

Company Registration No. 03212199

Tap2Bill Limited

Annual Report and Financial Statements

For the year ended 31 March 2017

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Tap2Bill Limited

Annual report and financial statements for the year ended 31 March 2017

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Tap2Bill Limited

Annual report and financial statements for the year ended 31 March 2017

Officers and professional advisers

Directors

Mr Michael Jefferies
Mr Timothy Newmarch

Registered Office

c/o IMImobile
5 St. John's Lane
Farringdon
London
EC1M 4BH

Bankers

Barclays Bank Plc
Barclays Corporate
1 Churchill Place
London
E14 5HP

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Tap2Bill Limited

Annual report and financial statements for the year ended 31 March 2017

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2017.

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

Results

The principal activity of the Company is the provision of mobile billing solutions by acting as the primary intermediary billing platform connecting customers to multiple mobile network operators through a single interface.

The Company's results for the year are set out in the statement of comprehensive income on page 7 showing a profit for the financial year after tax of £563,434 (2016: loss of £538,520) which included a charge to the income statement relating to a provision of £Nil (2016: £1,183,857) against an amount owed by a group undertaking that was reassigned to the Company as part of the transfer of certain direct carrier billing service customers from the immediate parent company. At 31 March 2017, the Company has net assets of £27,342 (2016: net liabilities of £536,092).

The ultimate parent undertaking, IMImobile PLC, has confirmed that it will provide financial support to the Company for at least 12 months from the date of these financial statements to enable it to both meet its liabilities as they fall due and to carry on business without a significant curtailment of operations.

Future developments

The Company is part of a wider group which, among other activities, licences, ingests, hosts and delivers digital music, videos and other products direct to consumers' mobile phones and computers and which is an expert in digital rights management software ensuring the protection of copyright.

The market for winning new business is attractive and the Company is well positioned to take advantage of the opportunities available to it.

Principal risks and uncertainties

Competitive pressures are a risk to the Company, which could result in losing sales to customers. The business manages this risk by providing innovative, 'best in class' services to its customers. The Company is not reliant on any single customer for the success of the business.

Financial risk management objectives and policies

Policies

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

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

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

Liquidity risk

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

All payables (note 9) are due to be paid within twelve months of the balance sheet date.

Tap2Bill Limited

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Directors' report (continued)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade receivables. It is the Company's policy to minimise its credit risk exposure by reviewing the recoverability of trade receivables at the balance sheet date and considers any change in the credit quality of the debtor on an individual basis from the date the debtor was created to the date the balance is settled.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date can be found within note 8.

Interest rate risk

Historically the Company has financed its operations through a mix of equity and debt to help minimise its exposure. The Company minimises its risk to interest fluctuations by negotiating a fixed rate of interest on all external debt. At the balance sheet date the Company held cash and cash equivalents of £107,858 (2016: £23,579) and had no external debt.

Currency risk

The Company's conducts the majority of its sales in UK Pounds Sterling so management do not consider currency risk to be material when assessing assets, liabilities and financial position.

Financial assets

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

Directors

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

Mr Michael Jefferies
Mr Timothy Newmarch

Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms 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 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.

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

Independent auditors

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

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



M Jefferies
CFO

5 December 2017

Tap2Bill Limited

Annual report and financial statements for the year ended 31 March 2017

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for 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.

Tap2Bill Limited

Annual report and financial statements for the year ended 31 March 2017

Independent auditor's report to the members of Tap2Bill Limited

We have audited the financial statements of Tap2Bill Limited (the "Company") for the year ended 31 March 2017 which comprise of the statement of comprehensive income, statement of changes in equity, the statement of financial position and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its profit 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.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the Directors' Report.

Tap2Bill Limited

Annual report and financial statements for the year ended 31 March 2017

Independent auditor's report to the members of Tap2Bill Limited (continued)

Matters on which we are required to report by exception

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 in preparing the Directors' Report or from the requirement to prepare a Strategic Report.



David Griffin FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

5 December 2017

Tap2Bill Limited

Annual report and financial statements for the year ended 31 March 2017

Statement of comprehensive income

For the year ended 31 March 2017

	Notes	2017 £	2016 £
Revenue	3	3,570,932	2,904,611
Cost of sales		(1,378,830)	(1,310,040)
Gross profit		<u>2,192,102</u>	<u>1,594,571</u>
Administrative expenses		(1,465,370)	(2,033,708)
Operating profit / (loss) before tax	4	726,732	(439,137)
Tax	7	(163,298)	(99,383)
Profit after tax for the year and total comprehensive income		<u><u>563,434</u></u>	<u><u>(538,520)</u></u>

The results stated above are all derived from continuing operations.

The notes on pages 10 to 15 form part of these accounts.

Tap2Bill Limited

Annual report and financial statements for the year ended 31 March 2017

Statement of changes in equity

For the year ended 31 March 2017

	Called-up share capital £	Retained earnings / (deficit) £	Total equity £
Balance at 31 March 2015	1	2,427	2,428
Total comprehensive expense for the year	-	(538,520)	(538,520)
Balance at 31 March 2016	1	(536,093)	(536,092)
Total comprehensive income for the year	-	563,434	563,434
Balance at 31 March 2017	1	27,341	27,342

Tap2Bill Limited

Annual report and financial statements for the year ended 31 March 2017

Statement of financial position

As at 31 March 2017

	Notes	2017 £	2016 £
Current assets			
Cash and cash equivalents		107,858	23,579
Trade and other receivables	8	<u>5,891,277</u>	<u>5,791,720</u>
Total current assets		5,999,135	5,815,299
Current liabilities			
Trade and other payables	9	<u>(5,971,793)</u>	<u>(6,351,391)</u>
Net current assets/(liabilities)		<u>27,342</u>	<u>(536,092)</u>
Total assets less current liabilities		<u>27,342</u>	<u>(536,092)</u>
Net assets/(liabilities)		<u>27,342</u>	<u>(536,092)</u>
Equity			
Called-up share capital	10	1	1
Retained earnings/(deficit)	10	<u>27,341</u>	<u>(536,093)</u>
Total equity/(deficit)		<u>27,342</u>	<u>(536,092)</u>

The financial statements of Tap2Bill Limited, registered number 03212199 were approved by the Board of Directors and authorised for issue on 5 December 2017.

Signed on behalf of the Board of Directors



M Jefferies
CFO

Tap2Bill Limited

Annual report and financial statements for the year ended 31 March 2017

Notes to the financial statements

1. Accounting policies

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

Basis of accounting/statement of compliance

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

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

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

The adoption of the amendments to IFRSs and new interpretations that are mandatorily effective during the year has not had any material impact on the disclosures or on the amounts being reported.

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

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

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

Foreign currencies

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

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

Going concern

The Company has net current assets of £27,342 (2016: net liabilities of £536,092) and made a profit in the year of £563,434 (2016: loss of £538,520).

The directors have considered the use of the going concern basis in the preparation of the financial statements in light of current market conditions and concluded that it is appropriate. In coming to this conclusion, the directors have considered the fact that the ultimate parent undertaking, IMImobile PLC, has confirmed that it will support the Company for at least 12 months from the date of these financial statements to meet its obligations as and when they fall due for the foreseeable future.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Billing revenues recognised within turnover relate only to the commission earned on hosting each service and are recognised at the point of delivery to the customer. Pass through revenues collected on behalf of the customers are not recognised within revenue.

Tap2Bill Limited

Annual report and financial statements for the year ended 31 March 2017

Notes to the financial statements (continued)

1. Accounting policies (continued)

Costs recharged by other companies in the IMImobile PLC group

The Company is recharged costs borne on its behalf by other group companies. These costs are recharged at an arm's length price.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the 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 Company'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.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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 income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Financial instruments

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

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be insignificant.

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Annual report and financial statements for the year ended 31 March 2017

Notes to the financial statements (continued)

1. Accounting policies (continued)

Impairment of financial assets

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

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the income statement.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Equity instruments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand, 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.

Trade payables

Trade payables are not interest-bearing and are stated at their nominal value.

2. Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical accounting judgements

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

Key sources of estimation uncertainty

Debtor recoverability

The Company's trade receivables are stated after allowances for bad and doubtful debts based on management's judgement of recoverability on an individual customer basis. The credit worthiness of individual customers is assessed based on their financial strength using available information, communication with the customer and the historic trading relationship.

The accounting policies in relation to these items are disclosed in note 1.

Tap2Bill Limited

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Notes to the financial statements (continued)

3. Revenue

All revenue was derived from the Company's principal activities, generated by the delivery of mobile billing solutions connecting customer to multiple network operators in the United Kingdom.

Gross profit recognised in the year ended 31 March 2017 does not include revenues, or costs, where the Company has acted as an agent. Pass through revenues totalling £34,992,719 (2016: £23,366,140) were received by the Company but not recognised within revenue.

4. Operating profit / (loss)

	2017 £	2016 £
Operating profit / (loss) is stated after charging/(crediting):		
Provision against amounts owed by group undertakings	-	1,183,857
Gain on foreign exchange transactions	(184)	(48)
	<u> </u>	<u> </u>

Audit fees for the current year have been borne by fellow group undertaking, IMImobile Europe Limited, and it is impractical to allocate a portion to the Company.

Fees paid to the Company's auditors, Deloitte LLP and its associates for services other than the statutory audit of the Company are not disclosed in these financial statements since the consolidated group financial statements of the ultimate parent undertaking, IMImobile PLC, disclose the non-audit fees on a consolidated basis.

The financial statements of IMImobile Europe Limited and IMImobile PLC may be obtained by request from IMImobile, 5 St. John's Lane, Farringdon, London, EC1M 4BH.

5. Directors' remuneration

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

The directors of the Company are remunerated through the fellow group undertaking, IMImobile Europe Limited. It is not practicable to allocate directors remuneration between services to the group and this company. The financial statements of IMImobile Europe Limited may be obtained by request from IMImobile, 5 St. John's Lane, Farringdon, London, EC1M 4BH.

6. Employee benefits

There were no employees or staff costs borne by the Company in the current and prior year. The Company was recharged £780,037 (2016: £846,658) by IMImobile Europe Limited for work performed in relation to the revenue recognised in the Company.

7. Tax

	2017 £	2016 £
UK corporation tax		
Current tax expense	113,737	102,946
Adjustments in respect of prior periods	49,561	(3,563)
	<u> </u>	<u> </u>
Total tax expense	<u>163,298</u>	<u>99,383</u>

Corporation tax is calculated at 20% (2016: 20%) of the estimated taxable profit for the year.

Tap2Bill Limited

Annual report and financial statements for the year ended 31 March 2017

Notes to the financial statements (continued)

7. Tax (continued)

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

	2017 £	2016 £
Profit / (loss) before tax	726,732	(439,137)
Tax at the UK corporation tax rate of 20% (2016: 20%)	145,347	(87,827)
Expenses not deductible for tax purposes	2,844	236,771
Tax effect of Group relief claimed	(34,454)	(45,998)
Tax adjustments in respect of previous periods	49,561	(3,563)
Total tax expense	163,298	99,383

A reduction in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax expense accordingly. UK deferred tax assets and liabilities have been recognised at the rate applying in the period they are expected to unwind. Where this cannot be forecast they are recognised at 17% (2016: 18%).

8. Trade and other receivables

	2017 £	2016 £
Trade receivables		
- revenue to be collected on behalf of the Company	13,381	37,362
- pass through revenues to be collected on behalf of billing customers	794,950	-
Amounts owed by group undertakings:		
- parent/ultimate parent undertakings	2,706,653	1,802,726
- other group undertakings	33,063	2,394
Amounts billable not yet invoiced		
- revenue to be collected on behalf of the Company	200,076	457,697
- pass through revenues to be collected on behalf of billing customers	2,143,154	2,327,592
VAT receivable	-	1,161,533
Other receivables	-	2,416
	5,891,277	5,791,720

Amounts owed by group undertakings are interest free and repayable on demand.

Tap2Bill Limited

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Notes to the financial statements (continued)

9. Trade and other payables

	2017 £	2016 £
Trade payables		
- pass through revenues to be paid to billing customers	3,527,699	3,637,059
Amounts owed to group undertakings:		
- parent/ultimate parent undertakings	5,380	5,380
- other group undertakings	9	9
Accruals and deferred income		
- costs to be paid on behalf of the Company	72,905	94,889
- pass through revenues to be paid to billing customers	2,129,119	2,514,671
Tax payable	236,681	99,383
	<u>5,971,793</u>	<u>6,351,391</u>

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

10. Called-up share capital and reserves

	2017 £	2016 £
Allotted, called-up and fully paid Equity shares:		
100 Ordinary shares of 1p each	<u>1</u>	<u>1</u>

Retained earnings/(deficit)

Retained earnings/(deficit) represents the cumulative earnings of the Company attributable to equity shareholders.

11. Ultimate parent undertaking

In the opinion of the directors, the company's immediate parent undertaking is IMImobile International Limited, a company incorporated in the United Kingdom. The ultimate parent undertaking is IMImobile PLC, a company incorporated in the United Kingdom, 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 IMImobile PLC, 5 St. John's Lane, Farringdon, London, EC1M 4BH, the registered address of the ultimate parent undertaking.