

**REGISTERED NUMBER: 08246355 (England and Wales)**

**Strategic Report,  
Report of the Directors and  
Audited Financial Statements  
for the Year Ended 31 December 2022  
for  
BLABLA CONNECT LIMITED**

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# **BLABLA CONNECT LIMITED**

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**BLABLA CONNECT LIMITED**  
**Company Information**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**DIRECTORS:**

M S Sehmi  
R El Sergani  
M El Sergani  
A El Sergani  
N J Swift

**REGISTERED OFFICE:**

60 Cannon Street  
London  
EC4N 6NP

**REGISTERED NUMBER:**

08246355 (England and Wales)

**AUDITORS:**

Garside and Co. Limited  
Chartered Accountant & Statutory Auditor  
Suite 631, Linen Hall  
162-168 Regent Street  
London  
W1B 5TG

**BLABLA CONNECT LIMITED**  
**Strategic Report**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their strategic report for the year ended 31 December 2022.

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.

#### **REVIEW OF BUSINESS**

During 2022 the company continued to build supplier relationships, more specifically remittance partners, ensuring an increased choice of remittance destinations and more competitive pricing.

As a result of the continued investment in the development of its product offering the company incurred a loss for the year. This loss was funded through a loan from its principal shareholder who has committed to continue funding any further development over the next twelve months.

The company has improved efficiency and the financial results through cost savings without affecting the service

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The board reviewed 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.

The economic landscape is uncertain, within the UK and worldwide, which has been identified as a potential risk in ensuring access to growth capital, although should ensure strong demand for value based Fintech businesses.

#### **FINANCIAL KEY PERFORMANCE INDICATORS**

During 2022 the company achieved a gross profit of 44% from a turnover 20% lower than 2021, although there has been a significant increase in the profitability, in 2021 the company returned a gross loss of 10%.

## BLABLA CONNECT LIMITED

### Strategic Report FOR THE YEAR ENDED 31 DECEMBER 2022

#### 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 21	Dec 22	Jun 23
App Store (iOS)	N/A	4.4	4.4
Play Store (Android)	3.5	4.1	4.4
Trust Pilot (Website)	4	4.6	4.4

#### 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.

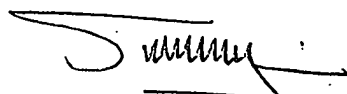
The directors attend weekly staff meetings, ensuring all team members are vested in the company's performance/success, where KPI's are reviewed, financial and non-financial (Customer satisfaction) to ensure fundamental principles are maintained.

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.

#### ON BEHALF OF THE BOARD:



R El Sergani - Director

29 September 2023

## **BLABLA CONNECT LIMITED**

### **Report of the Directors FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

#### **EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

M S Sehmi  
R El Sergani  
M El Sergani  
A El Sergani  
N J Swift

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **AUDITORS**

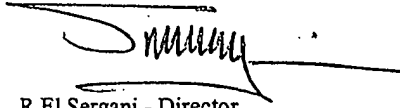
The auditors, Garside and Co. Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**BLABLA CONNECT LIMITED**

**Report of the Directors  
FOR THE YEAR ENDED 31 DECEMBER 2022**

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'R El Sergani', is written over a horizontal line.

R El Sergani - Director

29 September 2023

## **Report of the Independent Auditors 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 2022 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, 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 2022 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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



**Report of the Independent Auditors to the Members of  
Blabla Connect Limited**

**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 Report of the Directors.

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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.

## **Report of the Independent Auditors to the Members of Blabla Connect Limited**

### **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 a Report of the Auditors 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.

#### Identifying and responding to risks of material misstatement due to fraud

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we performed procedures to address the risks of management override of controls and the risk of fraudulent revenue recognition, the risk that those in charge with management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as the valuation of fixed assets and financial instruments and depreciation policies.

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

Our risk assessment procedures included:

- Enquiring of those charged with management and inspection of key papers as to the policies and procedures to prevent and detect fraud, including the process for engaging management to identify fraud risks specific to the entity's sector, as well as whether they have knowledge of any actual, suspected, or alleged fraud;
- Reviewing minutes of directors' meetings;
- Reviewing internal risk assessment reports;
- Considering management's incentives and opportunities for fraudulent manipulation of the financial statements;
- Assessing significant accounting estimates for bias; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

#### Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

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 the Companies Act 2006 and FRS 102.

The entity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statements items.

As the entity is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with laws and any relevant regulatory requirements. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

Our procedures included:

- Discussion with those in charge with management, and from inspection of the entity's regulatory and legal correspondence;
- Discussion with those charged with management the policies and procedures regarding compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Enquiry of management, those charged with governance around actual and potential litigation and claims.

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. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect noncompliance with all laws and regulations

**Report of the Independent Auditors to the Members of  
Blabla Connect Limited**

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**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 a Report of the Auditors 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.



Gareth Owen Hughes BSc ACA (Senior Statutory Auditor)  
for and on behalf of Garside and Co. Limited  
Chartered Accountant & Statutory Auditor  
Suite 631, Linen Hall  
162-168 Regent Street  
London  
W1B 5TG

29 September 2023

**BLABLA CONNECT LIMITED**

**Statement of Income and  
Retained Earnings  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	31.12.22 £	31.12.21 £
<b>TURNOVER</b>	3	32,109	40,111
Cost of sales		18,079	44,267
<b>GROSS PROFIT/(LOSS)</b>		14,030	(4,156)
Administrative expenses		903,227	967,727
		(889,197)	(971,883)
Other operating income	4	91,694	48,646
<b>OPERATING LOSS and LOSS BEFORE TAXATION</b>		(797,503)	(923,237)
Tax on loss	8	-	-
<b>LOSS FOR THE FINANCIAL YEAR</b>		(797,503)	(923,237)
Retained earnings at beginning of year		(3,545,465)	(2,622,228)
<b>RETAINED EARNINGS AT END OF YEAR</b>		<u>(4,342,968)</u>	<u>(3,545,465)</u>

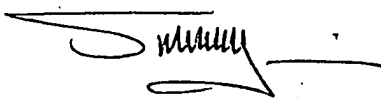
The notes form part of these financial statements

**BLABLA CONNECT LIMITED (REGISTERED NUMBER: 08246355)**

**Statement of Financial Position  
31 DECEMBER 2022**

	Notes	31.12.22 £	£	31.12.21 £	£
<b>FIXED ASSETS</b>					
Intangible assets	9		1,435,240		1,436,384
<b>CURRENT ASSETS</b>					
Debtors	10	384,601		429,799	
Cash at bank	11	170,992		147,402	
		<u>555,593</u>		<u>577,201</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	12	1,916,448		1,141,697	
<b>NET CURRENT LIABILITIES</b>			<u>(1,360,855)</u>		<u>(564,496)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>74,385</u>		<u>871,888</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	14		1,603,529		1,603,529
Share premium	15		2,813,824		2,813,824
Retained earnings	15		(4,342,968)		(3,545,465)
<b>SHAREHOLDERS' FUNDS</b>			<u>74,385</u>		<u>871,888</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2023 and were signed on its behalf by:

  
R El Sergani - Director

The notes form part of these financial statements

**BLABLA CONNECT LIMITED**

**Statement of Cash Flows  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	31.12.22 £	31.12.21 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	223,682	205,434
Net cash from operating activities		<u>223,682</u>	<u>205,434</u>
 <b>Cash flows from investing activities</b>			
Capitalisation of development costs		(200,092)	(221,884)
Net cash from investing activities		<u>(200,092)</u>	<u>(221,884)</u>
 <b>Increase/(decrease) in cash and cash equivalents</b>		<u>23,590</u>	<u>(16,450)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	147,402	163,852
 <b>Cash and cash equivalents at end of year</b>	2	<u><u>170,992</u></u>	<u><u>147,402</u></u>

The notes form part of these financial statements

# BLABLA CONNECT LIMITED

## Notes to the Statement of Cash Flows FOR THE YEAR ENDED 31 DECEMBER 2022

### 1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.12.22	31.12.21
	£	£
Loss before taxation	(797,503)	(923,237)
Amortisation of intangible assets	201,236	181,227
Depreciation of tangible assets	-	6,393
	<u>(596,267)</u>	<u>(735,617)</u>
Decrease in trade and other debtors	45,198	41,071
Increase in trade and other creditors	774,751	899,980
	<u>723,682</u>	<u>205,434</u>
<b>Cash generated from operations</b>	<b>223,682</b>	<b>205,434</b>

### 2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

#### Year ended 31 December 2022

	31.12.22	1.1.22
	£	£
Cash and cash equivalents	<u>170,992</u>	<u>147,402</u>

#### Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	<u>147,402</u>	<u>163,852</u>

### 3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.22	Cash flow	At 31.12.22
	£	£	£
<b>Net cash</b>			
Cash at bank	<u>147,402</u>	<u>23,590</u>	<u>170,992</u>
	<u>147,402</u>	<u>23,590</u>	<u>170,992</u>
<b>Total</b>	<u>147,402</u>	<u>23,590</u>	<u>170,992</u>

The notes form part of these financial statements

## **BLABLA CONNECT LIMITED**

### **Notes to the Financial Statements FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **1. STATUTORY INFORMATION**

Blabla Connect Limited 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 presentation currency of the financial statements is the Pound Sterling (£).

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**

##### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared on the going concern basis.

##### **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.

##### **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.

##### **Other Operating 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.

##### **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 - continued FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **2. ACCOUNTING POLICIES - continued**

##### **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.

##### **Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

##### **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.

##### **Foreign currencies**

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.

## BLABLA CONNECT LIMITED

### Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 DECEMBER 2022

#### 2. ACCOUNTING POLICIES - continued

##### 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.

##### Debtors

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

##### 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.

##### Creditors

Short-term creditors are measured at the transaction price.

#### 3. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	31.12.22	31.12.21
	£	£
Mobile OTT telephone service	17,459	25,603
Remittance fees	14,650	14,508
	<u>32,109</u>	<u>40,111</u>

An analysis of turnover by geographical market is given below:

	31.12.22	31.12.21
	£	£
United Kingdom	14,642	16,841
Rest of Europe	13,941	13,130
Rest of world	3,526	10,140
	<u>32,109</u>	<u>40,111</u>

#### 4. OTHER OPERATING INCOME

	31.12.22	31.12.21
	£	£
Recharge of expenses	<u>91,694</u>	<u>48,646</u>

# BLABLA CONNECT LIMITED

## Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 DECEMBER 2022

### 5. EMPLOYEES AND DIRECTORS

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

	31.12.22 £	31.12.21
Wages and salaries	140,511	153,250
Social security costs	16,132	15,740
Pension costs	2,642	2,638
	<u>159,285</u>	<u>171,628</u>

All of the employees in the Company are directors.

The average monthly number of employees, including directors, during the year was 2 (2021- 4).

### 6. OPERATING LOSS

The operating loss is stated after charging:

	31.12.22 £	31.12.21 £
Patents and licences amortisation	111,433	111,433
Development costs amortisation	89,803	69,794
Foreign exchange differences	<u>141,858</u>	<u>19,372</u>

### 7. AUDITORS' REMUNERATION

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the financial statements	<u>8,500</u>	<u>10,500</u>

**Fees payable to the company's auditor in respect of:**

Assistance with the preparation of the financial statements	1,500	2,600
Taxation compliance services	500	1,800
	<u>2,000</u>	<u>4,400</u>

**BLABLA CONNECT LIMITED**

**Notes to the Financial Statements - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**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 relation to these losses due to uncertainty as to when they will reverse.

	2022 £
Loss on ordinary activities before tax	(797,503)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(151,525)
Unrelieved tax losses carried forward	(151,525)
Total tax charge for the year	-

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**9. INTANGIBLE FIXED ASSETS**

	Patents and licences £	Development costs £	Totals £
<b>COST</b>			
At 1 January 2022	1,114,392	697,937	1,812,329
Additions	-	200,092	200,092
At 31 December 2022	1,114,392	898,029	2,012,421
<b>AMORTISATION</b>			
At 1 January 2022	232,164	143,781	375,945
Amortisation for year	111,433	89,803	201,236
At 31 December 2022	343,597	233,584	577,181
<b>NET BOOK VALUE</b>			
At 31 December 2022	770,795	664,445	1,435,240
At 31 December 2021	882,228	554,156	1,436,384

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.22 £	31.12.21 £
Trade debtors	1,022	407
Owed by related parties	8,298	13,013
Other debtors	139,473	103,820
Called up share capital not paid	210,000	290,000
Prepayments and accrued income	25,808	22,559
	384,601	429,799

# BLABLA CONNECT LIMITED

## Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 DECEMBER 2022

### 11. CASH AT BANK

	31.12.22	31.12.21
	£	£
Cash at bank and in hand	170,992	147,402

The current year cash balance includes an amount of £38,475 held in a safeguarding bank account belonging to clients.

### 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Trade creditors	27,277	52,946
Amounts owing to related parties	1,811,826	982,206
Social security and other taxes	11,159	44,631
Other creditors	40,195	47,715
Accruals and deferred income	25,991	14,199
	<u>1,916,448</u>	<u>1,141,697</u>

### 13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.22	31.12.21
	£	£
Within one year	<u>10,632</u>	<u>13,200</u>

### 14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			31.12.22	31.12.21
Number:	Class:	Nominal value:	£	£
160,352,900	Ordinary	0.01	<u>1,603,529</u>	<u>1,603,529</u>

### 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 £2,642 (2021 - £2,638). Contributions totalling £514 (2021 - £514) were payable to the fund at the balance sheet date and are included in creditors.

## **BLABLA CONNECT LIMITED**

### **Notes to the Financial Statements - continued FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **17. RELATED PARTY TRANSACTIONS**

##### **Transactions with Directors**

An amount of £Nil (2021: £Nil) is due to R El Sergani who is a director and shareholder of the company.

##### **Sygma Telecommunications FZ LLC & Vyrat Bytes**

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

During the year Sygma Telecommunications FZ LLC continued to provide support via a loan arrangement, at the balance sheet date £1,803,528, (2021: £969,193) was due to Sygma Telecommunications FZ LLC.

During the year, the Company recharged expenditure to Sygma Telecommunications FZ LLC amounting to £55,339 (2021: £48,646).

During the year £282,556 was paid to Vyrat Bytes for staff costs provided as an employer of record

#### **18. POST BALANCE SHEET EVENTS**

In September 2023 the Company issued 38,338,500 1p ordinary shares with a value of £2,500,000 to existing shareholders.

#### **19. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is R El Sergani.