

BLABLA CONNECT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

WEDNESDAY

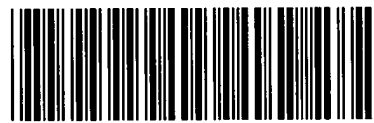


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BLABLA CONNECT LIMITED

COMPANY INFORMATION

Directors

R El Sergani
A El Sergani (appointed 8 November 2021)
M El Sergani (appointed 8 November 2021)
M Sehmi (appointed 8 November 2021)
N Swift (appointed 8 November 2021)
M Flanagan (resigned 27 October 2021)

Registered number

08246355

Registered office

60 Cannon Street
London
EC4N 6NP

Independent auditors

Price Bailey LLP
Chartered Accountants & Statutory Auditors
24 Old Bond Street
London
W1S 4AP

BLABLA CONNECT LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Independent Auditors' Report	5 - 8
Statement of Income and Retained Earnings	9
Balance Sheet	10
Statement of Cash Flows	11
Analysis of Net Debt	12
Notes to the Financial Statements	13 - 23

BLABLA CONNECT LIMITED

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

BlaBla Connect Limited is authorised by the FCA as an Electronic Money Institution, PSD2 (Second Payment Service Directive).

The board have a long-term view to deliver profitability and value to the shareholders, best achieved through innovation, reputation and high standards.

The board ensures the business is fundamentally strong from an operational, compliance and financial position, to be able to deliver the business plan, through a strong management team and key supplier relationships.

The company is ideally placed, with strong foundations, to continue profitable growth and roll out additional functionality.

Business review

During 2021 the company continued to build supplier relationships, more specifically remittance partners, ensuring an increased choice of remittance destinations and more competitive pricing.

The company achieved an increase in turnover whilst also achieving a substantial improvement in profitability, by providing a quality, reliable service competitively priced.

The company's goal of reaching a positive gross profit was achieved, quarter on quarter, by quarter 3.

Principal risks and uncertainties

The board review principle risks and uncertainties that the company faces, assessing their potential impact, and mitigating where appropriate.

BlaBla Connect's controls process encompasses the following and is described in Appendix 1: Risk Register, Compliance Monitoring Programme ("CMP"), Supervisory Reviews and Reporting

The Risk Register comprehensively details the associated mitigation systems and processes and acknowledges that as a technology company, the business has increased risks associated with threats to the IT system. Risk due to competition, industry change and consolidation is of concern to Fin-tech companies, and as a company authorised by FCA, changes to regulations could result in a restriction on current trade, or onerous additional compliance requirements.

BlaBla Connect has identified Covid-19 and the Ukraine conflict as a risk, as it is to the entire commercial world, in the short-term driving up inflation and creating a cost of living crisis, although, encouragingly as the 'new normal' post Covid is established, international travel is increasing and growth in this market is anticipated.

Financial key performance indicators

During 2021 Turnover increased by 17% whilst, at the same time, gross profit improved by 190%.

In 2020 launch promotions were used to stress test the service, and build customers in the short-term, and these were reduced throughout 2021, as well as improving internal costings, resulting in the anticipated improvement in gross profit.

BLABLA CONNECT LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Other key performance indicators

Operational

Customer opinion is vital for the success and direction of the company; therefore, customer rating is an important measure, in gauging satisfaction levels and improvements.

	Dec 20	Dec 21	Jun 22
App Store (iOS)	*	*	4.4
Play Store (Android)	3.3	3.5	3.6
TrustPilot (Website)	*	4.0	4.5
Service Quality Rating (In App)	4.2	4.5	4.6

* Unavailable

Directors' statement of compliance with duty to promote the success of the Company

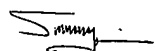
The board of directors of Blabla Connect Limited consider that they have fulfilled their individual and collective duty under section 172(1) of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of shareholders as a whole and in doing so, have regard to a number of broader matters which are set out below.

The directors attend weekly staff meetings, ensuring all team members are vested in the company's performance/success, where KPI's are reviewed, financial and non-financial (Customer satisfaction) to ensure fundamental principles are maintained.

Blabla Connect Limited is authorised and regulated by the FCA and the board is conscious of its responsibility to regulators. The directors are acutely conscious of the need to maintain the highest standard of business conduct.

The directors receive regular reports from the Compliance Officer, and all staff are required to attend compliance training commensurate to their role.

This report was approved by the board and signed on its behalf.



Ragheb El-Sergani (Aug 26, 2022,.....)

R. El-Sergani

Director

Date: 26 Aug 2022

BLABLA CONNECT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

Principal activity

The principal activity of the Company remains that of operations in the telecommunications sector and electronic money services.

Results and dividends

The loss for the year, after taxation, amounted to £923,237 (2020 - loss £871,230).

Directors

The directors who served during the year were:

R El Sergani
A El Sergani (appointed 8 November 2021)
M El Sergani (appointed 8 November 2021)
M Sehmi (appointed 8 November 2021)
N Swift (appointed 8 November 2021)
M Flanagan (resigned 27 October 2021)

BLABLA CONNECT LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Future developments

As the company continues to deliver on its business plan, additional functionality is planned for launch throughout 2022 and beyond, as well as expansion into new territories.

The key to our long-term success is to ensure customers satisfaction is the paramount focus, our planned new services will complement and enhance our products, promoting increased customer usage and retention.

The legacy of the Covid 19 pandemic is an understanding of international connectivity. By embracing mobile and online technology, everyone can be included, even whilst physically segregated. Blabla Connect is committed to expanding the reach of fin-tech services.

Electronic payments were a key feature in ensuring the spread of the disease remained restricted, leading to an education of the cash society in the benefits of financial applications, and fin-tech service user numbers continue to grow.

Engagement with suppliers, customers and others

Blabla Connect Limited have always been committed to inclusion for all and therefore predicts a very bright future for a business focused on providing a service tailored for every genre of customer, with the agility to adapt to any business environment changes.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

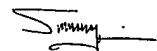
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Price Bailey LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.. Ragheb El-Sergani (Aug 26, 2022).....

R El-Sergani
Director

Date: 26 Aug 2022

BLABLA CONNECT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLABLA CONNECT LIMITED

Opinion

We have audited the financial statements of BlaBla Connect Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

BLABLA CONNECT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLABLA CONNECT LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

BLABLA CONNECT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLABLA CONNECT LIMITED (CONTINUED)

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:

- We obtained an understanding of the Company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussion with management and through our own audit experience.
- We determined the principal laws and regulations relevant to the Company in this regard to be those arising from Electronic Money Regulation 2011 and the Money Laundering Regulations as well as those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and UK tax legislation.
- We designed our audit procedures to ensure that the audit team considered whether there were any indications of non-compliance by the Company with those laws and regulations. These procedures included but were not limited to ; review of board meeting minutes, review of legal and professional fees and enquiries of management.
- We also identified the risk of material misstatement of the financial statements due to fraud. We considered the non-rebuttable presumption of a risk of fraud arising from management override of controls, which we tested by way of journal testing using our data analytics software to identify and test journals posted with unusual account combinations, posted outside of working hours, posted with duplicate entries or other unusual characteristics which could be indicative of fraudulent manipulation of the financial results, as well as reviewing significant estimates and judgements made by management. We also considered the risk of material misstatement arising from revenue recognition and used preliminary and final analytical reviews to identify any unusual or unexpected relationships or variances.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

BLABLA CONNECT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BLABLA CONNECT LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Richard Vass (Senior Statutory Auditor)
for and on behalf of
Price Bailey LLP
Chartered Accountants
Statutory Auditors
24 Old Bond Street
London
W1S 4AP

Date: 26 August 2022

BLABLA CONNECT LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	As restated 2020 £
Turnover	3	40,111	34,221
Cost of sales		(44,267)	(110,267)
Gross loss		<u>(4,156)</u>	<u>(76,046)</u>
Administrative expenses		(967,727)	(840,356)
Other income	4	48,646	45,172
Operating loss	5	<u>(923,237)</u>	<u>(871,230)</u>
Loss after tax		<u>(923,237)</u>	<u>(871,230)</u>
Retained earnings at the beginning of the year		(2,622,228)	(1,750,998)
Loss for the year		(923,237)	(871,230)
Retained earnings at the end of the year		<u>(3,545,465)</u>	<u>(2,622,228)</u>

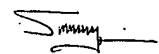
The notes on pages 13 to 23 form part of these financial statements.

BLABLA CONNECT LIMITED
REGISTERED NUMBER: 08246355

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	9	1,436,384	1,395,725
Tangible assets	10	-	6,393
		<u>1,436,384</u>	<u>1,402,118</u>
Current assets			
Debtors: amounts falling due within one year	11	429,799	1,062,830
Cash at bank and in hand	12	147,402	163,852
		<u>577,201</u>	<u>1,226,682</u>
Creditors: amounts falling due within one year	13	(1,141,697)	(833,675)
Net current (liabilities)/assets		<u>(564,496)</u>	<u>393,007</u>
Total assets less current liabilities		<u>871,888</u>	<u>1,795,125</u>
Net assets		<u>871,888</u>	<u>1,795,125</u>
Capital and reserves			
Share capital	14	1,603,529	1,603,529
Share premium account		2,813,824	2,813,824
Profit and loss account		(3,545,465)	(2,622,228)
		<u>871,888</u>	<u>1,795,125</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.. Ragheb El-Sergani (Aug 26, 2022,.....

R El-Sergani

Director

Date: 26 Aug 2022

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

BLABLA CONNECT LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Cash flows from operating activities		
Loss for the financial year	(923,237)	(871,230)
Adjustments for:		
Amortisation of intangible assets	181,227	73,986
Depreciation of tangible assets	6,393	6,392
Decrease/(increase) in debtors	41,071	(959,189)
Decrease in amounts owed by groups	-	17,183
Increase in creditors	899,980	67,154
Increase/(decrease) in amounts owed to groups	-	(153,873)
Foreign exchange	-	111,444
Net cash generated from operating activities	<u>205,434</u>	<u>(1,708,133)</u>
Cash flows from investing activities		
Capitalisation of development costs	(221,884)	(239,051)
Net cash from investing activities	<u>(221,884)</u>	<u>(239,051)</u>
Cash flows from financing activities		
Issue of ordinary shares	-	1,000,000
Net cash used in financing activities	<u>-</u>	<u>1,000,000</u>
Net (decrease) in cash and cash equivalents	<u>(16,450)</u>	<u>(947,184)</u>
Cash and cash equivalents at beginning of year	163,852	1,111,036
Cash and cash equivalents at the end of year	<u><u>147,402</u></u>	<u><u>163,852</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u><u>147,402</u></u>	<u><u>163,852</u></u>

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

BLABLA CONNECT LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	163,852	(16,450)	147,402
Debt due within 1 year	(511)	(3)	(514)
	<u>163,341</u>	<u>(16,453)</u>	<u>146,888</u>

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

BLABLA CONNECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

BlaBla Connect is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The Company's principal activity during the year was that of operation in the telecommunications sector and electronic money services activities approved by the Financial Conduct Authority (FCA) on 20 July 2017.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The Company remains in its start-up phase. During this period, it is dependent on receiving financial support in terms of additional loans from a related party, Sygma Telecommunications FZ-LLC. On the basis of this financial support the Directors are of opinion that the going concern assumption has been correctly applied to these financial statements.

2.3 Prior year reclassifications

A prior year reclassification has been made to show the recharge of expenditure as Other income within the Statement of income and retained earnings rather than Turnover. The adjustment increased Other income by £53,361 and reduced Turnover by the same amount. There was no impact on the profit for the year ended 31 December 2020.

An adjustment has been made to decrease the cost brought forward of Intangible assets by £26,306 and increase the Intangible asset depreciation brought forward by the same amount. This has been shown in Note 10 of the accounts and has no impact on the profit for the year ended 31 December 2020.

BLABLA CONNECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.7 Other income

Other income relates to recharges of expenses occurred to a related party. The income is recognised in profit or loss in the period in which the related expenditure has been incurred.

2.8 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which is 10 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

BLABLA CONNECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The intangible assets of the Company include Voice Over Internet Protocol (VOIP) software code. This is amortised over 10 years on a straight line basis.

BLABLA CONNECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	25%
Office equipment	-	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Debtors

Short-term debtors are measured at transaction price, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.14 Creditors

Short-term creditors are measured at the transaction price.

BLABLA CONNECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

3. Turnover

	2021 £	As restated 2020 £
Mobile OTT telephone service	25,603	31,271
Remittance fees	14,508	2,950
	<u>40,111</u>	<u>34,221</u>

Analysis of turnover by country of destination:

	2021 £	As restated 2020 £
United Kingdom	16,841	11,139
Rest of Europe	13,130	9,854
Rest of the world	10,140	13,228
	<u>40,111</u>	<u>34,221</u>

BLABLA CONNECT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Other income

	2021 £	As restated 2020 £
Recharge of expenses	48,646	45,172

5. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Exchange differences	19,372	(35,322)
Other operating lease rentals	7,310	7,984

6. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	10,500	11,000
Fees payable to the Company's auditor and its associates in respect of:		
Assistance with the preparation of the Company's financial statements	2,600	-
Taxation compliance services	1,800	-

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	153,250	157,785
Social security costs	15,740	13,890
Pension costs	2,638	2,102
	171,628	173,777

All of the employees in the Company are directors.

The average monthly number of employees, including directors, during the year was 4 (2020 - 5).

BLABLA CONNECT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Taxation

Factors affecting tax charge for the year

No corporation tax charge arises in the year due to losses incurred. No deferred tax provision is made in relation to these losses due to uncertainty as to when they will reverse.

	2021 £
Loss on ordinary activities before tax	(923,237)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(175,415)
Unrelieved tax losses carried forward	175,415
Total tax charge for the year	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

BLABLA CONNECT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Intangible assets

	Intellectual property £	Development expenditure £	Total £
Cost			
At 1 January 2021 (as previously stated)	1,114,392	502,357	1,616,749
Prior Year Adjustment	-	(26,306)	(26,306)
At 1 January 2021 (as restated)	1,114,392	476,051	1,590,443
Additions	-	221,886	221,886
At 31 December 2021	1,114,392	697,937	1,812,329
Amortisation			
At 1 January 2021 (as previously stated)	120,731	47,681	168,412
Prior Year Adjustment	-	26,306	26,306
At 1 January 2021 (as restated)	120,731	73,987	194,718
Charge for the year on owned assets	111,433	69,794	181,227
At 31 December 2021	232,164	143,781	375,945
Net book value			
At 31 December 2021	882,228	554,156	1,436,384
At 31 December 2020 (as restated)	993,661	402,064	1,395,725

BLABLA CONNECT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Tangible fixed assets

	Plant and machinery £	Office equipment £	Total £
Cost or valuation			
At 1 January 2021	21,243	4,326	25,569
At 31 December 2021	<u>21,243</u>	<u>4,326</u>	<u>25,569</u>
Depreciation			
At 1 January 2021	15,932	3,244	19,176
Charge for the year on owned assets	5,311	1,082	6,393
At 31 December 2021	<u>21,243</u>	<u>4,326</u>	<u>25,569</u>
Net book value			
At 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2020	<u>5,311</u>	<u>1,082</u>	<u>6,393</u>

11. Debtors

	2021 £	2020 £
Trade debtors	407	9,449
Amounts owed by related parties	13,013	2,998
Other debtors	103,820	215,670
Unpaid share capital	290,000	750,000
Prepayments and accrued income	22,559	84,713
	<u>429,799</u>	<u>1,062,830</u>

12. Cash at bank and in hand

	2021 £	2020 £
Cash at bank and in hand	<u>147,402</u>	<u>163,852</u>

The current year cash balance includes an amount of £80,387 held in a safeguarding bank account belonging to clients.

BLABLA CONNECT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	52,946	51,498
Amounts owed to related parties	982,206	699,585
Other taxation and social security	44,631	7,519
Other creditors	47,715	45,028
Accruals and deferred income	14,199	30,045
	<u>1,141,697</u>	<u>833,675</u>

14. Share capital

	2021 £	2020 £
Allotted and called up		
160,352,900 (2020 - 160,352,900) Ordinary shares of £0.01 each	<u>1,603,529</u>	<u>1,603,529</u>

During the current year, no shares were issued.

During the prior year, the Company issued 15,335,400 ordinary shares of £0.01 each, at a price of £0.065208.

15. Reserves

Share premium account

The share premium account represents the difference between the nominal value of shares issued and the fair value of consideration issued for those shares.

Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

16. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £2,638 (2020 - £2,102). Contributions totalling £514 (2020 - £511) were payable to the fund at the balance sheet date and are included in creditors.

BLABLA CONNECT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	13,200	-
	<u>13,200</u>	<u>-</u>

18. Related party transactions

Transactions with Directors

An amount of £Nil (2020: £Nil) is due to R El-Sergani who is a director and shareholder of the company.

During the prior year, the Company transacted with Wilton (UK) Group Limited, a connected company. At the prior year balance sheet date an amount of £Nil was due to Wilton (UK) Group Limited. No transactions occurred in the current year and no balance was left outstanding at the year end.

Syigma Telecommunications FZ LLC & Vyrat Bytes

R El-Sergani is a director of both the Company, Vyrat Bytes (incorporated in Egypt), and Syigma Telecommunications LLC (incorporated in Dubai, UAE). These companies provide services to BlaBla Connect Limited.

During the year Syigma Telecommunications FZ LLC continued to provide support via a loan arrangement, at the balance sheet date £969,193 (2020: £699,585) was due to Syigma Telecommunications FZ LLC.

During the year, the Company recharged expenditure to Syigma Telecommunications FZ LLC amounting to £48,646 (2020: £53,361).

During the year, the Company was charged £282,149 (2020: £NIL) from Vyrat Bytes for software development, operational and administrative support and services.

19. Controlling party

The controlling party is R El-Sergani.