: £nil).

In April 2021, the Company sold and transferred all the shares it had owned in its subsidiary, IMI Mobile North America LLC to group undertaking Cisco Worldwide Holdings Ltd. at fair market value of £89.4 million in consideration for the issuance of a promissory note. The full performance of IMI Mobile International Limited for the year is shown on page 5.

#### **Dividends**

During the year, the Directors declared an £86.5 million dividend in specie satisfied by distributing a promissory note to the immediate parent company (2021: nil).

#### **Going concern**

The Company has net current assets of £534,596 (2021: net current liabilities of £2,425,079). After careful consideration of the principal risks and uncertainties facing the business, outlined below, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, *they continue to adopt the going concern basis in preparing the financial statements.*

Further details regarding the adoption of the going concern basis can be found in note 1 of the financial statements.

#### **Future developments**

The Company will continue to act as a holding company.

#### **Principal risks and uncertainties**

The Company acts as a holding company and therefore depends on support from the Group. Competitive pressures are a continuing risk to the Group, which could result in losing sales to customers. The business manages this risk by providing innovative, 'best in class' services to its customers. The Group is not reliant on any single customer for the success of the business.

#### **Financial risk management objectives and policies**

##### *Policies*

The Company's financial instruments comprise items such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Company's operations.

The Company's operations expose it to a variety of financial risks including liquidity risk, credit risk, interest rate risk and foreign currency exchange rate risk. It is the objective of the Company to minimise these risks where possible by maintaining and operating a robust control environment. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The Company currently does not use derivative financial instruments to manage its exposure to these risks.

##### *Liquidity risk*

As regards liquidity, the Company's policy has throughout the year been to ensure continuity of funding. The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

All payables (note 8) are due to be paid within twelve months of the balance sheet date.

##### *Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade receivables. It is the Company's policy

## **IMI Mobile International Limited**

### **Annual Report and Financial Statements for the year ended 31 March 2022**

to minimise its credit risk exposure by reviewing the recoverability of trade receivables at the balance sheet date and considers any change in the credit quality of the debtor on an individual basis from the date the debtor was created to the date the balance is settled.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date can be found within note 7.

#### *Interest rate risk*

Historically the Company has financed its operations through a mix of equity and debt to help minimise its exposure. The Company minimises its risk to interest fluctuations by negotiating a fixed rate of interest on all external debt. The Company had no external debts.

#### *Financial assets*

The Company has no financial assets, other than short-term receivables.

#### **Directors**

The directors who served during the year and to the date of these financial statements were as follows:

Jayesh (Jay) Patel  
Michael (Mike) Jefferies

#### **Directors' indemnities**

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board



Mike Jefferies  
Director  
14 December 2022

**IMI Mobile International Limited****Annual Report and Financial Statements for the year ended 31 March 2022****Statement of comprehensive income for the year ended 31 March 2022**

	Notes	2022 £	2021 £
Other operating income		-	-
<b>Operating profit</b>		-	-
Finance income	3	34,595	-
Gain on sale of assets	6	86,824,868	-
<b>Profit before tax</b>		86,859,463	-
Tax	5	(3,287)	-
<b>Profit after tax for the year and total comprehensive income</b>		86,856,176	-

The results stated above are all derived from continuing operations.

The accompanying notes are an integral part of the financial statements.

# IMImobile International Limited

## Annual Report and Financial Statements for the year ended 31 March 2022

### Statement of financial position as at 31 March 2022

	Notes	2022 £	2021 £
<b>Non- current assets</b>			
Investments in subsidiaries	6	-	2,603,499
		-	2,603,499
<b>Current assets</b>			
Trade and other receivables	7	2,962,962	178,420
		2,962,962	178,420
<b>Current liabilities</b>			
Trade and other payables	8	(2,428,366)	(2,603,499)
<b>Net current assets/(liabilities)</b>		534,596	(2,425,079)
<b>Net assets</b>		534,596	178,420
<b>Equity</b>			
Called-up share capital	9	1	1
Retained earnings	9	534,595	178,419
<b>Total equity</b>		534,596	178,420

The accompanying notes are an integral part of the financial statements.

For the year ending 31 March 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The financial statements of IMImobile International Limited, registered number 05175576, have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and were approved by the Board of Directors and authorised for issue on 14 December 2022.

Signed on behalf of the Board of Directors



Mike Jefferies  
Director

**IMImobile International Limited****Annual Report and Financial Statements for the year ended 31 March 2022****Statement of changes in equity for the year ended 31 March 2022**

	Note	Called-up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 April 2020</b>		1	178,419	178,420
Total comprehensive result for the year		-	-	-
<b>Balance at 31 March 2021</b>		1	178,419	178,420
Total comprehensive income for the year		-	86,856,176	86,856,176
Dividend declaration	6		(86,500,000)	(86,500,000)
<b>Balance at 31 March 2022</b>		1	534,595	534,596



# **IMIImobile International Limited**

## **Annual Report and Financial Statements for the year ended 31 March 2022**

### **Notes to the financial statements**

#### **1. Accounting policies**

The Company is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. These financial statements are presented in UK Pounds Sterling because that is the currency of the primary economic environment in which the Company operates. The registered address is shown on page 1 and the principal activity of the business is included in the Directors' report on page 2.

These financial statements are separate financial statements. The company is exempt from the preparation of consolidated financial statements under section 400 of the Companies Act 2006 since it is included in the group financial statements of IMIImobile Limited. The group financial statements of IMIImobile Limited are available for public use and can be obtained as set out in note 10.

#### **Basis of accounting/statement of compliance**

The Company meets the definition of a qualifying entity under FRS 100 (Financial reporting Standard 100) issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 'Reduced Disclosure framework' as issued by the Financial Reporting Council.

The Company has prepared financial statements which comply with FRS 101 applicable for periods beginning on or after 1 April 2014 and the significant accounting policies meeting those requirements are described in the relevant notes.

As permitted by FRS 101, exemption from disclosing standards not yet effective has been taken.

The Company has also taken advantage of the exemption from the requirements in IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or more members of the Group where those party to the transaction are wholly owned by a member of the Group and the requirements of IAS 7 'Statement of cash flows' and IFRS 7 'Financial instruments: disclosure'.

The financial statements have been prepared under the historical cost convention and under the going concern assumption.

The principal accounting policies applied in preparation of the Company Financial Statements are set out below.

#### **Foreign currencies**

The Company financial statements are presented in UK Pounds Sterling ("the presentational currency" and "the functional currency").

Foreign currency transactions are translated into the presentational currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

#### **Going concern**

The Company has net current assets of £534,596 (2021: net current liabilities of £2,425,079). After careful consideration of the principal risks and uncertainties facing the business, outlined below, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

At 31 March 2022 the Company had net assets of £534,596 (2021: £178,240) and made a profit of £86,856,176 (2021: £nil).

In determining whether the financial statements should be prepared on the going concern basis, the Directors considered the Company's business activities together with factors likely to affect its future development, performance and its financial position including cash flows, liquidity position and the principal risks and uncertainties relating to its business activities.

Based on cash flow forecasts which take into account the Directors' best estimate of current sales orders and opportunities, expenditure forecasts as well as the Company's current cash balance, the Directors consider it appropriate to prepare the Company's financial statements on a going concern basis.

# **IMI Mobile International Limited**

## **Annual Report and Financial Statements for the year ended 31 March 2022**

### **Investments in subsidiaries**

Investments in subsidiaries are accounted for at cost less, where appropriate, provisions for impairment.

### **Impairment of assets**

Investments in subsidiaries are tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Prior impairments are reviewed for possible reversal at each reporting date.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

### **Financial instruments**

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### **Financial assets**

#### *Classification of financial assets*

Trade and other receivables (excluding prepayments) are initially recognised at fair value and subsequently at amortised cost using the effective interest method less any allowance for expected credit losses.

#### *Impairment of financial assets*

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future of cash flows of the investment have been impacted.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company, and arises principally from the Company's trade receivables and contract assets. It is the Company's policy to minimise its credit risk exposure. This includes undertaking careful due diligence of new customers and getting full or part payment in advance of providing services where credit risk is considered higher. The Company regularly reviews existing customers on an individual basis for changes in the credit quality of trade receivables and contract assets from the date the receivable was created to the date the balance is settled.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets and amounts due from related parties. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

To measure the expected credit losses, trade receivables and contract assets have been grouped together based on shared credit risk characteristics and the days past due. The Company has deemed that the contract assets balance has substantially the same risk characteristics as trade receivables and has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The ECL is calculated through assessing the probability of the non-payment of the customer, this probability is then multiplied by the amount of the expected loss arising from default to determine the expected credit loss for the trade receivables and contract assets. If a balance is confirmed as not be collectable, the gross carrying value of the asset is written off against the associated provision.

#### *Derecognition of financial assets*

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

# IMImobile International Limited

## Annual Report and Financial Statements for the year ended 31 March 2022

### *Financial liabilities and equity*

#### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### *Financial liabilities*

Trade and other payables are measured subsequently at amortised cost using the effective interest method.

Interest expenses and exchange rate gains and losses are recognised in profit or loss. Gains or losses in connection with derecognition are also recognised in profit or loss.

## **2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### **Critical accounting judgements**

Management do not consider there to be any critical accounting judgements.

### **Key sources of estimation uncertainty**

Management do not consider there to be any key sources of estimation uncertainty.

## **3. Finance income**

	2022	2021
	£	£
Interest income on promissory notes	34,595	-

## **4. Directors' remuneration**

The directors are considered to be the same as the key management personnel in the Company.

During the period, no Directors received any emoluments (2021: nil)

The directors were remunerated through IMImobile Europe Limited, a fellow subsidiary of IMImobile Limited, up until the end of July 2021. From August 2021, all of the directors' remuneration for their services have been paid by other Cisco group companies. These Directors' services to the Company do not occupy a significant amount of their time and as such they do not consider that they have received any remuneration for their incidental services to the Company for the current or prior period. No recharge is made to IMImobile International Limited for these services.

# IMImobile International Limited

## Annual Report and Financial Statements for the year ended 31 March 2022

### 5. Tax

	2022 £	2021 £
<b>UK corporation tax</b>		
Current tax expense for the year	3,287	-

Corporation tax is calculated at 19% (2021: 19%) of the estimated taxable profit for the year.

The tax expense for the year can be reconciled to the profit in the income statement as follows:

	2022 £	2021 £
Profit before tax	86,859,463	
Tax at the UK corporation tax rate of 19% (2021: 19%)	16,503,298	-
Non-taxable income	(16,496,724)	-
Movement on unrecognised deferred tax	(3,287)	-
Total tax expense	3,287	-

At the balance sheet date, the Company has losses of £3,393,987 on which there are unrecognised deferred tax assets of £643,820 (2021: £648,144). No deferred tax asset has been recognised in respect of these temporary differences as the Company considers that there will not be enough taxable profits such that any additional asset could be considered recoverable.

On 14 October 2022, the government announced that the planned UK tax rate change from 19% to 25% would be implemented from April 2023. Deferred tax balances as at 31 March 2022 are calculated at this higher rate.

### 6. Investments in subsidiaries

	Investments £
<b>Cost</b>	
At 31 March 2021	2,603,499
Disposal	(2,603,499)
At 31 March 2022	-
<b>Impairments</b>	
At 31 March 2021 and 31 March 2022	-
<b>Carrying value</b>	
At 31 March 2021	2,603,499
At 31 March 2022	-

# IMImobile International Limited

## Annual Report and Financial Statements for the year ended 31 March 2022

Details of the subsidiary are as follows:

Name of entity	Functional currency	Principal activities	% of share class held as at 31 March:		Share class
			2022	2021	
USA (251 Little Falls Drive, City of Wilmington, County of New Castle DE 19808-1674, USA)					
IMImobile North America LLC*	USD	Communications software and solutions	0%	100%	Ordinary

\* the company changed its name during the year from IMImobile North America, Inc. to IMImobile North America LLC

In April 2021, the Company sold and transferred all the shares it had owned in its subsidiary, IMImobile North America LLC to group undertaking Cisco Worldwide Holdings Ltd. at fair market value of £89.4 million in consideration for the issuance of a promissory note. The Company recognised a gain of £86.8 million from this sale.

In the same month, the Directors declared £86.5 million dividend in specie to IMImobile Europe Limited, its sole member, satisfied by distributing part of this promissory note.

### 7. Trade and other receivables

	2022 £	2021 £
Amounts owed by group undertakings		
- parent undertakings	-	178,420
- other group undertakings	2,962,962	-
	<u>2,962,962</u>	<u>178,420</u>

Amounts owed by parent undertakings are interest free, unsecured and repayable on demand.

Amounts owed by other group undertakings accrue interest at a variable 3-month GBP LIBOR rate plus 0.45%. They are also unsecured and repayable on demand.

### 8. Trade and other payables

	2022 £	2021 £
Amounts owed to group undertakings:		
- parent undertakings	2,425,078	2,603,498
- subsidiary undertakings	1	1
Tax payable	3,287	-
	<u>2,428,366</u>	<u>2,603,499</u>

Amounts owed to group undertakings are interest free, unsecured and repayable on demand.

### 9. Called-up share capital and reserves

	2022 £	2021 £
<b>Allotted, called-up and fully paid Equity shares:</b>		
10 Ordinary shares of 10p each	<u>1</u>	<u>1</u>

## **IMImobile International Limited**

### **Annual Report and Financial Statements for the year ended 31 March 2022**

#### **Retained earnings**

Retained earnings represents the cumulative earnings of the Company attributable to equity shareholders, net of dividend declaration.

#### **10. Parent undertakings**

The Company's immediate parent undertaking is IMImobile Europe Limited, a company incorporated in the United Kingdom.

At 31 March 2022, IMImobile Limited is the parent undertaking of the smallest group to consolidate these financial statements. These consolidated financial statements may be obtained by request from IMImobile, 5 St. John's Lane, London, EC1M 4BH, the registered address of IMImobile Limited.

The ultimate parent undertaking and largest group to consolidate these financial statements is Cisco Systems Inc. These financial statements are available from <https://investor.cisco.com>

The address of Cisco Systems Inc is 170 West Tasman Drive, San Jose, California, 95134-1706, USA.