Company Registration No. 03212199

Tap2Bill Limited

Annual Report and Financial Statements

For the year ended 31 March 2022

Tap2Bill Limited

Annual report and financial statements for the year ended 31 March 2022

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Tap2Bill Limited

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Officers and professional advisers

Directors

Michael Jefferies
Mark Fallowfield-Smith

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Tap2Bill Limited

Annual report and financial statements for the year ended 31 March 2022

Directors' report

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

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

Principal activities

The 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.

Results

The Company's results for the year are set out in the statement of comprehensive income on page 7 showing a loss for the year of £1,525,159 (2021: loss of £641,869). At 31 March 2022, the Company had net assets of £738,635 (2021: £2,263,794).

Going concern

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 determining whether the financial statements can be prepared on the going concern basis, the directors considered the Company's business activities together with factors likely to affect its future development, performance and its financial position including cash flows, liquidity position and the principal risks and uncertainties relating to its business activities including COVID-19, as given below.

Based on cash flow forecasts which take into account the directors' best estimate of current sales orders and opportunities, expenditure forecasts as well as the Company's current cash balance and support from parent undertakings, the directors consider it appropriate to prepare the financial statements on the going concern basis. For further details please refer to note 1.

Dividends

The Directors are not recommending a final dividend for the year (2021: nil). No interim dividend was paid during the year (2021: nil).

Future developments

The Company is part of a wider group which continues to lead the industry in its product, platform and service offerings enabling its clients to communicate and transact with their customers more effectively on mobile devices. The Group's solutions allow customers to use mobile as a channel to create new revenue streams, as a CRM and customer engagement channel, and as a channel to improve business operations.

Today, the IMImobile group manages billions of mission-critical interactions and orchestrates some great customer experiences for an incredible blue-chip client list. The sale to Cisco reflects both what has been achieved in creating market leading technology and the substantial opportunity going forward.

Principal risks and uncertainties

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

Risk area	Potential impact	Change in the year	Mitigation of risks
Dependence on key personnel	The Company's future success is dependent on the continued services and performance of its leadership and senior management each of whom has significant relevant experience although we have seen this risk decline in the	↓	Long term retention incentives have been provided to the leadership team and key executives of the Company. Cisco also ensure that the remuneration of all employees is regularly

	year due to the addition of Cisco management performing some of these leadership roles.		benchmarked against key competitors.
Customer relationships	A proportion of the Company's business is derived from supplying ongoing services to customers based on formal contracts. Despite historically low levels of customer attrition and the longevity of many of the Company's relationships with its core customers, it is possible that customer attrition rates may increase in the future due to increased competition, the take-over or merger of major customers or changes in market demand. It is also possible that during the renewal of contracts with large blue-chip customers that the fees payable can be reduced, or that the volume of interactions between our clients and their customers may reduce over time.	↔	The Company seeks to minimise the risk of events of this nature occurring by diversifying its customer base, and maintaining strong relationships with its customers, as well as signing long-term contracts with customers. The Company also actively attempts to cross-sell and upsell additional platforms and solutions to existing customers.
Technological change	The Company operates in markets that are subject to constant technological development, evolving industry standards and changes in customer needs. Therefore, the Company is subject to the effects of actions by competitors in these markets and relies on its ability to anticipate and adapt to constant technological changes taking place in the industry, for example the growing number of communication channels used by consumers. To maintain its strong position in the market, the Company needs to successfully market its products and services and respond to both commercial actions by competitors and other competitive factors affecting these markets, anticipating and adapting promptly to technological changes, changes in consumer preferences and general economic, political and social conditions.	↔	The Company continues to spend significantly in research and development as well as employing product and solution specialists who monitor market developments and keep the product offering relevant for the markets in which the Company operates.
Data privacy and regulatory compliance	Certain activities of the Company and its customers may require the implementation of appropriate privacy and security policies or explicit end user opt-in and compliance with certain legislation including general data protection regulations (GDPR) which affect how personal data is processed and stored. They may also affect the types of communication which are allowed based on permissions given by end users. Failure to comply with the laws governing the management of end user and customer data could result in fines, damage to reputation or the loss of customers.	↔	The Company has invested heavily in its products, platforms and processes in order to ensure market leading technology and practice are built-in to the solutions provided to its customers. Certain of the Company's UK activities are regulated by Phonepaid Services Authority "PSA", an agency of OFCOM which has responsibility for the regulation of mobile payment services in the UK. The Company is required to comply with the PSA code of practice when it provides direct carrier billing services in the UK. PSA has the ability to impose fines, suspend services or impose certain other sanctions where its code of practice is breached. Such fines, suspensions or other sanctions can

			be imposed when the Company has failed to adequately deal with due diligence and/or risk management of the customer which has breached the code of practice. The Company follows detailed procedures for the sign up of new services as well as regular monitoring and risk assessment of ongoing services. In addition to this key personnel from the Company meet regularly with the regulator in order to review market trends and collaborate on certain matters.
Cyber security	Security of customer, employee and commercial data represents an increasing reputational and financial risk. Many of the Company's customers are high profile and recognisable brands, and a failure to maintain best in class security protocols and systems could result in significant damage to the Company. The increasing trends around cyber crime suggest that this risk will continue to increase over time.	↑	The Company invests in best-in class software and platforms for proactively managing cyber security. Company staff undergo regular training and are kept aware of evolving risks. The Company maintains various security certifications including ISO 27001. The Company also benefits from working with some of the best Global businesses with extremely high security standards, requiring regular and detailed audits of their suppliers.
Significant failure of, or interruption to network or IT systems	The Company's business depends on providing customers with highly reliable platforms and services. Unanticipated network, or other, interruptions (whether accidental or otherwise) may occur as a result of system failures, including hardware or software failures, which affect the quality, or cause an interruption in the Company's supply of services. Such failures can result from a variety of factors within the Company's control, including human error, equipment failure, power loss, failure of services related to the internet and telecommunication networks, as well as factors outside of the Company's control, such as system failures of network service providers, fire, earthquake, adverse weather and other natural disasters, water damage, fibre optic cable cuts, power loss not caused by the Company and terrorism.	↔	The Company's infrastructure is hosted mainly using third party data centres, with major platforms and systems also benefiting from geographical redundancy. Third party hardware and software support contracts are in place. Connectivity to multiple networks also provides mitigation against elements of this risk.

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.

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 9.

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 10) are due to be paid within twelve months of the balance sheet date.

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.

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:

Michael (Mike) Jefferies
Mark Fallowfield-Smith

Directors' indemnities

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

Statement of directors' responsibilities in respect of the financial statements

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

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

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;

- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

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

Mike Jefferies
Director
14 December 2022

Statement of comprehensive income

For the year ended 31 March 2022

	Notes	2022 £	2021 £
Revenue	3	368,731	2,260,605
Cost of sales		(342,282)	(1,418,149)
Gross profit		26,449	842,456
Administrative expenses		(1,546,649)	(1,493,941)
Operating loss	4, 6	(1,520,200)	(651,485)
Finance costs		(2)	-
Loss before tax		(1,520,202)	(651,485)
Tax (expense) / credit	7	(4,957)	9,616
Loss after tax and total comprehensive expense		(1,525,159)	(641,869)

The profits stated above are all derived from continuing operations.

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

Tap2Bill Limited

Annual report and financial statements for the year ended 31 March 2022

Statement of financial position

As at 31 March 2022

	Notes	2022 £	2021 £
Non-current assets			
Deferred tax asset	8	-	4,957
		-	4,957
Current assets			
Cash and cash equivalents		50,079	180,117
Trade and other receivables	9	12,867,100	19,241,392
		12,917,179	19,421,509
Current liabilities			
Trade and other payables	10	(11,618,138)	(16,602,266)
Tax payable		(560,406)	(560,406)
Net current assets		738,635	2,258,837
Net assets		738,635	2,263,794
Equity			
Called-up share capital	11	1	1
Retained earnings	11	738,634	2,263,793
Total equity		738,635	2,263,794

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

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

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

The financial statements of Tap2Bill Limited, registered number 03212199, have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and were approved by the Board of Directors and authorised for issue on 14 December 2022.

Signed on behalf of the Board of Directors

Mike Jefferies
Director

Tap2Bill Limited

Annual report and financial statements for the year ended 31 March 2022

Statement of changes in equity

For the year ended 31 March 2022

	Called-up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2020	1	2,905,662	2,905,663
Total comprehensive expense for the year	-	(641,869)	(641,869)
Balance at 31 March 2021	1	2,263,793	2,263,794
Total comprehensive expense for the year	-	(1,525,159)	(1,525,159)
Balance at 31 March 2022	1	738,634	738,635

Notes to the financial statements

1. Accounting policies

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

Basis of accounting/statement of compliance

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

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

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

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

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

The principal accounting policies applied in preparation of the Company financial statements are set out below.

Foreign currencies

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

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

Going concern

The Company has net current assets of £738,635 (2021: £2,258,837) and made a loss in the year of £1,525,159 (2021: loss of £641,869).

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

The COVID-19 pandemic has had wide ranging impacts on the Global economy and the potential impact on the Company is considered in the Directors' report on page 2.

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

Revenue recognition

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

- Identify the contract(s) with the customer;
- Identify the performance obligations in the contract;

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

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

Where the Company enters into arrangements to deliver multiple elements (such as a perpetual license together with a period of servicing and maintenance), such elements are separated for recognition based on stand-alone value where sold and delivered as separate performance obligations. If such elements cannot be separated they are treated as a single performance obligation and recognised over the period of delivery when the criteria for recognition have been met. Amounts incurred but not yet billed are classified as contract assets. Revenues are typically billed up to 30 days after month end and classified as contract assets until this point.

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

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

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

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

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

Costs recharged by other companies in the group

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

Tax

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

Current tax

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

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

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

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

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

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

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

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

Financial instruments

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

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

Financial assets

Classification of financial assets

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

Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

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

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

2. Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical accounting judgements

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

Key sources of estimation uncertainty

Revenue recognition

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

The Company would have recognised pass through revenues totalling £1,167,949 (2021: £14,436,955) within revenue and cost of sales had management judged that the Group were principal, rather than agent, in billing revenue transactions where amounts are billed and collected on behalf of third parties.

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

3. Revenue

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

Gross profit recognised in the year ended 31 March 2022 does not include revenues, or costs, where the Company has acted as an agent. Pass through revenues totalling £1,167,949 (2021: £14,436,955) were received by the Company but not recognised within revenue.

4. Operating loss

	2022 £	2021 £
Operating loss is stated after charging:		
Loss on foreign exchange transactions	2,999	2,591

5. Directors' remuneration

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

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

The directors were remunerated through IMImobile Europe Limited, a fellow subsidiary of IMImobile Limited, up until the end of July 2021. From August 2021, all of the directors' remuneration for their services have been paid by other Cisco group companies. These Directors' services to the Company do not occupy a significant amount of their time and as such they do not consider that they have received any remuneration for their incidental services to the Company for the current or prior period. No recharge is made to Tap2Bill Limited for these services.

6. Employee benefits

There were no employees or staff costs borne by the Company in the current and prior year. The Company was recharged £1,500,000 (2021: £1,500,000) by IMImobile Europe Limited for work performed in relation to the revenue recognised in the Company.

7. Tax

	2022 £	2021 £
UK corporation tax		
Adjustments in respect of prior periods	-	(4,659)
	-	(4,659)
Deferred tax		
Deferred tax expense for the year	169,447	-
Adjustments in respect of prior periods	(162,925)	(4,957)
Effect of UK tax rate change	(1,565)	-
Total tax credit / (expense)	4,957	(9,616)

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

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

	2022 £	2021 £
Loss before tax	(1,520,201)	(651,485)
Tax at the UK corporation tax rate of 19% (2021: 19%)	(288,838)	(123,782)
Movement on unrecognised deferred tax	169,447	-
Tax effect of Group relief claimed	288,838	123,782
Effect of UK tax rate change	(1,565)	-
Tax adjustments in respect of previous periods	(162,925)	(9,616)
Total tax credit / (expense)	4,957	(9,616)

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

8. Deferred tax asset

	Losses £
At 31 March 2021	4,957
Credit to the income statement	(4,957)
At 31 March 2022	-

9. Trade and other receivables

	2022 £	2021 £
Trade receivables (net of expected credit loss allowances)		
- pass through revenues to be collected on behalf of billing customers	-	63,201
Amounts billable not yet invoiced		
- pass through revenues to be collected on behalf of billing customers	12,883	1,298,174
Amounts owed by parent undertakings	12,849,361	17,879,097
Amounts owed by other group undertakings	3,936	-
Prepayments	920	920
	12,867,100	19,241,392

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

10. Trade and other payables

	2022 £	2021 £
Trade payables		
- pass through revenues to be paid to billing customers	3,253,103	1,386,834
Accruals and deferred income		
- costs to be paid on behalf of the Company	14,918	111,605
- pass through revenues to be paid to billing customers	49,330	1,889,699
Amounts owed to group undertakings:		
- parent undertakings	-	2,128,671
- other group undertakings	8,300,787	11,082,998
Other creditors	-	2,459
	11,618,138	16,602,266

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

11. Called-up share capital and reserves

	2022 £	2021 £
Allotted, called-up and fully paid Equity shares:		
100 Ordinary shares of 1p each	1	1

Retained earnings

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

12. Parent undertakings

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

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

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

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