

Company Registration No. 08802718

IMImobile Limited

Annual Report and Financial Statements

31 March 2022

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IMImobile Limited

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

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Officers and professional advisers

Directors

Jayesh Patel
Michael Jefferies

Registered Office

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United Kingdom

Bankers

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14-18 Finsbury Square
London
EC2A 1BR

Lawyers

Bracher Rawlins LLP
20 St Andrew Street
London
EC4A 3AG

Independent auditors

PricewaterhouseCoopers LLP
4th Floor
One Reading Central
23 Forbury Road
Reading
RG1 3JH

Strategic Report

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

The Group was acquired by Cisco on 19 February 2021, during this financial year there have been continued efforts to integrate the business into Cisco through sales collaboration, product integrations and the onboarding of our employees. The majority of employees were onboarded into Cisco entities in August and September 2021 therefore as at 31 March 2022 there are no employees within the Group.

On 9 April 2021, the Group sold four US subsidiaries (IMImobile LLC (formerly IMImobile, Inc.), IMImobile North America LLC (formerly IMImobile North America, Inc.), IMImobile US (formerly 3Cinteractive Corp.) and Impact Mobile USA LLC (formerly Impact Mobile USA, Inc)) along with a significant portion of the Group's intellectual property to other subsidiaries of the Cisco group for a total consideration of £451 million, of which £384 million has been passed back to parent undertakings as dividends.

On 1 August 2021, the divestment of the VAS operating business was completed to the management team of that division for a consideration of £6m, resulting in a loss on sale after income tax of £13.8 million.

Both the US subsidiaries sale and VAS sale are reported in the current period as discontinued operations. Financial information relating to the discontinued operation for the period to the date of disposal is set out in note 9.

During the year the Group began to receive transfer pricing charges from Cisco entities for management services between entities for commercial, technical and back end support; royalties and research and development fees. Hence costs have grown across the Group, these are all arms-length transactions.

Trading performance to 31 March 2022

Cloud Communication Products – 98% of Group gross profit

Europe – gross profit up 13% to £42.2m (2021: £37.1m)

The Europe region has seen growth from customers especially in the distribution and banking sectors. Growth has also come from new wins.

The Healthcare unit has recovered strongly from COVID-19 and we have had multiple new deployments across NHS trusts in the UK. A significant backlog of deployments remains which will support continued growth into FY23.

Americas – gross profit down 80% to £5.2m (2021: £26.2m)

Due to the sale of the four US subsidiaries to Cisco entities during the year Americas results are not comparable as only our Canadian subsidiary remains. During the year, we have seen growth in Canada due to a strong relationship with a large North American customer engagement platform.

Middle East & Africa (MEA) – gross profit down 34% to £3.3m (2021: £5m)

Due to headwinds in South Africa MEA saw gross profit declines, this is expected to continue into FY23.

Asia-Pacific (APAC) – gross profit down 28% to £2.3m (2021: £3.2m)

The combination of Indian telecom regulation and the discontinuation of low margin bespoke professional services revenues has driven declines in the region.

Operator VAS & mobile payments – 2% of Group gross profit

With the sale of the VAS entities there is minimal VAS trade within the Group in FY22.

Summary and Outlook

Today, the business manages billions of mission-critical interactions and orchestrates some great customer experiences for an incredible blue-chip client list. We currently work with many of the world's leading mobile operators, the top UK high street banks, some of the largest customer engagement platforms in North America, as well as prominent public sector organisations globally.

Principal risks and uncertainties of the Group

The risks and uncertainties of the Group are integrated with the principal risks of the wider Cisco Systems, Inc. Group and are not managed separately. Accordingly, the principle risks and uncertainties of the Cisco Systems, Inc. Group, which include the IMImobile Limited Group, are discussed in the Group's annual report (10k filing) which does not form part of this report but is publicly available.

Risk area	Potential impact	Change in the year	Mitigation of risks
Exchange rate fluctuations	A proportion of the Group's revenue is generated overseas and is denominated in Indian Rupees, Canadian Dollars and South African Rand and cash deposits are held in multiple foreign currencies, most significantly the Indian Rupee and Canadian Dollar. Therefore, the Group is exposed to foreign currency risk due to fluctuations in exchange rates. This may result in gains or losses with respect to movements in exchange rates which may be material and may also cause fluctuations in reported financial information	↓	The foreign exchange risk is managed by the Cisco Group treasury department who enter into foreign exchange transactions as required. This risk has reduced from prior year with the disposal of the US subsidiaries due to the significant decrease in transactions and balances in US dollars.

	that are not necessarily related to the Group's operating results.		
<i>Dependence on key personnel</i>	The Group's future success is dependent on the continued services and performance of its leadership and senior management each of whom has significant relevant experience although we have seen this risk decline in the year due to the addition of Cisco management performing some of these leadership roles.	↓	Long term retention incentives have been provided to the leadership team and key executives of the Group. Cisco also ensure that the remuneration of all employees is regularly benchmarked against key competitors.
<i>Customer relationships</i>	A proportion of the Group's business is derived from supplying ongoing services to customers based on formal contracts. Despite historically low levels of customer attrition and the longevity of many of the Group's relationships with its core customers, it is possible that customer attrition rates may increase in the future due to increased competition, the take-over or merger of major customers or changes in market demand. It is also possible that during the renewal of contracts with large blue-chip customers that the fees payable can be reduced, or that the volume of interactions between our clients and their customers may reduce over time.	↔	The Group seeks to minimise the risk of events of this nature occurring by diversifying its customer base, and maintaining strong relationships with its customers, as well as signing long-term contracts with customers. The Group also actively attempts to cross-sell and upsell additional platforms and solutions to existing customers.
<i>Technological change</i>	The Group operates in markets that are subject to constant technological development, evolving industry standards and changes in customer needs. Therefore, the Group is subject to the effects of actions by competitors in these markets and relies on its ability to anticipate and adapt to constant technological changes taking place in the industry, for example the growing number of communication channels used by consumers. To maintain its strong position in the market, the Group needs to successfully market its products and services and respond to both commercial actions by competitors and other competitive factors affecting these markets, anticipating and adapting promptly to technological changes, changes in consumer preferences and general economic, political and social conditions.	↔	The Group continues to spend significantly in research and development as well as employing product and solution specialists who monitor market developments and keep the product offering relevant for the markets in which the Group operates.
<i>Data privacy and regulatory compliance</i>	Certain activities of the Group and its customers may require the implementation of appropriate privacy and security policies or explicit end user opt-in and compliance with certain legislation including general data protection regulations (GDPR) which affect how personal data is processed and stored or the United States Telephone Consumer Protection Act (TCPA) which regulates the opt-in of consumers to receive digital communications. They may also affect the types of communication which are allowed based on permissions given by end users. Failure to comply with the laws governing the management of end user and customer data could result in fines, damage to reputation or the loss of customers.	↔	The Group has invested heavily in its products, platforms and processes in order to ensure market leading technology and practice are built-in to the solutions provided to its customers.
<i>Cyber security</i>	Security of customer, employee and commercial data represents an increasing reputational and financial risk. Many of the Group's customers are high profile and recognisable brands, and a failure to maintain best in class security protocols and systems could result in significant damage to the Group. The increasing trends around cyber crime suggest that this risk will continue to increase over time.	↑	The Group invests in best-in class software and platforms for proactively managing cyber security. Group staff undergo regular training and are kept aware of evolving risks. The Group maintains various security certifications including ISO 27001. The Group also benefits from working with some of the best Global businesses with extremely high security standards, requiring regular and detailed audits of their suppliers.

Significant failure of, or interruption to network or IT systems	The Group's business depends on providing customers with highly reliable platforms and services. Unanticipated network, or other, interruptions (whether accidental or otherwise) may occur as a result of system failures, including hardware or software failures, which affect the quality, or cause an interruption in the Group's supply of services. Such failures can result from a variety of factors within the Group's control, including human error, equipment failure, power loss, failure of services related to the internet and telecommunication networks, as well as factors outside of the Group's control, such as system failures of network service providers, fire, earthquake, adverse weather and other natural disasters, water damage, fibre optic cable cuts, power loss not caused by the Group and terrorism.	↔	The Group's infrastructure is hosted mainly using third party data centres, with major platforms and systems also benefiting from geographical redundancy. Third party hardware and software support contracts are in place. Connectivity to multiple networks also provides mitigation against elements of this risk.
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Corporate Social Responsibility and Section 172 statement

The environmental, social, and governance progress of the Group is integrated within that of the wider Cisco Systems, Inc. Group. Information regarding our workplace; community; customer and suppliers and environment are discussed in the Group's annual report (10k filing) and Purpose Report which do not form part of this report but are publicly available.

Our Workplace

At Cisco, we value our people, our technology, with a focus on helping to change the world for the better and our purpose to Power an Inclusive Future for All. Our goal is to attract, retain, and develop talent in order to help our customers connect, secure and automate to accelerate their digital agility. Our relationship with our employees is one of mutual benefit, our employees bring talent and ingenuity to everything we do. In turn, we provide employees meaningful careers and development opportunities. As a testament to this, Cisco has been named as the number one place to work on the "World's Best Workplaces List" by Fortune Magazine for 2019, 2020 and 2021. Cisco was also named the number one place to work of the Fortune 500 in 2021 by Great Places to Work. In addition, Cisco has been named the number one place to work in 14 countries around the world by Great Places to Work.

Our Community

One of our core values is to make every interaction with society matter and we actively encourage employees to try and make a difference and contribute to positive change. Across the Cisco group we achieved 80% community impact participation, as measured by employees' actions, including advocating for causes they care deeply about, volunteering, donating, and participating in programs that positively impact communities.

Our Customers and Suppliers

We are dedicated to providing and maintaining the highest standards in all aspects of the organisation's relationships with clients, staff and suppliers. These standards not only apply to all professional advice supplied by our business, but also to the organisation's ethics, behaviour and relationships. We seek on-going and continuous improvement of quality and are committed to:

- Clear identification and definition of client requirements as a first step to ensure customer satisfaction;
- Staff commitment to a quality and continuous improvement approach;
- Helping staff develop their competencies towards business objectives;
- Ensuring that our supply chain operates in an ethical and responsible manner;
- Using a continuous improvement approach in all aspects throughout the business; and
- Regularly reviewing systems, covering effectiveness and any non-conformance issues.

Our Environment

Sustainability and protecting the environment are both top priorities for Cisco. We have set long-term goals to address the environmental impacts from our products and business operations. We strive to reduce the impacts of our operations and supply chain, help our customers decrease greenhouse gas (GHG) emissions, and support our communities experiencing direct effects of a changing climate by, among others:

- Continuing to invest in renewable energy, including investments in solar and wind energy;
- Enhancing our Webex and other remote collaboration tools;
- Investing in projects to improve the efficiency of our offices, labs, and data centers worldwide;
- Helping our employees to engage with events and opportunities to raise awareness and create a sense of community around sustainability; and
- Providing critical connectivity in the aftermath of natural disasters.

The Strategic Report was approved by the Board and signed on its behalf by:



Mike Jefferies - Director
14 December 2022

Directors' Report

The Directors present their annual report and audited consolidated financial statements on the affairs of IMImobile Limited for the year ended 31 March 2022.

Results and dividends

The results for the year are set out in the consolidated income statement on page 12. The Group sold four US subsidiaries along with a significant portion of the Group's intellectual property to other subsidiaries of the Cisco group for a total consideration of £451 million, of which £384 million has been passed back to parent undertakings as dividends.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Mr Jayesh (Jay) Patel
Mr Michael (Mike) Jefferies

Strategic Report

The Strategic Report covers pages 4 to 6. The Company has chosen to set out likely future developments in the Strategic Report that would otherwise be required to be disclosed in the Directors' Report.

Financial risk management objectives and policies

Disclosures relating to financial risk management objectives and policies, including our policy for hedging are set out in note 27 to the consolidated financial statements and disclosures relating to exposure to price risk and credit risk are outlined in note 27.

Streamlined energy and carbon reporting

As outlined in the Corporate Social Responsibility statement, the group is committed to reducing its environmental impact. The Streamlined Energy and Carbon Reporting (SECR) regulations require us to report on our energy use. The only company under the mandatory scope of SECR within the Group is IMImobile Europe Limited so the following disclosure relates only to that subsidiary.

Scope and methodology

As IMImobile Europe Limited does not pay directly for its purchased fuel consumption within its offices we have estimated consumption by applying known energy use from meter readings in another UK office in the Group to the offices of IMImobile Europe Limited based on their square footage. The carbon impact of this energy use has been calculated by taking the average mix of fuels used in electricity and gas generation in the UK and the carbon intensity ratio of each to give the average kilograms of carbon dioxide (Kg CO₂) produced for every kilowatt hour (KWh) of electricity and gas used.

Carbon from transport has been calculated based on the mileage in employee expense claims multiplied by the SECR provided intensity ratio for an average car.

We consider data centres to fall under scope 3 of the SECR guidelines as the company does not have control over the energy used and is not billed directly for the energy and therefore these are not included within this disclosure.

The company's energy use was as follows:

		kWh	Kg CO ₂ e
Purchased electricity generated from office space	Scope 2	57,934	7,884
Fuel used by employees in personal cars on business use	Scope 1	479	533
		58,413	8,417

Intensity measurement

The emissions intensity measure (scope 1+2/FTE) of IMImobile Europe Limited is 77 Kg CO₂e per employee (2021: 146 Kg CO₂e per employee).

Supplier payment policy

The Company has no trade creditors because it is a parent company and does not generate trading revenues. Accordingly, no disclosure can be made of year-end trade creditor days. However, the Group's policy is to settle the terms of payment with suppliers when agreeing the terms of each transaction and to ensure that suppliers are made aware of the terms of payment and to abide by the terms of payment. The average trade creditors for the Group, expressed as a number of days, were 63 (2021: 122).

Related party transactions

Disclosures relating to related party transactions are set out in note 17 to the consolidated financial statements.

Charitable and political donations

Charitable donations made by the Group in the year were £nil (2021: £12,000). Political donations were £nil in both years.

Employees

The number of employees and their remuneration is set out in note 6.

The Group is committed to offering equal employment opportunities and its policies are designed to attract, retain and motivate the best staff regardless of gender, race, colour, religion, ethnic or national origin, age, marital status, disability, sexual orientation or any other conditions not relevant to the performance of the job, who can demonstrate that they have the necessary skills and abilities.

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

The Group complies with all applicable labour laws in the respective jurisdictions in which it operates.

Going concern

In determining whether the financial statements can be prepared on the going concern basis, the Directors considered the Company's and Group'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, as given in the Strategic Report.

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 Group's current cash balance and support from Cisco following acquisition, the Directors consider it appropriate to prepare the financial statements on the going concern basis. For further details please refer to note 1.

Independent Auditors

In the case of each of the persons who are Directors of the Company at the date when this report is approved:

- as far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditors are unaware; and
- each of the Directors has taken all the steps that he ought to have taken as a Director to make himself aware of any audit information (as defined) and to establish that the Company's auditors are aware of that information.

This confirmation should be given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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.

Statement of directors' responsibilities in respect of the financial statements

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 group financial statements in accordance with UK-adopted international accounting standards and the company 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 group and company and of the profit or loss of the group 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 UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the company financial statements, 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 group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

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

A handwritten signature in black ink, appearing to be 'Mike Jefferies', with a stylized, looped initial 'M' and a horizontal line extending to the right.

Mike Jefferies
Director

14 December 2022

Independent auditor's report to the members of IMImobile Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- IMImobile Limited's group financial statements and company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2022 and of the group's profit and the group's cash flows for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Statements of Financial Position as at 31 March 2022; the Consolidated Income Statement and Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement, and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 group's and 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to tax legislation including transfer pricing, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent recognition of revenue. Audit procedures performed by the engagement team included:

- performing a walkthrough of the revenue to receivables cycle to ensure we understand management's process and controls;
- enquiry of management, those charged with governance and the in-house legal team around actual and potential litigation and claims, and any instances of suspected or actual fraud;
- auditing the risk of management override of controls, including through testing a sample of journal entries and other adjustments for appropriateness;
- assessing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business; and
- reviewing minutes of meetings of those charged with governance.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

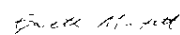
Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Gareth Murfitt (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
15 December 2022

Consolidated Income Statement

For the year ended 31 March 2022

	Notes	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Continuing operations			
Revenue	2, 5	122,809	114,084
Cost of sales		(70,311)	(62,277)
Gross profit	5	52,498	51,807
Operating costs:			
Other operating costs		(36,932)	(32,471)
Depreciation and amortisation		(3,609)	(10,357)
Share-based payment charge	24	-	(3,866)
Acquisition costs	4	-	(12,027)
Impairment	10	(7,449)	-
Gain on disposal of intangible assets	11	336,654	-
Operating profit / (loss)	4	341,162	(6,914)
Finance income	7	397	158
Finance cost	7	(426)	(1,709)
Profit / (loss) before tax		341,133	(8,465)
Tax	8	(63,572)	(3,484)
Profit / (loss) for the year from continuing operations		277,561	(11,949)
Profit / (loss) for the year from discontinued operations	9	94,053	(422)
Loss for the year from discontinued operations	9	(16,941)	(3,620)
Profit / (loss) for the year		354,673	(15,991)
Profit / (loss) for the year attributable to:			
Equity holders of the parent company		354,737	(15,976)
Non-controlling interest		(64)	(15)
Profit / (loss) for the year		354,673	(15,991)

The accompanying notes are an integral part of the consolidated financial statements and are all attributable to continuing operations.

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2022

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Profit / (loss) for the year	354,673	(15,991)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations		
Equity holders of the parent company	7,929	(5,951)
Non-controlling interest	11	(76)
Net actuarial gains / (losses) recognised on defined gratuity plan		
Equity holders of the parent company	-	79
Non-controlling interest	-	-
Other comprehensive loss for the year	7,940	(5,948)
Total comprehensive income / (loss) for the year	362,613	(21,939)
Total comprehensive income / (loss) for the year attributable to:		
Equity holders of the parent company	362,666	(21,848)
Non-controlling interest	(53)	(91)
	362,613	(21,939)
Total comprehensive income / (loss) for the year attributable to:		
Continuing operations	281,320	(17,976)
Discontinued operations	81,293	(3,963)
	362,613	(21,939)

The figures included above are stated net of corporate taxation.

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

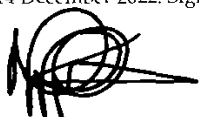
Consolidated Statement of Financial Position

As at 31 March 2022

	Note	As at 31 March 2022 £000	As at 31 March 2021 £000
Non-current assets			
Goodwill	10	36,029	67,779
Other intangible assets	11	5,983	47,123
Property, plant, equipment and right-of-use assets	12	614	3,795
Deferred tax assets	22	3	179
Deferred consideration receivable	13	3,000	-
Total non-current assets		45,629	118,876
Current assets			
Cash and cash equivalents	14	22,152	54,494
Trade receivables and contract assets	15	30,357	39,426
Tax receivable		67	1,495
Withholding tax debtor		176	271
Due from related parties	17	65,710	-
Other receivables	16	2,401	4,072
Total current assets		120,863	99,758
Current liabilities			
Trade and other payables	18	(19,839)	(49,740)
Due to related parties	17	(57,332)	(43,238)
Contract liabilities		(6,464)	(11,587)
Lease liabilities	19	(103)	(1,048)
Provision for contingent consideration	20	(28)	(6,793)
Tax payable		(3,765)	(507)
Total current liabilities		(87,531)	(112,913)
Net current assets / (liabilities)		33,332	(13,155)
Non-current liabilities			
Lease liabilities	19	(42)	(227)
Provision for defined benefit gratuity plan	21	-	(1,243)
Deferred tax liabilities	22	(1,232)	(7,180)
Total non-current liabilities		(1,274)	(8,650)
Net assets		77,687	97,071
Equity attributable to the owners of the parent company			
Share capital	23	9,294	9,278
Share premium	23	69,277	68,826
Translation reserve	23	1,844	(6,085)
Share-based payment reserve	23	-	6,256
Capital restructuring reserve	23	(29,040)	(29,040)
Capital contribution reserve	23	1,750	-
Retained earnings	23	24,877	48,098
Equity attributable to the owners of the parent company		78,002	97,333
Non-controlling interest		(315)	(262)
Total equity		77,687	97,071

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

The financial statements of IMImobile Limited (Company number: 08802718) were approved by the Board and authorised for issue on 14 December 2022. Signed on behalf of the Board



Mike Jefferies - Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2022

	Share capital £000	Share premium £000	Translation reserve £000	Share-based payment reserve £000	Capital restructuring reserve £000	Capital contribution reserve £000	Retained earnings £000	Total equity attributable to shareholders of the parent company £000	Non-controlling interest £000	Total equity £000
Balance at 1 April 2020	7,479	27,555	(134)	8,660	(29,040)	-	64,207	78,727	4	78,731
Loss for the year	-	-	-	-	-	-	(15,976)	(15,976)	(15)	(15,991)
Foreign exchange differences	-	-	(5,951)	-	-	-	-	(5,951)	(76)	(6,027)
Net actuarial gains recognised on defined gratuity plan	-	-	-	-	-	-	79	79	-	79
Credit to equity for share-based payments (note 23)	-	-	-	3,921	-	-	-	3,921	-	3,921
Proceeds from share options exercised	1,799	41,271	-	(6,325)	-	-	-	36,745	-	36,745
Deferred tax on share-based payments	-	-	-	-	-	-	(212)	(212)	-	(212)
Dividends paid	-	-	-	-	-	-	-	-	(175)	(175)
Balance at 31 March 2021	9,278	68,826	(6,085)	6,256	(29,040)	-	48,098	97,333	(262)	97,071
Profit for the year	-	-	-	-	-	-	354,737	354,737	(64)	354,673
Foreign exchange differences	-	-	7,929	-	-	-	-	7,929	11	7,940
Proceeds from share options exercised (note 23)	16	451	-	-	-	-	-	467	-	467
Sweep share-based payment reserve into retained earnings	-	-	-	(6,256)	-	-	6,256	-	-	-
Deferred tax on share-based payments	-	-	-	-	-	-	(11)	(11)	-	(11)
Capital contribution	-	-	-	-	-	1,750	-	1,750	-	1,750
Dividends paid	-	-	-	-	-	-	(384,203)	(384,203)	-	(384,203)
Balance at 31 March 2022	9,294	69,277	1,844	-	(29,040)	1,750	24,877	78,002	(315)	77,687

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

Consolidated Cash Flow Statement

For the year ended 31 March 2022

	Note	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Cash generated from operations	25	45,750	8,948
Tax paid		(61,656)	(2,779)
Net cash from operating activities		<u>(15,906)</u>	<u>6,169</u>
Investing activities			
Interest received		397	260
Purchase of intangible assets		-	(6,292)
Purchase of property, plant & equipment		-	(1,064)
Contingent consideration as part of Rostvm acquisition	20	-	(750)
IMI Mobile South Africa (formerly Archer) put/call option	24	(1,754)	-
Sale of intangible assets and subsidiaries net of cash	9	(16,525)	-
Net cash used in investing activities		<u>(17,882)</u>	<u>(7,846)</u>
Financing activities			
Principal element of lease payments	19	(649)	(1,819)
Repayment of bank loans		-	(46,344)
Bank borrowing costs		-	(10)
Loan from/to related party	17	-	44,127
Interest paid		(407)	(984)
Proceeds from issuance of Ordinary shares	23	467	36,745
Dividends paid		-	(175)
Capital contribution	23	1,750	-
Net cash generated by financing activities		<u>1,161</u>	<u>31,540</u>
Net increase in cash and cash equivalents		<u>(32,627)</u>	<u>29,863</u>
Cash and cash equivalents at beginning of the year		54,494	25,089
Effect of foreign exchange rate changes		285	(458)
Cash and cash equivalents at end of the year	14	<u>22,152</u>	<u>54,494</u>

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

Notes to the consolidated financial statements

For the year ended 31 March 2022

1. Basis of preparation

The financial information contained in the consolidated financial statements as of and for the years ended 31 March 2022 and 31 March 2021 are prepared in accordance with UK-adopted international accounting standards.

The consolidated financial statements of IMI Mobile Limited and its subsidiaries, hereafter referred to as “the Group”, are prepared under the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities, and in accordance with UK-adopted international accounting standards. The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

General information

IMI Mobile Limited is a private company limited by shares, incorporated and domiciled in England and Wales (registration number 08802718). The registered address of the Company is 5 St John's Lane, London, EC1M 4BH, United Kingdom.

Going concern

The Company’s business activities, together with factors likely to affect its future development, performance and position are set out in the Strategic Report and Directors’ Report.

At 31 March 2022 the Group had net assets of £77.7 million including £22.2 million of cash and cash equivalents (31 March 2021: net assets of £97.1 million including £54.5 million of cash and cash equivalents).

In determining whether the consolidated financial statements should be prepared on the going concern basis, the Directors considered the Company’s and the Group’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 Group’s current cash balance and support from Cisco following acquisition, the Directors consider it appropriate to prepare the Company’s financial statements on the going concern basis.

Adoption of new and revised International Financial Reporting Standards (“IFRSs”)

New and amended standards adopted by the Group

There have been no new or amended standards adopted by the Group during the year.

New standards and interpretations not yet adopted

There are no standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2. Accounting policies

The principal accounting policies set out below have been applied consistently by the Group entities:

Basis of consolidation

The Group financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 March each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to a variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The results of subsidiaries acquired or disposed of in any year are included in the consolidated income statement from the date of acquisition or up to the date of disposal.

Goodwill is measured as the excess of the sum of consideration transferred. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

Where necessary, adjustments are made to the financial information of subsidiaries to bring the accounting policies into line with those used by the Group. Inter-company balances and transactions, including inter-company profits and unrealised profits and losses are eliminated on consolidation.

Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in the income statement.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Entities included under common control

The following entities are considered to be under the control of the Group and therefore have been included in the consolidated financial statements for the years ended 31 March 2021 and 2022:

Name of entity	Functional currency	Principal activities	% of share class held by the Group as at 31 March:		Share / Stock class
			2022	2021	
United Kingdom (5 St John's Lane, London, EC1M 4BH)					
IMImobile Europe Limited	GBP	(1)	100%	100%	Ordinary
Tap2Bill Limited	GBP	(3)	100%	100%	Ordinary
Textlocal Limited	GBP	(1)	100%	100%	Ordinary
Textlocal Limited	GBP	Dormant	100%	100%	Ordinary
Chilli Digital Europe Limited	GBP	(2)	100%	100%	Ordinary
IMImobile Software Limited	GBP	Non-trading	100%	100%	Ordinary
IMImobile International Limited	GBP	Non-trading	100%	100%	Ordinary
IMImobile SAT Limited	GBP	Dormant	85%	85%	Ordinary
IMImobile Holdings Limited	GBP	Dormant	100%	100%	Ordinary
Healthcare Communications UK Limited	GBP	(1)	100%	100%	Ordinary
IMImobile African Holdings Limited	ZAR	Non-trading	100%	100%	Ordinary
IMImobile South Africa 1 Limited	ZAR	Non-trading	100%*	75%	Ordinary
IMImobile South Africa 2 Limited	ZAR	Non-trading	100%	100%	Ordinary
IMImobile Intelligent Networks Limited	GBP	(1)	100%	100%	Ordinary
Rostrum Solutions Limited	GBP	(1)	100%	100%	Ordinary
Rostrum Solutions Limited	GBP	Dormant	100%	100%	Ordinary
USA (251 Little Falls Drive, City of Wilmington, County of New Castle DE 19808-1674, USA)					
IMImobile US**	USD	(1) & (3)	-	100%	Common
IMImobile LLC***	USD	(1)	-	100%	Common
Impact Mobile USA LLC****	USD	(1)	-	100%	Common
IMImobile North America LLC*****	USD	(1)	-	100%	Common
Canada (Suite 600, 1741 Lower Water Street, Halifax NS, Canada)					
IMImobile Canada ULC*****	CAD	(1)	100%	100%	Common
UAE (P.O. Box 293593, Office # 624, Building 5EA, Dubai Airport Free Zone, Dubai)					
IMI Mobile VAS Limited FZE	AED	(1) & (2)	100%	100%	Ordinary
IMImobile Limited FZE	AED	(1) & (2)	-	100%	Ordinary
South Africa (Second Floor, Building 2, The Ingress, 23 Magwa Crescent, Waterfall City, Midrand, Gauteng, 2090, South Africa)					
IMImobile South Africa Pty Limited	ZAR	(1)	87%*	69%	Ordinary
Ukhozi Digital Pty Limited	ZAR	Non-trading	49%*	39%	Ordinary
Nigeria (2nd Floor, No 32, Shiro Street, Fadevi - Yaba, Lagos State, Nigeria)					
IMI Mobile VAS Nigeria Limited	NGN	(2)	100%	100%	Ordinary
Nigeria (32 Adegbola Street, PO BOX 6920, Ikeja, Lagos, Anifowose, Lagos, Nigeria)					
Skinkers Nigeria Private Limited	NGN	Non-trading	-	100%	Ordinary
Tunisia (Regus, Tunis Berges du Lac Business Center, Immeuble "Slim", 2eme Etage, Rue de l'Euro, Les Berges du Lac 2, 1053 - Tunis, Tunisia)					
IMImobile VAS Tunisia Limited	TND	(1) & (2)	-	100%	Ordinary
Ghana (H No F486, Nyaniba Estate, Accra, Greater Accra, PO Box 14310, Accra, Ghana)					
IMImobile Ghana Limited	GHC	Non-trading	-	77%	Ordinary
British Virgin Islands (Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands)					
Lenco International Limited	ZAR	Non-trading	100%*	80%	Ordinary
Lenco Technology Group Limited	ZAR	(1)	100%*	80%	Ordinary
India (Plot No 770, Road No. 44, Jubilee Hills, Hyderabad - 500 033, India)					
IMI Mobile Private Limited	INR	(1) & (2)	-	100%	Ordinary
India (2nd floor, Skycrow 10, St.No 83/1, Radurgam, Hitech City Main Road, Madhapur, Hyderabad, Telangana, 500081, India)					
IMImobile Cloud Communications (India) Private Limited	INR	(1)	100%	100%	Ordinary
Bangladesh (House No 13, A-5 (5th floor), Road No. 113/A, Gulshan, Dhaka, Bangladesh)					
IMI Mobile VAS Limited	BDT	(1) & (2)	-	100%	Ordinary
Sri Lanka (No. 94/1, Dharmapala Mawatha, Colombo 07, Sri Lanka)					
IMI Mobile VAS Private Limited	LKR	(2)	-	100%	Ordinary
Nepal (124, Lal Colony Marg, Lal Durbar, Kathmandu, Nepal)					
IMI Mobile Nepal Private Limited	NPR	(1) & (2)	-	100%	Ordinary
Myanmar (R-1006, 10th Floor - Business Suites, Myanmar Center Tower 2, 192 Kaba Aye Pagoda Road, Bahan Township, Yangon, Myanmar)					
IMImobile VAS Myanmar Limited	MMK	(1) & (2)	-	100%	Ordinary

(1) Communications software and solutions

(2) Value added services solutions

(3) Mobile payments

* the change in ownership during the year resulted in an increase in equity attributable to owners of the parent company of £66,000

** the company changed its name during the year from 3Cinteractive Corp to IMImobile US

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

**** the company changed its name during the year from Impact Mobile USA, Inc to Impact Mobile USA LLC

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

***** the company changed its name during the year from IMImobile Canada Inc to IMImobile Canada ULC

The following subsidiaries within the consolidated financial statements have taken advantage of the audit exemption provisions under section 479A of Companies Act 2006 in relation to their annual accounts for the year ended 31 March 2022:

Name of entity	Registered number	Name of entity	Registered number
IMImobile Europe Limited	04833052	IMImobile Intelligent Networks Limited	04163740
Tap2Bill Limited	03212199	Healthcare Communications UK Limited	04084131
Txtlocal Limited	05578161	IMImobile African Holdings Limited	09632399
Chilli Digital Europe Limited	08123133	IMImobile South Africa 1 Limited	09634021
IMImobile Software Limited	04120457	IMImobile South Africa 2 Limited	09633868
IMImobile International Limited	05175576	Rostrvm Solutions Limited	04246427

Foreign currencies

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in UK Pounds Sterling ("the presentational 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.

Translation differences on financial assets are included in other comprehensive income.

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- equity items other than retained earnings have been translated at historical rates in line with IAS 21;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

Goodwill arising on the acquisition of a foreign entity is treated as an asset of the foreign entity and translated at the closing rate.

Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

Due to the sale of the VAS operating division, as at 31 March 2022 the CODM considers results principally by geographical region as the majority of the groups services are now cloud communication products, then further by subsidiary entities in the case of Textlocal and Healthcare. This forms the Group's operating and reporting segments although for comparability the prior year comparatives have been included in note 5.

The performance of the operating segments is assessed based on a measure of revenue and gross profit (the result for the segment). Any sales between segments are carried out at arm's length. As operating costs are shared across regions, no further split is made by geographical region.

The Group does not regularly provide information in relation to the assets or liabilities of operating segments to management.

Revenue recognition

Revenue is recognised in accordance with the requirements of IFRS 15 *Revenue from Contracts with Customers*. The Group recognises revenue to depict the transfer of promised services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. This core principle is delivered in a five-step model framework:

- Identify the contract(s) with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers or provides control of a product or service to a customer.

Where the Group enters into arrangements to deliver multiple elements (such as a perpetual license together with a period of servicing and maintenance), such elements are separated for recognition based on stand-alone value where sold and delivered as separate performance obligations. If such elements cannot be separated they are treated as a single performance obligation and recognised over the period of delivery when the criteria for recognition have been met. Amounts incurred but not yet billed are classified as contract assets. Revenues are typically billed up to 60 days after month end and classified as contract assets until this point.

Monthly recurring revenue

Revenues from hosting and for access to the Group's cloud-based communications and CPaaS software, including the use of shortcodes to run the service, form a single performance obligation and is recognised over the period of the contract as the customer simultaneously receives and consumes the service.

Revenue share from content related sales and usage-based revenue from messages sent across multiple channels is triggered by the actions of the Group's customers (or their end users) using the relevant platform they are connected to. Revenue is recognised at a point in time as the content sale or message delivery is generated.

Revenue generated from the provision of professional services to manage software applications for customers are recognised pro-rata over the period the services are provided.

Where the Group provides services to mobile network operators which enable the delivery of wholesale messages, revenue is reported on a gross basis where the Group acts as principal and controls the right to perform the service and successfully deliver the messages at a point in time.

The Group acts as agent when providing carrier billing or payments made via mobile devices services so revenue and payments to suppliers are recorded in revenue on a net basis, representing the margin earned. Revenue recognised within turnover relate only to the commission earned on hosting each service and are recognised at the point the message or content is delivered to the end user. Amounts billed and collected on behalf of third parties (also known as pass through revenues) are not recognised within revenue as the Group doesn't control or handle the content or set the price charged to the end user.

Non-recurring revenue

License revenues are derived from the sale of perpetual end user licenses for the right to use software as it exists at the point the customer is able to use the service for its intended purpose. The Group assesses whether ongoing contractual obligations, such as annual maintenance charges, represent a performance obligation that is distinct from the license. If the licence is distinct it is recognised separately from the other performance obligations on customer acceptance following installation at the customer's locations as per contracted terms.

Non-recurring professional service revenues relate to one-time configuration, setup and change requests and are recognised at the point the customer is able to use the service for its intended purpose, or upon completion of designated milestones where the Group has an enforceable right to payment.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount can be reliably measured. Interest income is accrued on a time basis by reference to the principal outstanding.

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

Goodwill acquired in a business combination is allocated to each cash generating unit ("CGU"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each CGU or group of CGUs to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the CGU level.

Other intangible assets

(a) Assets acquired as part of a business combination

Trade names, customer relationships and software acquired as part of acquisitions are capitalised separately from goodwill as intangible assets if their value can be measured reliably on initial recognition and it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group. These costs are amortised over their estimated useful lives of 5 to 7 years.

(b) Capitalised development costs

Development costs are not capitalised by the group and all costs previously capitalised were disposed of during the year.

(c) Other intangible assets

Trademarks and licenses

Separately acquired trademarks and licenses are shown at historical cost. Trademarks and licenses acquired in a business combination are recognised at fair value at the acquisition date. Trademarks and licenses have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and licenses over their estimated useful lives of up to 10 years.

Software licenses

Software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 to 5 years.

Impairment of assets

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill for each CGU is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Other intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows. Prior impairments of non-financial assets 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 consolidated income statement.

Property, plant and equipment and right-of-use assets

The initial cost of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Opening right-of-use assets are measured as equal to the lease liability.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Projects under which assets are not ready for their intended use are carried at cost and are only depreciated once they are ready for use.

When assets are sold, their cost and accumulated depreciation are eliminated and any gain or loss resulting from their disposal is included in the consolidated income statement.

Depreciation is computed on a straight-line basis over the estimated useful lives of operational assets. The estimated useful lives by class of asset are as follows:

Computers and servers	3-6 years
Office equipment	2-5 years
Furniture & fixtures	2-10 years
Leasehold improvements	Lower of estimated useful life and lease term
Right-of-use assets	Lease term

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group 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

Cash and cash equivalents, trade receivables and contract assets, tax receivables, other receivables (excluding prepayments) and withholding tax debtors 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 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 Group, and arises principally from the Group's trade receivables and contract assets. It is the Group'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 Group 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 group 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 group 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.

Disposal groups held for sale

Disposal groups are held for sale where their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of cost and fair value less costs to sell.

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.

Cash and cash equivalents

Cash and cash equivalents comprise bank balances, cash on hand, deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. All cash and cash equivalents are measured at amortised cost. The Group discloses cash on a net basis where it has the right to offset.

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 Group 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

Provisions for contingent consideration and defined benefit gratuity plan are measured at fair value through profit and loss (FVTPL). A financial liability is classified at FVTPL if it is classified as held for trading, such as a derivative instrument, or if it has been designated as such upon initial recognition, with net gains and losses, including interest expenses, recognised in profit or loss.

Trade and other payables, lease liabilities and bank borrowings are measured subsequently at amortised cost using the effective interest method. Bank borrowing costs are capitalised as incurred and amortised over the period of the loan.

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.

Employee benefits

Defined benefit gratuity plan

The Group had a post-employment unfunded gratuity plan in place for all employees of IMI Mobile Private Limited and IMImobile Cloud Communications (India) Private Limited ("defined benefit gratuity plan"). An employee who has completed five years of service is entitled to a cash bonus calculated as a fraction of the employee's last drawn salary multiplied by the number of completed years of service, capped at INR 2,000,000.

The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged to other comprehensive income in the period in which they arise.

The Projected Unit Credit Method is used to determine the present value of the defined benefit obligation and the related current service cost and, where applicable, past service cost.

These obligations are valued periodically by independent qualified actuaries.

This plan was transferred to a Cisco subsidiary when employees were onboarded from IMI Mobile Private Limited and IMImobile Cloud Communications (India) Private Limited therefore the obligation at 31 March 2022 is now nil.

Defined contribution plan

The Group operates defined contribution plans for certain employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. These contributions are expensed in the period they are incurred.

Employee share-based payments

The Group operates a number of equity-settled, share-based payment plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense in the income statement with a corresponding increase in equity. The total amount to be expensed is measured at the grant date by reference to the fair value of the options granted measured using the Black-Scholes option valuation model:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied and the employees become unconditionally entitled to the options.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on expected leavers and estimated achievement for the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

When the options are exercised, the Group issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

The social security contributions payable in connection with the grant of the share options are included in the share-based payment charge except where they are payable by the employee.

Where options are cancelled by the Group and settled in cash the expense is accelerated in the period in which the options are settled, with the cash payment recognised in the share-based payment reserve.

Where options in a scheme are fully settled, associated entries to the share-based reserve are swept directly into retained earnings.

Accounting policies adopted in relation to the valuation of specific acquisition related contingent consideration and put/call options are provided in note 24.

Company share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Taxation

The Group's tax charge is the sum of total current and deferred tax charges.

Current tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interest in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The recognition of deferred tax assets is determined by reference to the Group's estimate of recoverability, using models where appropriate to forecast future taxable profits. Deferred tax assets have only been recognised for territories where the Group considers that it is probable there would be sufficient taxable profits for the future deductions to be utilised. If it is probable that some portion of these assets will not be realised, then no asset is recognised in relation to that portion.

The carrying amount is reviewed at each balance sheet date. If market conditions improve and future results of operations exceed our current expectations, our existing recognised deferred tax assets may be adjusted, resulting in future tax benefits. Alternatively, if market conditions deteriorate or future results of operations are less than expected, future assessments may result in a determination that some or all of the deferred tax assets are not realisable. As a result, all or a portion of the deferred tax assets may need to be reversed.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the statement of income, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affects the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates. The critical accounting judgements and key sources of estimation uncertainty at the reporting date derive from management assumptions in respect of:

Critical accounting judgements

Revenue recognition

When the Group sells services as a principal, income and payments to suppliers are reported on a gross basis in revenue and cost of sales. If the Group sells services as an agent, revenue and payments to suppliers are recorded in revenue on a net basis, representing the margin earned. Whether the Group is considered to be the principal or an agent in the transaction depends on analysis by management of both the legal form and substance of the agreement between the Group and its business partners. Such judgements impact the amount of reported revenue and cost of sales but do not impact reported assets, liabilities or cash flows.

The Group would have recognised pass through revenues totalling £1,231,000 (2021: £14,465,000) within revenue and cost of sales had management judged that the Group were principal, rather than agent, in billing revenue transactions where amounts are billed and collected on behalf of third parties.

Key sources of estimation uncertainty

Impairment reviews

Management undertake periodic tests for impairment of goodwill if events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of goodwill can be supported by the net present value of future cash flows. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters.

Management consider the cash flow growth rate, expressed as the compound annual growth rates in the initial five years of the business plans and forecasts, to be the key source of estimation uncertainty. The growth rates used across the cash-generating units would need to decrease as follows before impairment would be required:

	Cash flow growth rate:	
	Used in impairment review	At which impairment would be required
Europe large enterprise	4%	(8%)
Textlocal	4%	4%
Healthcare	12%	(7%)
North America	8%	(14%)

A change in long term growth rates is not deemed to be reasonably possible to cause an impairment in either year.

Taxation including deferred taxation

The calculation of the Group's total tax charge necessarily involves a degree of estimation and judgement in respect of certain items. Provisions for tax contingencies require management to make judgements and estimates in relation to tax audit issues and exposures. Tax benefits are not recognised unless it is probable that the tax position will be sustained.

Management must also assess the probability that the deferred tax assets will be recovered from future taxable income. Deferred tax assets relating to losses and other timing differences of £2,168,000 (2021: £8,135,000) have not been recognised (see note 22). Of this balance, management consider there to be particular uncertainty over the range of £nil to £nil (2021: £nil to £700,000) relating to the estimation of forecast future taxable income in IMI Mobile Private Limited.

As at 31 March 2022 the carrying amount of deferred tax assets was £3,000 (2021: £179,000) and the carrying amount of deferred tax liabilities was £1,232,000 (2021: £7,180,000).

The accounting policies in relation to these items are disclosed in notes 1 and 2.

4. Operating profit / (loss)

Operating profit/(loss) for the year is stated after charging/(crediting):

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Depreciation of property, plant and equipment	1,351	3,942
Amortisation of intangible assets	315	3,472
Amortisation of intangible assets added on acquisition	2,164	6,402
Operating lease rentals	374	172
Staff costs (note 6 - including share-based payment charge)	11,909	49,096
Acquisition costs	-	12,027
Restructuring costs	-	775
Loss on disposal of PPE (note 12)	572	471
Gain on disposal of intangible assets (note 11)	(336,654)	-
Gain for the year from discontinued operations (note 9)	(93,088)	-
Loss for the year from discontinued operations (note 9)	13,813	-
Transfer pricing charges recognised in cost of sales	3,718	-
Transfer pricing charges recognised in other operating costs	10,874	-
Impairment of trade receivables	624	1,330
Foreign exchange loss/(gain)	1,195	(1,566)

Auditors' remuneration

The analysis of the auditors' remuneration is as follows:

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Fees payable to the Group's auditors and their associates for the audit of the group's annual report and financial statements:		
- Group	307	362
- Company	23	27
Total fees	330	389

5. Operating segments

The following is an analysis of the Group's revenue and results by operating segment:

	Europe £000	Americas £000	APAC £000	MEA £000	Total £000
Year ended 31 March 2022					
Revenue from continuing operations					
Cloud communication products	97,247	13,345	5,361	5,860	121,813
Operator VAS and mobile payments	763	-	233	-	996
Total revenue from continuing operations	98,010	13,345	5,594	5,860	122,809
Revenue from discontinued operations					
Cloud communication products	-	963	-	-	963
Operator VAS and mobile payments	-	-	1,852	980	2,832
Total revenue from discontinued operations	-	963	1,852	980	3,795
Total revenue	98,010	14,308	7,446	6,840	126,604

	Europe £000	Americas £000	APAC £000	MEA £000	Total £000
Year ended 31 March 2022					
Gross profit from continuing operations					
Cloud communication products	42,076	4,610	2,316	3,290	52,292
Operator VAS and mobile payments	195	-	11	-	206
Total gross profit from continuing operations	<u>42,271</u>	<u>4,610</u>	<u>2,327</u>	<u>3,290</u>	<u>52,498</u>
Gross profit from discontinued operations					
Cloud communication products	-	638	-	-	638
Operator VAS and mobile payments	-	-	162	642	804
Total gross profit from discontinued operations	<u>-</u>	<u>638</u>	<u>162</u>	<u>642</u>	<u>1,442</u>
Total gross profit	<u>42,271</u>	<u>5,248</u>	<u>2,489</u>	<u>3,932</u>	<u>53,940</u>
	Europe £000	Americas £000	APAC £000	MEA £000	Total £000
Year ended 31 March 2021					
Revenue from continuing operations					
Cloud communication products	89,216	7,253	6,826	8,114	111,409
Operator VAS and mobile payments	2,656	20	-	-	2,676
Total revenue from continuing operations	<u>91,872</u>	<u>7,273</u>	<u>6,826</u>	<u>8,114</u>	<u>114,085</u>
Revenue from discontinued operations					
Cloud communication products	-	31,306	-	-	31,306
Operator VAS and mobile payments	-	722	8,075	3,250	12,047
Total revenue from discontinued operations	<u>-</u>	<u>32,028</u>	<u>8,075</u>	<u>3,250</u>	<u>43,353</u>
Total revenue	<u>91,872</u>	<u>39,301</u>	<u>14,901</u>	<u>11,364</u>	<u>157,438</u>
	Europe £000	Americas £000	APAC £000	MEA £000	Total £000
Year ended 31 March 2021					
Gross profit from continuing operations					
Cloud communication products	37,077	5,336	3,200	5,015	50,628
Operator VAS and mobile payments	1,159	20	-	-	1,179
Total gross profit from continuing operations	<u>38,236</u>	<u>5,356</u>	<u>3,200</u>	<u>5,015</u>	<u>51,807</u>
Gross profit from discontinued operations					
Cloud communication products	-	20,885	-	-	20,885
Operator VAS and mobile payments	-	560	4,319	2,752	7,631
Total gross profit from discontinued operations	<u>-</u>	<u>21,445</u>	<u>4,319</u>	<u>2,752</u>	<u>28,516</u>
Total gross profit	<u>38,236</u>	<u>26,801</u>	<u>7,519</u>	<u>7,767</u>	<u>80,323</u>

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2 for each period. The revenue reported is measured in a manner consistent with that in the consolidated income statement. Revenues are attributed to countries on the basis of the customer's location. The Group measures segment profit and loss as gross profit as reported.

Revenue

The Group derives its revenue from contracts with customers for the transfer of services over time and at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed above for each reportable segment under IFRS 8 *Operating Segments*.

		Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Disaggregation of revenue:			
MRR			
- monthly hosting, access and shortcode fees	Over time	29,074	34,944
- revenue share and usage	Point in time	90,999	112,140
- professional services	Point in time	1,050	971
NRR			
- perpetual licenses	Point in time	-	404
- professional services	Point in time	5,481	8,979
		<u>126,604</u>	<u>157,438</u>

During the year the Group recognised revenue of £9,824,000 (2021: £10,020,000) related to contract liabilities carried-forward from the prior year. No revenue was recognised in the either year from performance obligations satisfied (or partially satisfied) in prior years. All remaining performance obligations are comprised of contract liabilities of £6,464,000 at 31 March 2022 (2021: £11,587,000).

6. Employee benefits

Staff costs for the Group during the year:

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Gross wages and salaries	10,977	47,539
Less capitalised development costs (note 11)	-	(6,116)
Social security and taxes	761	2,893
Share-based payment charge on options granted to Directors and employees (note 24)	-	3,921
Pension costs - Defined benefit gratuity plan (note 21)	-	121
Pension costs - Defined contribution plan	171	738
	<u>11,909</u>	<u>49,096</u>

Average monthly number of people employed:

	Year ended 31 March 2022 Number	Year ended 31 March 2021 Number
Sales and Managed solutions	175	222
Development and Product Management	213	415
Operations and Technical Support	237	437
Common Functions	93	143
	<u>718</u>	<u>1,217</u>

The majority of employees were onboarded into Cisco entities in August and September 2021 therefore as at 31 March 2022 there are no employees within the Group.

Directors' emoluments

The emoluments of the Directors of the Company were as follows:

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Basic salary	194	761
Cash bonus	-	-
Pension	8	24
Gain on exercise of share options	-	28,365
	<u>202</u>	<u>29,150</u>

The highest paid director's emoluments were as follows:

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Basic salary	102	82
Cash bonus	-	-
Pension	5	-
Gain on exercise of share options	-	13,652
	<u>107</u>	<u>13,734</u>

7. Finance income and finance cost

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Finance income		
Interest income on cash and cash equivalents	45	18
Interest income on loans to related party (note 17)	352	13
Interest income on tax receivable	-	117
Other interest income relating to contingent consideration (note 20)	-	139
	<u>397</u>	<u>287</u>
Finance cost		
Interest cost on loans from related party (note 17)	(406)	-
Other interest cost	(1)	(35)
Interest in relation to lease liabilities (note 19)	(19)	(94)
Interest on defined gratuity plan (note 21)	-	(70)
Bank loan interest expense	-	(983)
Amortisation of capitalised bank borrowings costs	-	(591)
	<u>(426)</u>	<u>(1,773)</u>

8. Tax

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Current tax		
UK tax expense	58,933	-
Other foreign tax expense	4,755	1,280
Withholding tax expense	1,452	2,897
Adjustments in respect of prior periods	-	141
	<u>65,140</u>	<u>4,318</u>
Deferred tax (note 22)		
Current year	(2,046)	(71)
Impact of UK rate change	534	-
Adjustments in respect of prior periods	(1,164)	463
	<u>(2,676)</u>	<u>392</u>
Total tax charge	<u>62,464</u>	<u>4,710</u>

The total tax charge for the year can be reconciled to the result per consolidated income statement as follows:

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Profit / (loss) before tax continuing operations	341,133	(8,465)
Profit / (loss) before tax discontinued operations	76,004	(2,816)
Tax at the UK corporation tax rate of 19% (2021: 19%)	79,256	(2,143)
Effect of overseas tax rates	1,189	2,860
Effect of withholding taxes	1,452	-
Share-based payment charge not deductible for tax purposes	-	(3,415)
Other expenses not deductible	7,475	1,392
Other income not taxable	(22,780)	-
Temporary differences on which deferred tax not recognised	(2,386)	5,412
Effect of change in UK tax rate	534	-
Group relief on brought forward losses	(1,112)	-
Adjustments in respect of previous years	(1,164)	604
Total tax charged in the income statement	62,464	4,710
Total tax charged on continuing operations	63,572	3,484
Total tax (credited)/charged on discontinued operations	(1,108)	1,226
Total tax charged in the income statement	62,464	4,710

Taxation in each region is calculated at the rates prevailing in the respective jurisdictions. Prior year adjustments relate to the routine confirmation and agreement of the final tax position in local jurisdictions and a true-up of the acquired intangible balance recognised on consolidation.

9. Discontinued operations

VAS operating division

On 1 August 2021, the divestment of the VAS operating business was completed to the management team of that division. The division is reported in the current period as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

Financial performance and cash flow information

The financial performance and cash flow information presented are for the four months ended 31 July 2021 (2022 column) and the year ended 31 March 2021.

	2022 £000	2021 £000
Comprehensive income		
Revenue	2,833	11,325
Expenses	(6,097)	(14,141)
Loss before tax	(3,264)	(2,816)
Tax credit/(charge)	136	(804)
Loss on sale of the subsidiary after income tax	(13,813)	-
Loss from discontinued operation	(16,941)	(3,620)
Other comprehensive income		
Net actuarial gains recognised on defined gratuity plan	-	79
Exchange differences on translation of discontinued operations	4,491	-
Other comprehensive income from discontinued operations	4,491	79
Cash flows		
Net cash (outflow)/inflow from operating activities	(15,444)	46,528
Net cash outflow from financing activities	-	(17,713)
Net (decrease)/increase in cash generated by the subsidiary	(15,444)	28,815

Details of sale

	2022 £000	2021 £000
Consideration received or receivable		
Cash	3,000	-
Deferred consideration (note 13)	3,000	-
Total disposal consideration	6,000	-
Carrying amount of net assets sold	15,322	-
Reclassification of foreign currency translation reserve	4,491	-
Tax expense on gain	-	-
Loss on sale of the subsidiary after income tax	(13,813)	-

Carrying amounts of assets and liabilities as at the date of sale

	31 July 2021 £000
Property, plant and equipment	685
Intangible assets	736
Cash	15,945
Trade and other receivables	4,374
Total assets	21,740
Trade and other payables	(6,418)
Net assets	15,322

North American subsidiaries

On 9 April 2021, the Group sold four US subsidiaries (IMImobile LLC, IMImobile North America LLC, IMImobile US and Impact Mobile USA LLC) to other subsidiaries of the Cisco group for a total consideration of £92.9 million.

These subsidiaries are reported in the current period as a discontinued operation. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

Financial performance and cash flow information

The financial performance and cash flow information presented are for the 7 working days ended 9 April 2021 (2022 column) and the year ended 31 March 2021.

	2022 £000	2021 £000
Comprehensive income		
Revenue	962	32,028
Expenses	(969)	(32,028)
(Loss)/result before tax	(7)	-
Tax credit/(expense)	972	(422)
Gain on sale of the subsidiary after income tax	93,088	-
Profit/(loss) from discontinued operation	94,053	(422)
Other comprehensive income		
Exchange differences on translation of discontinued operations	(310)	-
Other comprehensive income from discontinued operations	(310)	-

Cash flows

	2022 £000	2021 £000
Net cash inflow from operating activities	973	546
Net cash outflow from financing activities	-	(24)
Net increase in cash generated by the subsidiary	<u>973</u>	<u>523</u>

Details of sale

	2022 £000	2021 £000
Consideration received or receivable		
Loan note	92,863	-
Total disposal consideration	<u>92,863</u>	<u>-</u>
Carrying amount of net assets sold	85	-
Reclassification of foreign currency translation reserve	(310)	-
Tax expense on gain	-	-
Gain on sale of the subsidiary after income tax	<u>93,088</u>	<u>-</u>

Carrying amounts of assets and liabilities as at the date of sale

	9 April 2021 £000
Property, plant and equipment	729
Intangible assets	21,804
Goodwill	24,798
Cash	3,580
Trade and other receivables	6,662
Total assets	<u>57,573</u>
Trade and other payables	(57,488)
Net assets	<u>85</u>

10. Goodwill

Goodwill is monitored by management at the CGU level by region and delivery model. The following is a summary of goodwill allocation for each CGU, all of which relate to the cloud communication products operating division:

	Opening £000	Disposals £000	Foreign exchange movement £000	Impairment £000	Closing £000
31 March 2022					
Europe large enterprise	15,013	-	-	-	15,013
Textlocal	10,073	-	-	(5,283)	4,790
Healthcare	6,382	-	-	-	6,382
South Africa	2,022	-	144	(2,166)	-
North America	34,289	(24,798)	353	-	9,844
Total	<u>67,779</u>	<u>(24,798)</u>	<u>497</u>	<u>(7,449)</u>	<u>36,029</u>

	Opening £000	Disposals £000	Foreign exchange movement £000	Impairment £000	Closing £000
31 March 2021					
Europe large enterprise	15,013	-	-	-	15,013
Textlocal	10,073	-	-	-	10,073
Healthcare	6,382	-	-	-	6,382
South Africa	1,932	-	90	-	2,022
North America	36,628	-	(2,339)	-	34,289
Total	70,028	-	(2,249)	-	67,779

The recoverable amount of all CGUs has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are based on a long term growth rate of 1% (2021: 1%), this does not exceed the long term average growth rate for the market in which the CGUs operate. The discount rates used are pre-tax and reflect specific risks relating to the relevant CGU.

CGUs serve a common group of customers such that the key assumptions used for value-in-use calculations for all CGUs are as follows:

	Cash flow growth rate	Discount rate	Headroom £'000
At 31 March 2022			
Europe large enterprise	4%	10.4%	13,001
Textlocal	4%	10.4%	-
Healthcare	12%	10.4%	15,758
South Africa	-%	-%	-
North America	8%	9.7%	37,994
At 31 March 2021			
Europe large enterprise	21%	6.2%	160,057
Textlocal	16%	6.2%	75,800
Healthcare	57%	6.2%	91,884
South Africa	22%	16.6%	3,854
North America	11%	7.2%	88,694

Value in use is calculated for the various CGUs based on approved business plans and forecasts taking into account certain variables for each CGU. Below is a description of the principal variables that have been considered for each CGU with significant goodwill.

Cash flow growth rate

Cash flow growth rate is expressed as the compound annual growth rates in the initial five years for all cash-generating units of the business plans and forecasts used for impairment testing.

Impairment tests are performed using the projected cash flows based on Board approved forecasts and strategic plans over a five-year period. Cash flow projections from the sixth year are calculated using an expected constant growth rate.

Discount rate

The discount rates used are disclosed above and take into account the market risk rate associated with the company. A discount factor is calculated using the discount rate and applied to future projected cash flows.

Sensitivity analysis

The principal variables used across the cash-generating units would need to change to the following levels before impairment would be required:

	Cash flow growth rate	Discount rate
At 31 March 2022		
Europe large enterprise	(8%)	18%
Textlocal	4%	10%
Healthcare	(7%)	28%
South Africa	-%	-%
North America	(14%)	38%
At 31 March 2021		
Europe large enterprise	(29%)	26%
Textlocal	(44%)	42%
Healthcare	(21%)	36%
South Africa	(22%)	49%
North America	(16%)	15%

A change in long term growth rates is not deemed to be reasonably possible to cause an impairment in either year.

11. Other intangible assets

Cost	Trade name £000	Customer relationships £000	Capitalised development costs £000	Software £000	Trademarks and licenses £000	Total £000
At 1 April 2020	2,865	33,408	20,114	13,047	1,593	71,027
Additions	-	-	-	176	-	176
Disposals	-	(241)	-	(1,138)	(1,468)	(2,847)
Internally generated	-	-	6,116	-	-	6,116
Exchange differences	(148)	(1,489)	(6)	(58)	(10)	(1,711)
At 31 March 2021	2,717	31,678	26,224	12,027	115	72,761
Disposals	-	-	(20,685)	(5,657)	-	(26,342)
Discontinued operations	-	-	-	-	-	-
- VAS operating division	-	-	(1,443)	-	-	(1,443)
- North American subsidiaries	(1,441)	(17,220)	(4,084)	(6,015)	(101)	(28,861)
Exchange differences	12	151	(12)	8	-	159
At 31 March 2022	1,288	14,609	-	363	14	16,274
Accumulated amortisation	Trade name £000	Customer relationships £000	Capitalised development costs £000	Software £000	Trademarks and licenses £000	Total £000
At 1 April 2020	582	7,811	4,310	3,654	1,272	17,629
Amortisation charge	395	4,570	3,258	1,647	4	9,874
Disposals	-	(100)	-	(463)	(1,266)	(1,829)
Exchange differences	(8)	67	(8)	(89)	2	(36)
At 31 March 2021	969	12,348	7,560	4,749	12	25,638
Amortisation charge	174	1,824	287	194	-	2,479
Disposals	-	-	(6,597)	(3,131)	-	(9,728)
Discontinued operations	-	-	-	-	-	-
- VAS operating division	-	-	(707)	-	-	(707)
- North American subsidiaries	(363)	(4,685)	(540)	(1,469)	-	(7,057)
Exchange differences	(21)	(318)	(3)	6	2	(334)
At 31 March 2022	759	9,169	-	349	14	10,291
Carrying value:						
At 31 March 2021	1,748	19,330	18,664	7,278	103	47,123
At 31 March 2022	529	5,440	-	14	-	5,983

Capitalised development costs is the only category of intangible assets which are internally generated. This is the case for all assets within this category.

The Group's software was sold to other subsidiaries of the Cisco group for a total consideration of £352,860,000 resulting in a gain on disposal of £336,654,000, including the release of associated deferred tax (see note 22).

12. Property, plant, equipment and right-of-use assets

	Right-of-use Assets £000	Leasehold Improvements £000	Furniture & Fixtures £000	Office Equipment £000	Vehicles £000	Computers & Servers £000	Total £000
Cost or valuation:							
At 1 April 2020	4,162	2,315	755	653	222	17,547	25,654
Additions	167	13	8	-	-	876	1,064
Disposal	(1,276)	(788)	(376)	(128)	(222)	(978)	(3,768)
Exchange differences	5	2	46	(2)	-	153	204
At 31 March 2021	3,058	1,542	433	523	-	17,598	23,154
Disposal	(2,457)	-	(27)	(5)	-	(4,173)	(6,662)
Discontinued operations							
- VAS operating division	-	(1,441)	(167)	(372)	-	(7,043)	(9,023)
- North American subsidiaries	-	-	(45)	-	-	(912)	(957)
Exchange differences	12	(30)	(2)	(8)	-	(404)	(432)
At 31 March 2022	613	71	192	138	-	5,066	6,080
Accumulated depreciation:							
At 1 April 2020	1,384	2,110	579	553	75	14,436	19,137
Charge for the year	1,757	14	53	61	-	2,057	3,942
Disposal	(1,212)	(612)	(348)	(128)	(75)	(922)	(3,297)
Exchange differences	-	1	50	(22)	-	(452)	(423)
At 31 March 2021	1,929	1,513	334	464	-	15,119	19,359
Charge for the year	486	89	51	46	-	679	1,351
Disposal	(1,974)	-	(20)	(5)	-	(4,091)	(6,090)
Discontinued operations							
- VAS operating division	-	(1,440)	(151)	(361)	-	(6,386)	(8,338)
- North American subsidiaries	-	-	(45)	-	-	(183)	(228)
Exchange differences	5	(98)	(10)	(12)	-	(473)	(588)
At 31 March 2022	446	64	159	132	-	4,665	5,466
Net book value:							
At 31 March 2021	1,129	29	99	59	-	2,479	3,795
At 31 March 2022	167	7	33	6	-	401	614

The Group's property, plant and equipment making up discontinued operations had a netbook value at sale of £685,000 in the VAS operating division and £729,000 in the North American subsidiaries.

13. Deferred consideration receivable

	As at 31 March 2022 £000	As at 31 March 2021 £000
Due from disposal of VAS business (note 9)	3,000	-

Amounts due from the disposal of VAS business are non-interest bearing and are repayable 1 August 2023.

14. Cash and cash equivalents

	As at 31 March 2022 £000	As at 31 March 2021 £000
Unrestricted		
Cash on hand and at bank	22,152	53,904
Restricted		
Short-term bank deposits	-	590
Cash and cash equivalents	<u>22,152</u>	<u>54,494</u>

Restricted short-term bank deposits represent cash balances deposited in bank accounts attracting a preferential interest rate and are typically deposited for a period of 90 to 180 days. Preferential interest rates are agreed in advance of the deposit being transferred and depend on the prevailing local rates and market conditions at the time.

15. Trade receivables and contract assets

	As at 31 March 2022 £000	As at 31 March 2021 £000
Trade receivables		
- revenue to be collected on behalf of the Group	22,015	28,388
- pass through revenues to be collected on behalf of third parties	104	63
- expected credit loss allowance	(369)	(1,554)
Contract assets		
- revenue to be collected on behalf of the Group	8,596	11,585
- pass through revenues to be collected on behalf of third parties	11	1,298
- expected credit loss allowance	-	(354)
Trade receivables and contract assets – net	<u>30,357</u>	<u>39,426</u>

Credit quality of customers is assessed by taking into account the current financial position of the customer, past experience and forward looking factors, including economic outlook. The historical level of customer default is low and, as a result, the credit quality of period end trade receivables is considered to be high. Trade receivables are considered past due once they have passed their contracted due date. The Group review trade receivables past due but not impaired on a regular basis and in determining the recoverability of the trade receivables, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date.

Included in the Group's trade receivables balance are debtors with a carrying amount of £8,573,000 (2021: £15,823,000) which are past due at the reporting date, for which the Group has not provided as there has not been a significant change in credit quality and the Group believes that the amounts are still recoverable. Of the total balance, £3,234,000 (2021: £8,698,000) is past due by fewer than 30 days. The average age of trade receivables and contract assets, excluding pass through revenues, is 87 days (2021: 88 days).

Trade receivables and contract assets have decreased following the disposal of assets in the VAS operating division and North American subsidiaries (see note 9).

Movements in the allowance for expected credit losses are as follows:

	As at 31 March 2022 £000	As at 31 March 2021 £000
As at 1 April	1,908	1,245
On disposal	(2,029)	-
Charged to the income statement	624	1,714
Credited to the income statement	-	(308)
Debts written off	(79)	(686)
Foreign exchange	(55)	(57)
As at 31 March	<u>369</u>	<u>1,908</u>

The movement in the expected credit loss allowance has been included in operating costs in the consolidated income statement.

The Group at the year-end held trade receivables and contract assets as follows:

	As at 31 March 2022 £000	As at 31 March 2021 £000
UK Pounds Sterling	22,267	17,865
US Dollar	135	10,952
Indian Rupee	1,292	5,779
Canadian Dollar	5,276	2,923
South African Rand	738	771
Euro	498	578
United Arab Emirates Dirham	151	-
Other	-	273
Bangladeshi Taka	-	141
Myanmar Kyat	-	97
Nepalese Rupee	-	47
	<u>30,357</u>	<u>39,426</u>

16. Other receivables

	As at 31 March 2022 £000	As at 31 March 2021 £000
Prepayments	827	2,722
Refundable deposits	542	631
Other receivables	1,032	719
	<u>2,401</u>	<u>4,072</u>

17. Related party transactions

The Group has entered into various transactions with related parties in the normal course of its business. Prices and terms of payment are approved by the Board. Significant related party transactions and balances are as follows:

Balances included in the consolidated Statement of Financial Position

	Note	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Due from related parties	a)	65,710	-
Due to related parties	b)	57,332	43,238

IAS24 allows disclosure exemption of transactions between wholly owned subsidiaries that are eliminated on consolidation.

Balances included in the consolidated income statement

	Note	As at 31 March 2022 £000	As at 31 March 2021 £000
Amounts paid to key management personnel	c)	202	785

a) Represents balances due from Cisco subsidiaries, they are unsecured and repayable on demand. Of the total balance £61.9m comprises a loan accruing interest at a variable 3-month GBP LIBOR rate plus 0.45%. The remaining balance of £3.8m is interest free.

b) Represents balances due to Cisco subsidiaries, they are unsecured and repayable on demand. Of the total balance £39.8m (2021: 43.2m) comprises a loan accruing interest at a variable 3-month GBP LIBOR rate plus 1.1%. The remaining balance of £17.5m is interest free.

c) The compensation of the Directors of the Group, considered to be key management personnel, was as follows:

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Short-term employee benefits	194	761
Post-employment benefits	8	24
	<u>202</u>	<u>785</u>

Details of Directors' remuneration are disclosed within note 6.

18. Trade and other payables

	As at 31 March 2022 £000	As at 31 March 2021 £000
Trade payables		
- cost of sales to be paid on behalf of the Group	8,093	16,610
- pass through revenues to be paid to third parties	15	1,387
Accrued expenses		
- cost of sales to be paid on behalf of the Group	9,529	17,935
- pass through revenues to be paid to third parties	49	1,890
Put option on acquisitions (note 24)	-	1,755
VAT payable	2,096	2,180
RDEC deferred income	-	1,221
Other payables	57	6,762
	<u>19,839</u>	<u>49,740</u>

Trade payables balances are non-interest bearing and are settled within 30-60 days.

19. Lease liabilities

	Buildings £000	IT equipment £000	Total £000
At 1 April 2020	2,737	96	2,833
Additions	167	-	167
Principal repayments	(1,749)	(70)	(1,819)
Interest	86	8	94
	<u>1,241</u>	<u>34</u>	<u>1,275</u>
At 31 March 2021			
Disposals	(83)	-	(83)
Discontinued operations	(417)	-	(417)
Principal repayments	(615)	(34)	(649)
Interest	19	-	19
	<u>145</u>	<u>-</u>	<u>145</u>
At 31 March 2022			
	<u>Buildings</u> <u>£000</u>	<u>IT equipment</u> <u>£000</u>	<u>Total</u> <u>£000</u>
31 March 2021			
Current	1,014	34	1,048
Non-current	227	-	227
	<u>1,241</u>	<u>34</u>	<u>1,275</u>
At 31 March 2022			
Current	103	-	103
Non-current	42	-	42
	<u>145</u>	<u>-</u>	<u>145</u>

20. Provision for contingent consideration

	As at 31 March 2022 £000	As at 31 March 2021 £000
Deferred consideration arising on acquisition of 3C	-	6,765
Other contingent consideration	28	28
Provision for contingent consideration due in less than one year	28	6,793

The provision for the contingent consideration arising on acquisition of 3C was included in the carrying amount of net assets sold as part of the disposal of North American subsidiaries (see note 9).

21. Defined benefit gratuity plan

Net benefit expenses

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Current service cost	-	121
Interest cost on obligation	-	70
Net actuarial (profit)/losses recognised	-	(79)
Total	-	112

The movements in the defined benefit gratuity obligation over the year were as follows:

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Opening obligation	1,243	1,299
Discontinued operation (note 9)	(712)	-
Transfer to related party	(472)	-
Interest cost	-	70
Current service cost	-	121
Benefits paid	(48)	(65)
Net actuarial profit/loss recognised in the year	-	(79)
Exchange differences	(11)	(103)
Closing obligation	-	1,243

The significant actuarial assumptions were as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Discount rate	N/A	6.85%
Salary growth rate	N/A	1 st Year - 10% Thereafter - 6%
Mortality tables	N/A	IALM (2012-14)

22. Deferred tax

	Gross £000	Offset £000	As reported £000
31 March 2022			
Deferred tax assets	324	(321)	3
Deferred tax liabilities	(1,553)	321	(1,232)
Total	(1,229)	-	(1,229)
31 March 2021			
Deferred tax assets	3,144	(2,965)	179
Deferred tax liabilities	(10,145)	2,965	(7,180)
Total	(7,001)	-	(7,001)

The gross movement on the deferred tax account is as follows:

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
At 1 April	(7,001)	(6,397)
Income statement (charge) / credit	2,676	(392)
On disposal of IP	408	-
On disposal of discontinued operations	2,699	-
Share-based payment recognised in equity	(11)	(212)
At 31 March	(1,229)	(7,001)

The following are the deferred tax liabilities and assets recognised by the Group and movements thereon during the respective period:

Deferred tax assets:	Property, Plant and Equipment £000	Share-based payments £000	Intangible assets £000	Losses £000	Other short-term temporary differences £000	Total £000
At 1 April 2021	200	8	967	633	1,336	3,144
(Charge) / credit to the income statement	304	3	-	(409)	(1,106)	(1,208)
On disposal of discontinued operations	(199)	-	(967)	(211)	(224)	(1,601)
Share-based payments recognised in equity	-	(11)	-	-	-	(11)
At 31 March 2022	305	-	-	13	6	324
Deferred tax liabilities:	Property, Plant and Equipment £000	Share-based payments £000	Intangible assets £000	Losses £000	Other short-term temporary differences £000	Total £000
At 1 April 2021	(2,577)	-	(7,568)	-	-	(10,145)
Credit to the income statement	2,574	-	1,310	-	-	3,884
On disposal of IP	-	-	408	-	-	408
On disposal of discontinued operations	-	-	4,300	-	-	4,300
At 31 March 2022	(3)	-	(1,550)	-	-	(1,553)

Other short-term temporary differences comprise a number of items, none of which is individually significant to the Group's Statement of Financial Position. At 31 March 2022 the balance related to temporary differences in relation to long-term employee benefits including retirement benefits, and the provision of bad debts in India to the extent they are offset by deferred tax on property, plant and equipment in India.

At the balance sheet date, the Group has losses of £8,036,000 on which there are unrecognised deferred tax assets of £2,168,000 (2021: £8,135,000). No deferred tax asset has been recognised in respect of these temporary differences as the Group considers that there will not be enough taxable profits in the entities concerned such that any additional asset could be considered recoverable.

No deferred tax liability is recognised on gross temporary differences of £21,868,000 (2021: £7,892,000) relating to the unremitted earnings of overseas subsidiaries as the Group is able to control the timing of the reversal of these temporary differences and it

is probable that they will not reverse in the foreseeable future. The temporary differences at 31 March 2022 represent only the unremitted earnings of those overseas subsidiaries where remittance to the UK of those earnings may still result in a tax liability, principally as a result of a dividend withholding taxes levied by the overseas tax jurisdictions in which these subsidiaries operate.

23. Share capital, share premium and reserves

	Share Capital £000	Share Premium £000	Total £000
Allotted, called up and fully paid			
At 1 April 2021	9,278	68,826	78,104
Share options exercised	16	451	467
At 31 March 2022	9,294	69,277	78,571

	Number of Ordinary shares
At 1 April 2021	92,780,997
Share options exercised (note 24)	163,252
At 31 March 2022	92,944,249

During the year 163,252 share options were exercised for consideration of £467,000.

Ordinary shares

The Group's capital consists of a single class of equity share.

The amount classified as equity share capital represents the nominal value of allotted, called up and fully paid ordinary shares at a par value of £0.10. Each holder of ordinary shares is entitled to one vote per share.

Translation reserve

The translation reserve is used to record cumulative translation differences on the assets and liabilities of foreign operations. The cumulative translation differences are recycled to the income statement on disposal of the foreign operation.

Share-based payment reserve

The share-based payment reserve relates to the charge for the share-based payment in accordance with International Financial Reporting Standard 2.

Capital restructuring reserve

The capital restructuring reserve was created as part of the capital restructuring of the Group following admission to AIM. The share capital and share premium were restated based on the 3:1 conversion of ordinary shares, with a corresponding entry in the restructuring reserve. The restructuring reserve also reflects the conversion of preference shares to ordinary shares and the creation of a non-controlling interest in the Group that has subsequently been eliminated.

Capital contribution reserve

A payment of £1,750,000 was received from Cisco Systems International BV in April 2021 towards the settlement of the IMImobile South Africa put/call option (see note 24). Cisco Systems International BV have confirmed there will be no repayment against this payment so it has been treated as a capital contribution.

Retained earnings

Retained earnings represents the cumulative earnings of the Group attributable to equity shareholders.

24. Share-based payment charge

The Group recognised the following expense related to share-based payments:

	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Employee share schemes granted as part of the Group's listing in June 2014	-	(7)
Employee share schemes granted to retain key staff as part of an acquisition	-	338
On-going employee incentive share schemes	-	3,590
Total share-based payment charge on options granted to Directors and employees	-	3,921
Credit to equity for share-based payments	-	3,921
Archer put option	-	889
Movement in put options on acquisitions	-	889
Share-based payment charge	-	4,810

Employee shares schemes

The Group operated the following schemes during the year. Certain options granted under the schemes included accelerated vesting on a change in control of the group, in which case the share-based payment charge that would otherwise have been recognised in future periods was recognised on acquisition of the Group by Cisco in the prior year, but were not exercised until the current year.

Flowering Share Plan

The plan was established on 16 May 2014. The options granted vest over a period of 0-4 years and are dependent upon continued employment, and meeting an objective Company hurdle and performance targets for the Group's adjusted EPS. The options may be forfeited if the employee leaves the Group and the rights of the participants lapse if the award has not been exercised after a period of 10 years from the grant date.

Details of the share awards outstanding during the year are as follows:

		As at 31 March 2022		As at 31 March 2021
	Weighted average exercise price (£)	Number of share options	Weighted average exercise price (£)	Number of share options
At 1 April	-	-	0.03	1,012,503
Exercised	-	-	0.03	(1,012,503)
At 31 March	-	-	-	-
Vested	-	-	-	-
Unvested	-	-	-	-
At 31 March	-	-	-	-

The share-based payment charge on this plan during the year is £nil (2021: £nil).

The options outstanding at 31 March 2022 have a weighted average remaining contractual life of nil years (2021: nil years).

The fair value at grant date has been determined using the Black-Scholes valuation model. The significant inputs into the model were a risk-free interest rate of 0.31% to 1.55%, exercise price shown above, an expected option life of five years, volatility of 22% to 70% depending on the vesting date of the options and a dividend yield of nil.

2014 Unapproved Option Plan

The plan was established on 26 June 2014. The options granted vest over a period of 0-4 years and are dependent upon continued employment and meeting performance targets for the Group's adjusted EPS. The options may be forfeited if the employee leaves the Group and the rights of the participants lapse if the award has not been exercised after a period of 10 years from the grant date.

Details of the share awards outstanding during the year are as follows:

	As at 31 March 2022		As at 31 March 2021	
	Weighted average exercise price (£)	Number of share options	Weighted average exercise price (£)	Number of share options
At 1 April	-	-	1.51	8,374,226
Granted	-	-	3.00	1,500,000
Exercised	-	-	1.63	(8,533,310)
Forfeited	-	-	1.69	(349,044)
Replaced with cash award	-	-	2.68	(991,872)
At 31 March	-	-	-	-
Vested	-	-	-	-
Unvested	-	-	-	-
At 31 March	-	-	-	-

The share-based payment charge on this plan during the year is £nil (2021: £3,507,000).

The aggregate fair value of options granted in the year is £nil (2021: £1,813,000). The options outstanding at 31 March 2022 have a weighted average remaining contractual life of nil years (2021: nil years).

The fair value at grant date has been determined using the Black-Scholes valuation model. The significant inputs into the model were a risk-free interest rate of (0.06)% to 1.72%, exercise price shown above, an expected option life of five years, volatility of 7% to 70% depending on the vesting date of the options and a dividend yield of nil.

CSOP

The plan was established on 26 June 2014. The options granted vest over a period of 0-4 years and are dependent upon continued employment. The options may be forfeited if the employee leaves the Group and the rights of the participants lapse if the award has not been exercised after a period of 10 years from the grant date.

Details of the share awards outstanding during the year are as follows:

	As at 31 March 2022		As at 31 March 2021	
	Weighted average exercise price (£)	Number of share options	Weighted average exercise price (£)	Number of share options
At 1 April	-	-	2.05	1,014,071
Granted	-	-	-	-
Exercised	-	-	1.80	(782,538)
Forfeited	-	-	3.05	(17,556)
Replaced with cash award	-	-	2.89	(213,977)
At 31 March	-	-	-	-
Vested	-	-	-	-
Unvested	-	-	-	-
At 31 March	-	-	-	-

The share-based payment charge on this plan during the year is £nil (2021: £162,000).

The aggregate fair value of options granted in the year is £nil (2021: £nil). The options outstanding at 31 March 2022 have a weighted average remaining contractual life of nil years (2021: nil years).

The fair value at grant date has been determined using the Black-Scholes valuation model. The significant inputs into the model were a risk-free interest rate of 0.42% to 1.72%, exercise price shown above, an expected option life of five years, volatility of 7% to 70% depending on the vesting date of the options and a dividend yield of nil.

Rollover scheme

The plan was established on 27 June 2014. The options granted vest over a period of 0-4 years and are dependent upon continued employment. The options may be forfeited if the employee leaves the Group and the rights of the participants lapse if the award has not been exercised after a period of 10 years from the grant date.

Details of the share awards outstanding during the year are as follows:

	As at 31 March 2022		As at 31 March 2021	
	Weighted average exercise price (£)	Number of share options	Weighted average exercise price (£)	Number of share options
At 1 April	0.29	6,000	0.30	247,500
Exercised	0.29	(6,000)	0.30	(241,500)
At 31 March	-	-	0.29	6,000
Vested	-	-	0.29	6,000
Unvested	-	-	-	-
At 31 March	-	-	0.29	6,000

The share-based payment charge on this plan during the year is £nil (2021: £nil).

The options outstanding at 31 March 2022 have a weighted average remaining contractual life of nil years (2021: 0.4 years).

The fair value at grant date has been determined using the Black-Scholes valuation model. The significant inputs into the model were a risk-free interest rate of 0.44% to 1.34%, exercise price shown above, an expected option life of five years, volatility of 9% to 41% depending on the vesting date of the options and a dividend yield of nil.

Save As You Earn

The plan was established on 6 August 2020. The options granted vest over a period of 3 years and are dependent upon continued employment. The options will be forfeited if the employee leaves the Group.

Details of the share awards outstanding during the year are as follows:

	As at 31 March 2022		As at 31 March 2021	
	Weighted average exercise price (£)	Number of share options	Weighted average exercise price (£)	Number of share options
At 1 April	2.96	157,353	-	-
Granted	-	-	2.96	659,958
Exercised	2.96	(157,252)	2.96	(1,842)
Forfeited	2.96	(101)	2.96	(500,763)
At 31 March	-	-	2.96	157,353
Vested	-	-	-	-
Unvested	-	-	2.96	157,353
At 31 March	-	-	2.96	157,353

The share-based payment charge on this plan during the year is £nil (2021: £252,000).

The aggregate fair value of options granted in the year is £nil (2021: £934,000). The options outstanding at 31 March 2022 have a weighted average remaining contractual life of nil years (2021: 0.3 years).

The fair value at grant date has been determined using the Black-Scholes valuation model. The significant inputs into the model were a risk-free interest rate of (0.04)%, exercise price shown above, an expected option life of three years, volatility of 30% and a dividend yield of nil.

Total of Employee Share Schemes

	As at 31 March 2022		As at 31 March 2021	
	Weighted average exercise price (£)	Number of share options	Weighted average exercise price (£)	Number of share options
At 1 April	2.86	163,353	1.40	10,648,300
Granted	-	-	2.99	2,159,958
Exercised	2.86	(163,252)	1.46	(10,571,693)
Forfeited	2.96	(101)	2.45	(867,363)
Replaced with cash award	-	-	2.71	(1,205,849)
At 31 March	-	-	2.86	163,353
Vested	-	-	0.29	6,000
Unvested	-	-	2.96	157,353
At 31 March	-	-	2.86	163,353

The aggregate fair value of options granted in the year is £nil (2021: £2,747,000). The options outstanding at 31 March 2022 have a weighted average remaining contractual life of nil years (2021: 0.3 years).

IMImobile South Africa (formerly Archer) put/call option

Archer management team's shareholding in Archer Digital Limited includes a put option which enables them to sell their holding to the Group after 5 years or in the event of an unconditional offer for the Company, and a call option which gives the Group the right to require management to sell some or all of its holding at fair market value. The Group revalues this option each year and has accounted for it as a cash settled share-based payment vesting over the 5-year period, with a charge of £nil recorded in the year ended 31 March 2022 (2021: £889,000). The option was exercised on the Group's change of control and the option value of £1,755,000 included in trade and other payables at year end was settled in April 2021.

25. Notes to the Consolidated Cash Flow Statement

Cash generated from operations

	Notes	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Cash flows from operating activities:			
Profit / (loss) before taxation from:			
Continuing operations		341,133	(8,465)
Discontinued operations		76,004	(2,816)
		417,137	(11,281)
Adjustments:			
Net finance costs	7	29	1,486
Share-based payments	24	-	4,810
Depreciation of property, plant and equipment	12	1,351	3,942
Amortisation of intangible assets	11	2,479	9,874
Impairment	10	7,449	-
Gain on disposal	4	(415,929)	-
Operating cash flow before movements in working capital:		12,516	8,831
Increase in receivables		(4,085)	(349)
Increase in payables		37,380	330
(Decrease)/increase in provision for defined benefit gratuity plan		(61)	136
Cash generated from operations		45,750	8,948

Net cash / (debt)

This section sets out an analysis of net cash / (debt) and the movements in net cash / (debt) for each of the periods presented.

	31 March 2022 £000	31 March 2021 £000
Cash and cash equivalents	22,152	54,494
Lease liability	(145)	(1,275)
	<u>22,007</u>	<u>53,219</u>

	Cash and cash equivalents £000	Lease liabilities £000	Total £000
At 1 April 2021	54,494	(1,275)	53,219
Cash flows	(32,342)	649	(31,693)
Disposal of leases	-	83	83
Discontinued operations	-	417	417
Interest charge on lease liabilities	-	(19)	(19)
At 31 March 2022	<u>22,152</u>	<u>(145)</u>	<u>22,007</u>

26. Dividends per share

Dividends of £384,203,100 were paid to Cisco Worldwide Holdings Limited as a result of the disposals in the year (2021: A dividend was paid to IMImobile Limited by one of its subsidiaries in March 2022 and resulted in a dividend expense of £175,000 to non-controlling interests).

27. Financial risk management

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

The Group's operations expose it to a variety of financial risks including credit risk, liquidity risk, interest rate risk, equity price risk and foreign currency exchange rate risk. It is the objective of the Group to minimise these risks where possible by maintaining and operating a robust control environment. Given the size of the Group, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the Board of Directors are implemented by the Group's finance department.

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

Financial instruments

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

		Financial assets at amortised cost as at 31 March:		Financial liabilities at FVTPL as at 31 March:		Financial liabilities at amortised cost as at 31 March:		Fair value hierarchy
	Note	2022	2021	2022	2021	2022	2021	
		£000	£000	£000	£000	£000	£000	
Cash and cash equivalents	14	22,152	54,494	-	-	-	-	Level 1
Trade receivables and contract assets	15	30,357	39,426	-	-	-	-	Level 1
Tax receivable		144	1,495	-	-	-	-	Level 1
Withholding tax debtor		176	271	-	-	-	-	Level 1
Trade and other payables	18	-	-	-	-	(19,839)	(49,740)	Level 1
Due from related parties	17	65,710	-	-	-	-	-	Level 1
Due to related parties	17	-	-	-	-	(57,332)	(43,238)	Level 1
Lease liabilities								
- current	19	-	-	-	-	(103)	(1,048)	Level 2
- non-current	19	-	-	-	-	(42)	(227)	Level 2
Provision for contingent consideration								
- current	20	-	-	(28)	(6,793)	-	-	Level 3
- non-current	20	-	-	-	-	-	-	Level 3
Tax payable		-	-	-	-	-	(507)	Level 1

The provision for contingent consideration primarily relates to the acquisitions of 3C and fair value is based on expected achievement against milestone targets, discounted to present value.

Liquidity risk

As regards liquidity, the Group's policy throughout the period has been to ensure continuity of funding. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows. The Group has not entered into any derivative transactions in the current or prior year.

All trade payables (note 18) are due to be paid within twelve months of the balance sheet date. The average trade creditor days for the Group, expressed as a number of days, was 63 (2021: 122).

Currency risk

The Group's policy in relation to transactional currency risk is to conduct the majority of its sales in the local or pegged currency of each entity (see note 2). Within each statutory entity, there is an amount of trading with overseas customers which are settled in foreign currencies. The Group monitors its exposure to currency by regularly reviewing its cash balances and matching these with future and forecast requirements.

The Group at the year-end held cash at bank amounts as follows:

	As at 31 March 2022 £000	As at 31 March 2021 £000
UK Pounds Sterling	10,252	14,565
Canadian Dollar	5,253	1,809
South African Rand	3,442	1,736
US Dollar	1,849	4,568
Euro	880	1,138
Indian Rupee	327	29,120
United Arab Emirates Dirham	88	281
Nigerian Naira	47	-
Australian Dollar	14	14
Tunisian Dinar	-	562
Myanmar Kyat	-	245
Nepalese Rupee	-	240
Bangladeshi Taka	-	209
Sri Lankan Rupee	-	7
	<u>22,152</u>	<u>54,494</u>

Foreign currency exchange rate risk

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. As well as naturally mitigating this risk by offsetting its cost base in the same currencies where possible, currency exposure arising from the net assets of the Group's foreign operations is managed through cash balances denominated in the relevant foreign currencies.

The Group is mainly exposed to the Canadian Dollar, South African Rand, US Dollar, Indian Rupee and Euro currencies.

The following table details the Group's sensitivity to a 10% increase or decrease in Sterling against the relevant foreign currencies. 10% is the sensitivity rate which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts

their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit where Sterling strengthens 10% against the relevant currency. For a 10% weakening of Sterling against the relevant currency, there would be an equal and opposite impact on the profit and other equity, and the balances below would be negative or positive.

	As at 31 March 2022 £000	As at 31 March 2021 £000
Currency impact of:		
South African Rand	(112)	38
US Dollar	(276)	(37)
Indian Rupee	(66)	(136)
Euro	1	(232)
Canadian Dollar	(2,517)	(134)

Interest rate risks

Historically the Group has financed its operations through a mix of equity and debt to help minimise its exposure. In the prior year the Group fully repaid its bank borrowings following the acquisition of the Group by Cisco. Current interest rates are managed by the Cisco Group treasury department.

Prior to this the Group minimised its risk to interest fluctuations by closely monitoring interest rates and drawing funds from jurisdictions with low and stable interest rates.

Credit risk

There has been a decrease in credit risk compared to the prior year due to the sale of the VAS and US subsidiaries in the year. 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 15.

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. For the purpose of capital risk management, the total capital resources consist of the following components:

	As at 31 March 2022 £000	As at 31 March 2021 £000
Cash and cash equivalents	22,152	54,494
Bank borrowings	-	-
IFRS 16 lease liability	(145)	(1,275)
Net cash / (debt)	22,007	53,219
Equity	77,687	97,071

IMIMOBILE LIMITED COMPANY FINANCIAL STATEMENTS

Company Statement of Financial Position

As at 31 March 2022

	Note	As at 31 March 2022 £000	As at 31 March 2021 £000
Non-current assets			
Investments	30	70,531	159,711
Deferred consideration receivable	31	3,000	-
Total non-current assets		73,531	159,711
Current assets			
Cash and cash equivalents		2,502	8,882
Trade and other receivables	32	73,278	32,592
Total current assets		75,780	41,474
Current liabilities			
Trade and other payables	33	(81,206)	(95,407)
Total current liabilities		(81,206)	(95,407)
Net current assets		(5,426)	(53,933)
Net assets		68,105	105,778
Equity attributable to the owners of the parent			
Called up share capital	23	9,294	9,278
Share premium account	23	69,277	68,826
Share-based payment reserve	23	29,287	29,287
Capital contribution reserve	23	1,750	-
Retained earnings / (accumulated losses)	29	(41,503)	(1,613)
Total equity		68,105	105,778

The Company reported a profit for the financial year ended 31 March 2022 of £344,313,000 (2021: loss of £34,527,000) including dividend income of £389,696,000 (2021: £17,538,000) received from its subsidiaries and impairment in investments of £45,059,000 (2021: £34,026,000).

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

The financial statements of IMImobile Limited (Company number: 08802718) were approved by the Board and authorised for issue on 14 December 2022.

Signed on behalf of the Board



Mike Jefferies
Director

Company Statement of Changes in Equity

For the year ended 31 March 2022

	Share capital £000	Share premium £000	Share-based payment reserve £000	Capital contribution reserve £000	Retained earnings/ (accumulated losses) £000	Total equity £000
Balance at 1 April 2020	7,479	27,555	25,365	-	32,914	93,313
Loss for the year	-	-	-	-	(34,527)	(34,527)
Proceeds from share issue	1,799	41,271	-	-	-	43,070
Credit to equity for share-based payments	-	-	3,922	-	-	3,922
Balance at 31 March 2021	9,278	68,826	29,287	-	(1,613)	105,778
Profit for the year	-	-	-	-	344,313	344,313
Proceeds from share issue (note 23)	16	451	-	-	-	467
Capital contribution	-	-	-	1,750	-	1,750
Dividends paid	-	-	-	-	(384,203)	(384,203)
Balance at 31 March 2022	9,294	69,277	29,287	1,750	(41,503)	68,105

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

Notes to the Company financial statements

For the year ended 31 March 2022

28. Significant accounting policies and key sources of estimation uncertainty

Basis of accounting

As permitted by Section 408 of the Companies Act 2006 the Company has elected not to present its own profit and loss account for the year. The financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and in accordance with applicable accounting standards. As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash flow statement, standards not yet effective and related party transactions as disclosed in the group accounts.

The financial statements have been prepared under the historical cost convention. Further details of the Directors' considerations in relation to going concern are included in the Strategic Report, the Directors' Report and note 1.

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

IMImobile Limited is the parent company for the IMImobile Group and does not generate its own revenues.

Investments

Investments in subsidiaries are held at cost less any accumulated impairment losses. Share-based payment charges are included as a capital contribution within the relevant investment in subsidiaries.

Impairment reviews of investments are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of each investment is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

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.

Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

Trade and other receivables

The majority of trade and other receivables are amounts due from subsidiaries, the Company has applied the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for Group receivables. Receivable balances are assessed based on each entity's ability to repay amounts owed.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Company share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Going concern

The Company's business activities, together with factors likely to affect its future development, performance and position are set out in the Strategic Report, Directors' Report and note 1.

Key sources of estimation uncertainty

Impairment reviews

Management undertake periodic tests for impairment of investments if events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of investments can be supported by the net present value of future cash flows. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters.

Management consider the cash flow growth rate, expressed as the compound annual growth rates in the initial five years of the business plans and forecasts, to be the key source of estimation uncertainty. The growth rates used across the Company's material investments would need to decrease as follows before impairment would be required:

	Cash flow growth rate:	
	Used in impairment review	At which impairment would be required
IMImobile Europe Limited	4%	(8%)
Txtlocal Limited	4%	4%
IMImobile Intelligent Networks Limited	4%	(8%)
IMImobile North America Inc	8%	(14%)
Healthcare Communications UK Limited	12%	(7%)
IMImobile Software Limited	8%	(14%)

IMImobile Cloud Communications (India) Private Limited is held at fair value less cost of disposal, so the cash flow growth rate is not a key source of estimation uncertainty in its impairment review.

29. Retained earnings / (accumulated losses)

The auditors' remuneration for audit and other services is disclosed within note 4 to the consolidated financial statements.

There are no employees of the Company.

30. Investments

The Company has investments in the following subsidiaries:

	Opening £000	Disposal £000	Impairment £000	Foreign exchange movement £000	Closing £000
31 March 2022					
IMI Mobile Private Limited	6,000	(6,000)	-	-	-
IMImobile Europe Limited	26,757	-	(18,272)	-	8,485
Txtlocal Limited	13,554	-	(8,754)	-	4,800
IMImobile Intelligent Networks Limited	16,192	-	(11,059)	-	5,133
IMImobile South Africa Pty Limited	150	-	(150)	-	-
IMImobile African Holdings Limited	3,367	-	(3,533)	166	-
IMImobile South Africa 1 Limited	225	-	(225)	-	-
IMImobile South Africa 2 Limited	56	-	(56)	-	-
IMImobile Limited FZE	2	(2)	-	-	-
IMImobile North America LLC	38,587	(38,587)	-	-	-
Healthcare Communications UK Limited	11,908	-	-	-	11,908
IMImobile Software Limited	16,016	-	-	688	16,704
Rostrvm Solutions Limited	4,407	-	(3,010)	-	1,397
IMImobile Canada ULC	89	-	-	-	89
IMImobile US	386	(386)	-	-	-
IMI Mobile VAS Limited FZE	22,000	-	-	-	22,000
IMImobile Cloud Communications (India) Private Limited	15	-	-	-	15
	<u>159,711</u>	<u>(44,975)</u>	<u>(45,059)</u>	<u>854</u>	<u>70,531</u>

	Opening	Additions	Share-based payments	Impairment	Foreign exchange movement	Closing
	£000	£000	£000	£000	£000	£000
31 March 2021						
IMI Mobile Private Limited	33,706	-	687	(28,393)	-	6,000
IMImobile Europe Limited	24,082	-	2,675	-	-	26,757
Txtlocal Limited	13,475	-	79	-	-	13,554
IMImobile Intelligent Networks Limited	16,137	-	55	-	-	16,192
IMImobile South Africa Pty Limited	110	-	40	-	-	150
IMImobile African Holdings Limited	3,112	-	-	-	255	3,367
IMImobile South Africa 1 Limited	225	-	-	-	-	225
IMImobile South Africa 2 Limited	56	-	-	-	-	56
IMImobile Limited FZE	2	-	-	-	-	2
IMImobile North America LLC	42,527	-	-	-	(3,940)	38,587
Healthcare Communications UK Limited	11,872	-	36	-	-	11,908
IMImobile Software Limited	16,340	-	-	-	(324)	16,016
Rostrvm Solutions Limited	4,397	-	10	-	-	4,407
IMImobile Canada ULC	6	-	83	-	-	89
IMImobile US	129	-	257	-	-	386
IMI Mobile VAS Limited FZE	-	27,633	-	(5,633)	-	22,000
IMImobile Cloud Communications (India) Private Limited	-	15	-	-	-	15
	<u>166,176</u>	<u>27,648</u>	<u>3,922</u>	<u>(34,026)</u>	<u>(4,009)</u>	<u>159,711</u>

The investment in IMImobile African Holdings Limited includes a long-term loan of ZAR 69,000,000 which is considered to be part of the net investment in the subsidiary.

The investment in IMImobile North America LLC includes a long-term loan of USD 5,511,000 and shares issued with a market value at the time of issue of £2,604,000 in relation to the acquisition of the assets of Sumotext Corporation, and a long-term loan of USD 43,850,000 to be used in the acquisition of IMImobile US, all of which are considered to be part of the net investment in the subsidiary. In July 2022 Cisco injected capital into IMImobile North America LLC which was used to settle the USD 49,361,000 loan. These investments were included in the disposal of North American subsidiaries (see note 9).

The Company made a long-term loan of CAD 27,747,000 to IMImobile Software Limited to be used in the acquisition of Impact Mobile, which is considered to be part of the net investment in the subsidiary.

See note 2 for the class of shares held, the proportion of the nominal value of the class of shares held and the registered offices of the subsidiaries.

31. Deferred consideration receivable

	As at 31 March 2022 £000	As at 31 March 2021 £000
Due from disposal of VAS business (note 9)	3,000	-

Amounts due from the disposal of VAS business are non-interest bearing and are repayable 1 August 2023.

32. Trade and other receivables

	As at 31 March 2022 £000	As at 31 March 2021 £000
Due from subsidiary - IMI Mobile Europe Limited	45,320	10,359
Due from subsidiary - IMI Mobile Intelligent Networks Limited	12,252	701
Due from subsidiary - Tap2Bill Limited	8,301	2,129
Due from subsidiary - IMI Mobile International Limited	2,425	-
Due from subsidiary - IMI Mobile African Holdings Limited	1,156	-
Due from subsidiary - IMI Mobile South Africa 1 Limited	362	351
Due from subsidiary - IMI Mobile SAT Limited	348	-
Due from subsidiary - Lenco International Limited	154	149
Due from subsidiary - Rostrvm Solutions Limited	20	-
Due from related party - Cisco Systems, Inc.	914	-
Due from related party - IMI Mobile LLC	870	-
Due from related party - IMI Mobile North America LLC	601	207
Due from related party - IMI Mobile Limited FZE	113	1,198
Due from related party - IMI Mobile Private Limited	-	15,623
Due from related party - IMI Mobile US	-	1,093
Prepayments	205	570
Other receivables	237	212
	<u>73,278</u>	<u>32,592</u>

Amounts due from subsidiaries are non-interest bearing and are repayable on demand.

Amounts due from related parties are non-interest bearing and repayable on demand (note 17).

The Company has applied the IFRS 9 simplified approach to measuring expected credit losses, the above balances have been assessed based on each entity's ability to repay amounts owed and no expected credit loss has been recognised.

33. Trade and other payables

	As at 31 March 2022 £000	As at 31 March 2021 £000
Due to subsidiary - IMI Mobile VAS Limited FZE	23,302	23,311
Due to subsidiary - Txtlocal Limited	12,574	16,245
Due to subsidiary - IMI Mobile Software Limited	2,785	-
Due to subsidiary - IMI Mobile Canada ULC	906	2,281
Due to subsidiary - Lenco Technology Group Limited	173	166
Due to subsidiary - Healthcare Communications UK Limited	28	1,487
Due to subsidiary - Rostrvm Solutions Limited	-	672
Due to subsidiary - IMI Mobile African Holdings Limited	-	532
Due to subsidiary - Chilli Digital Europe Limited	-	67
Due to related party - Cisco Systems International BV	39,797	43,238
Due to related party - IMI Mobile US	635	-
Due to related party - Cisco International Limited	552	-
Due to related party - IMI Mobile LLC	-	151
Other payables	454	7,257
	<u>81,206</u>	<u>95,407</u>

Amounts due to subsidiaries are non-interest bearing and are repayable on demand.

Of the amounts due to related parties, £39.8m due to Cisco Systems International BV (2021: 43.2m) comprises a loan accruing interest at a variable 3-month GBP LIBOR rate plus 1.1% and is repayable on demand. The remaining balances are non-interest bearing and are repayable on demand (note 17).

34. Immediate and ultimate parent undertaking

The Company's immediate parent undertaking is Cisco Systems Holdings UK Limited, a company incorporated in the United Kingdom. The ultimate parent undertaking and controlling party is Cisco Systems, Inc., a company incorporated in the United States, which is the parent undertaking of the smallest and largest Group to consolidate these financial statements.

The consolidated financial statements of the group may be obtained by request from the Company Secretary, Cisco Systems, Inc., 170 West Tasman Drive, San Jose, California 95134-1706, USA.