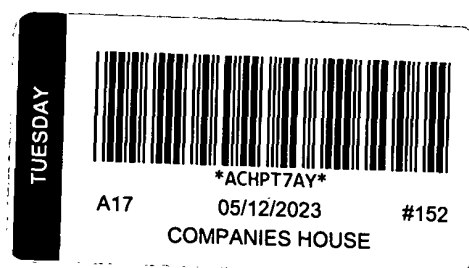


Company Registration No. 03383285 (England and Wales)

**DYNAMIC MOBILE BILLING LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2023**



# DYNAMIC MOBILE BILLING LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr G J Corbett Mr S Leahy
<b>Company number</b>	03383285
<b>Registered office</b>	9th Floor Lyndon House 58-62 Hagley Road Birmingham B16 8PE
<b>Auditor</b>	Jerroms Lumaneri House Blythe Gate Blythe Valley Park Solihull West Midlands B90 8AH

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# **DYNAMIC MOBILE BILLING LIMITED**

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# **DYNAMIC MOBILE BILLING LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 MAY 2023**

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The directors present the strategic report for the year ended 31 May 2023.

The company is a provider of payment and customer engagement solutions enabling billing of digital services using direct carrier billing, premium sms together with customer mobile messaging and voice solutions.

#### **Fair review of the business**

We are a long established trusted and reliable partner to our customers providing the tools to engage using mobile messaging, market and collect payments on behalf of our customers using direct carrier billing, premium sms and voice solutions. We are now able to offer both card payment processing and open banking to our customers giving them a full suite of payment options.

#### **Analysis of development and performance**

Turnover rose 17% to £33.8m (2022 : £28.8m), gross profit increased 21% to £3.2m (2022 : £2.6m) as the company worked hard to maintain and nurture its relationship with its new and existing customers and mobile network partners.

Administrative expenses increased to £2.6m (2022 - £2.1m) however much of that increase (£0.3m) was down to specific group debts that were provided for against loans provided to Oxygen8 Communications Australia Pty Ltd and Debit My Mobile Limited.

Operating profit and profit before tax both increased to £0.6m (2022 - £0.5m).

Cash improved in line with profits increasing by £0.6m to £4.5m (2022 - £3.8m). Both debtors and creditors increased by £1.1m to £4.4m (2022 : £3.3m) and £1.4m to £7.5m (2022 : £6.1m) driven by the increased business in the second half of the year compared to the prior year resulting in higher accrued income within debtors and higher customer revenue-share payments within creditors.

The company is confident in achieving significant growth in both revenue and profits in the year ahead following a strong start to the year from a number of existing customers together with new customer business that has already commenced since the start of the year.

#### **Description of principal risks and uncertainties**

The principal risk and uncertainties of the business relate to the potential loss of key customers, the company's reliance on the level of customer's campaigns, changes in regulation and commercials offered by the mobile network operators. Any loss of customers or significantly reduced level of payment volumes or adverse change in commercials and regulation have the ability to materially impact the company's financial performance. The company offsets these risks by acquiring new customers, working closely with existing customers to promote new services and managing the company's cost base.

# DYNAMIC MOBILE BILLING LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 MAY 2023**

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### **Analysis of Key Performance Indicators**

The main key performance indicators are turnover, gross profit and gross margin which measure the growth, profitability and health of the underlying business, together with staff costs which are the main overhead of the business.

Turnover rose 17% to £33.8m (2022 - £28.8m) and gross profit rose 21% to £3.2m (2022 - £2.6m) giving an improved gross profit margin of 9.4% (2022 – 9.1%) as the company built on the prior year results.

Staff costs rose 5% to £1.5m (2022 - £1.4m) following lower group recharge income. Employee numbers fell with the company able to re-allocate leavers duties within the remaining roles. The company currently does not foresee any further reduction in staff numbers. The savings from lower staff numbers offset pay increases and increased staff performance bonuses. Staff costs before recharges measured as a proportion of gross profit fell to 44% from 58% as the company benefited from increased business and a motivated group of dedicated employees.

On behalf of the board



Mr G J Corbett

**Director**

21 November 2023

# DYNAMIC MOBILE BILLING LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MAY 2023

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The directors present their annual report and financial statements for the year ended 31 May 2023.

#### **Principal activities**

The principal activity of the company continued to be a provider of payment and customer engagement solutions enabling billing of digital services using direct carrier billing, premium sms together with customer mobile messaging and voice solutions.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr G J Corbett  
Mr S Leahy

#### **Results and dividends**

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### **Financial risk management objectives and policies**

The company's risk management framework includes a process for identifying, assessing and responding to risk and supporting the company's strategy, business objectives and financial exposure.

Risk management operates at all levels throughout the business. The Board takes overall responsibility, determining the nature and extent of principal risks it is willing to take to achieve the company's strategic objectives, and maintaining the company's risk governance structure and appropriate internal control framework.

The directors have an overall responsibility for the company's risk management with risks managed and reviewed by the Board.

#### *Credit risk*

Credit risk is the risk of financial loss to the company if a customer fails to meet its contractual obligations. The company is mainly exposed to credit risk from credit sales. The majority of credit sales are with large well established mobile network operators in the company's established markets. Each new customer is analysed individually for creditworthiness before payment terms and conditions are offered.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. This is mitigated by banking with well-established and respected banking institutions.

The great majority of the revenue generated by the company is from the dominant mobile network operators in the United Kingdom, this helps protect the company from credit risk and liquidity risk.

#### *Liquidity risk*

Liquidity risk arises from the company's management of working capital. It is the risk the company will encounter difficulty in meeting its financial obligations as they fall due. The company monitors its cash balances throughout the year.

#### *Foreign exchange risk*

Foreign exchange risk arises when the company enters into transactions denominated in a currency other than their functional currency. The company manages its exposure by matching its revenues and costs to limit foreign exchange exposure wherever possible.

# **DYNAMIC MOBILE BILLING LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MAY 2023**

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### **Auditor**

In accordance with the Company's articles, a resolution proposing that Jerroms be re-appointed as auditor of the company will be put at a General Meeting.

### **Strategic report**

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr G J Corbett

**Director**

21 November 2023

# **DYNAMIC MOBILE BILLING LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MAY 2023***

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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). 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.

# DYNAMIC MOBILE BILLING LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF DYNAMIC MOBILE BILLING LIMITED

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#### Opinion

We have audited the financial statements of Dynamic Mobile Billing Limited (the 'company') for the year ended 31 May 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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 May 2023 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.

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

We have nothing to report in this regard.

# **DYNAMIC MOBILE BILLING LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF DYNAMIC MOBILE BILLING LIMITED**

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

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

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

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

#### **Responsibilities of directors**

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

# DYNAMIC MOBILE BILLING LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF DYNAMIC MOBILE BILLING LIMITED

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Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Obtaining third-party confirmation of material bank balances.
- Documenting and verifying all significant related party and transactions.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at [www.frc.org.uk](http://www.frc.org.uk). This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.



21/11/23

**Mr Mark James Eden FCCA (Senior Statutory Auditor)**  
for and on behalf of Jerroms Business Solutions Ltd

**Chartered Certified Accountants**  
**Statutory Auditor**

Lumaneri House  
Blythe Gate  
Blythe Valley Park  
Solihull  
West Midlands  
B90 8AH

# DYNAMIC MOBILE BILLING LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2023

	Notes	2023 £	2022 £
Turnover	3	33,832,850	28,783,473
Cost of sales		(30,663,426)	(26,170,862)
<b>Gross profit</b>		<b>3,169,424</b>	<b>2,612,611</b>
Administrative expenses		(2,598,985)	(2,142,631)
Other income		-	8,063
<b>Operating profit</b>	<b>4</b>	<b>570,439</b>	<b>478,043</b>
Interest receivable and similar income	7	11,083	15,969
Interest payable and similar expenses	8	(11)	(16)
<b>Profit before taxation</b>		<b>581,511</b>	<b>493,996</b>
Tax on profit	9	(160,037)	(87,383)
<b>Profit for the financial year</b>		<b>421,474</b>	<b>406,613</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

**DYNAMIC MOBILE BILLING LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MAY 2023**

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	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Other comprehensive income for the year</b>	-	-
	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	-	-
<b>Profit for the year and total comprehensive income for the year</b>	-	-
	<hr/>	<hr/>
	<b>421,474</b>	<b>406,613</b>
	<hr/>	<hr/>

# DYNAMIC MOBILE BILLING LIMITED

## BALANCE SHEET

AS AT 31 MAY 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	10		141,525		99,685
<b>Total assets less current liabilities</b>					
Debtors	13	4,433,516		3,320,713	
Cash at bank and in hand		4,477,038		3,830,585	
		8,910,554		7,151,298	
<b>Creditors: amounts falling due within one year</b>	14	(7,468,397)		(6,088,775)	
<b>Net current assets / (liabilities)</b>			1,442,157		1,062,523
<b>Total assets less current liabilities</b>			1,583,682		1,162,208
<b>Capital and reserves</b>					
Called up share capital	17		2,070		2,070
Share premium account			38,087		38,087
Profit and loss reserves			1,543,525		1,122,051
<b>Total equity</b>			1,583,682		1,162,208

The financial statements were approved by the board of directors and authorised for issue on 21 November 2023 and are signed on its behalf by:



Mr G J Corbett  
Director

Company Registration No. 03383285

# DYNAMIC MOBILE BILLING LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2023

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
<b>Balance at 1 June 2021</b>	2,070	38,087	1,183,197	1,223,354
<b>Year ended 31 May 2022:</b>				
Profit and total comprehensive income for the year	-	-	406,613	406,613
Other comprehensive income:				
Group company debt waiver (note 20)	-	-	(467,759)	(467,759)
<b>Balance at 31 May 2022</b>	2,070	38,087	1,122,051	1,162,208
<b>Year ended 31 May 2023:</b>				
Profit and total comprehensive income for the year	-	-	421,474	421,474
<b>Balance at 31 May 2023</b>	2,070	38,087	1,543,525	1,583,682

# DYNAMIC MOBILE BILLING LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/ generated from operations	24		849,287		1,960,248
Interest paid			(11)		(16)
Income taxes paid			(135,000)		(101,152)
			<u>          </u>		<u>          </u>
<b>Net cash outflow/inflow from operating activities</b>			714,276		1,859,080
<b>Investing activities</b>					
Purchase of tangible fixed assets		(78,906)		(57,613)	
Interest received		11,083		15,969	
		<u>          </u>		<u>          </u>	
<b>Net cash generated from/(used in) investing activities</b>			(67,823)		(41,644)
<b>Financing activities</b>					
Loan waiver		-		(467,759)	
		<u>          </u>		<u>          </u>	
<b>Net cash used in financing activities</b>			-		(467,759)
			<u>          </u>		<u>          </u>
<b>Net (decrease)/increase in cash and cash equivalents</b>			646,453		1,349,677
Cash and cash equivalents at beginning of year			3,830,585		2,480,908
			<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>			<u>4,477,038</u>		<u>3,830,585</u>

# DYNAMIC MOBILE BILLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2023

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### 1 Accounting policies

#### Company information

Dynamic Mobile Billing Limited is a private company limited by shares incorporated in England and Wales. The registered office is 9th Floor, Lyndon House, 58-62 Hagley Road, Birmingham, B16 8PE.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements contain information about Dynamic Mobile Billing Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by Section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the UK accounts of a larger group.

#### 1.2 Going concern

The financial statements have been prepared on the going concern basis, the validity of which depends upon the ability of the company to meet its obligations as they fall due. At the balance sheet date, the company's total assets exceed total liabilities by £1,583,682 (2022 - £1,162,208).

#### 1.3 Turnover

Turnover represents calls, messages, fees and rentals net of VAT recognised when the call has ended, the message has been delivered or the fee and rental period has ended. All calls, messages, fees and rentals are invoiced on a monthly basis. Accrued income represents calls, messages, fees and rentals that have been recognised and delivered in the period but have yet to be invoiced.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Straight line over the leasehold life
Plant and equipment	20-25% straight line method
Fixtures and fittings	25% straight line method

#### 1.5 Fixed asset investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable the cost of the investment in a subsidiary undertaking is measured at the normal value of the shares issued together with the fair value of any additional consideration paid.

# DYNAMIC MOBILE BILLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2023

#### 1 Accounting policies

(continued)

##### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# DYNAMIC MOBILE BILLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2023

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#### 1 Accounting policies

(continued)

##### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# DYNAMIC MOBILE BILLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

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### 1 Accounting policies

(continued)

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.9 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.10 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 profit and loss account 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 reporting end date.

##### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end 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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

# DYNAMIC MOBILE BILLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

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### 1 Accounting policies

(continued)

#### 1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

#### 1.15 Government grants

The company received government grants during the year in relation to employees on furlough of £nil (2022: £8,063). These grants are recognised at the fair value of the assets received or receivable when there is a reasonable assurance that the company will comply with the conditions attaching to them and grants will be received using the accrual model.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### **Accrued income**

A majority of accrued income is derived from actual billable minutes, messages and rental fees generated in the prior month and invoiced on a monthly basis in arrears. Where there is a delay in the reconciliation of messages the accrued income is calculated using management's best efforts of the likely income.

##### **Intercompany and related party debt recoverability**

A review of intercompany and related party debt is undertaken to assess recoverability of the debt based on the credit risk of the debt, its term and the liquid and value of non-liquid assets the creditor owns or has the ability to generate. The intercompany and related party provision was reduced by £271,434 (2022 - £444,273) during the year against the intercompany and related party debtors.

# DYNAMIC MOBILE BILLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2023

#### 3 Turnover and other revenue

	2023	2022
	£	£
<b>Turnover analysed by class of business</b>		
Telecommunications services	33,832,850	28,783,473
	<u>33,832,850</u>	<u>28,783,473</u>
	2023	2022
	£	£
<b>Other significant revenue</b>		
Interest income	11,083	15,969
	<u>11,083</u>	<u>15,969</u>
	2023	2022
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	33,440,291	28,429,931
Rest of the World	392,559	353,542
	<u>33,832,850</u>	<u>28,783,473</u>

#### 4 Operating profit/(loss)

	2023	2022
	£	£
Operating profit/(loss) for the year is stated after charging:		
Exchange (gain) / losses	1,955	5,808
Fees payable to the company's auditor for the audit of the company's financial statements	20,765	19,650
Depreciation of owned tangible fixed assets	36,681	53,630
Loss on disposal of tangible fixed assets	384	726
Operating lease charges	131,584	125,367
	<u>131,584</u>	<u>125,367</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to a loss of £1,955 (2022 - £5,808 loss).

# DYNAMIC MOBILE BILLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Sales and administration	<u>18</u>	<u>22</u>

Their aggregate remuneration comprised:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,171,851	1,241,770
Social security costs	120,685	152,805
Pension costs	94,262	43,411
	<u>1,386,798</u>	<u>1,437,986</u>

### 6 Directors' remuneration

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	<u>61,706</u>	<u>6,850</u>

The number of directors receiving remuneration was 2 (2022 - 1).

### 7 Interest receivable and similar income

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	11,083	210
Other interest income	-	15,759
	<u>11,083</u>	<u>15,969</u>
Total income	<u>11,083</u>	<u>15,969</u>

# DYNAMIC MOBILE BILLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 8 Interest payable and similar expenses

	2023	2022
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on overdue tax	-	16
Interest on bank overdraft	11	-
	<u>11</u>	<u>16</u>

### 9 Taxation

	2023	2022
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	160,037	87,383
	<u>160,037</u>	<u>87,383</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
	<u>-</u>	<u>-</u>
Total tax charge	<u>160,037</u>	<u>87,383</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023	2022
	£	£
Profit/(loss) before taxation	<u>581,511</u>	<u>493,996</u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 20.00% (2022: 19.00%)	116,318	93,859
Tax effect of expenses that are not deductible in determining taxable profit	59,444	(11,919)
Capital allowances in excess of depreciation and loss on disposals	(15,681)	10,190
Other movements	-	(4,462)
Movement in provisions	(44)	(285)
Taxation charge for the year	<u>160,037</u>	<u>87,383</u>

# DYNAMIC MOBILE BILLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 10 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Total
	£	£	£	£
<b>Cost</b>				
At 1 June 2022	83,766	1,826,939	18,994	1,929,699
Additions	-	78,906	-	78,906
Disposals	-	(3,290)	-	(3,290)
At 31 May 2023	83,766	1,902,555	18,994	2,005,315
<b>Depreciation and impairment</b>				
At 1 June 2022	53,326	1,761,887	14,801	1,830,014
Depreciation charged in the year	4,263	30,210	2,208	36,681
On disposals	-	(2,905)	-	(2,905)
At 31 May 2023	57,589	1,789,192	17,009	1,863,790
<b>Carrying amount</b>				
At 31 May 2023	26,177	113,363	1,985	141,525
At 31 May 2022	30,440	65,052	4,193	99,685

### 11 Investments

The company's investment in its subsidiary Business Broadcasting Communications Limited was fully impaired by £250,000 in 2021.

# DYNAMIC MOBILE BILLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2023

### 12 Subsidiaries

Details of the company's subsidiaries at 31 May 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Business Broadcast Communications Limited	Lyndon House, 9th Floor, Hagley Road, Birmingham, England, B16 8PE	Wireless Telecommunications activities	Ordinary Shares	100.00

### 13 Debtors

	2023	2022
Amounts falling due within one year:	£	£
Trade debtors	545,514	544,079
Amounts owed by group undertakings	160,788	46,157
Amounts owed by related parties	146,502	230,258
Taxes receivable	113,273	-
Other debtors	13,473	1,554
Prepayments and accrued income	3,453,966	2,498,665
	<u>4,433,516</u>	<u>3,320,713</u>

**DYNAMIC MOBILE BILLING LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MAY 2023**

**14 Creditors: amounts falling due within one year**

	Notes	2023 £	2022 £
Trade creditors		7,075,462	5,783,829
Amounts owed to group undertaking		120,000	-
Amounts owed to related parties		5,103	24,579
Corporation tax		62,939	37,902
Other taxation and social security		31,084	39,779
Deferred income	17	78,068	84,519
Other creditors		6,493	6,565
Accruals		89,248	111,602
		<u>7,468,397</u>	<u>6,088,775</u>

There are certain charges held by Lloyds Bank plc:-

(a) an omnibus guarantee and set off agreement dated 4th June 2014 among Lloyds Bank plc, Dynamic Mobile Billing Limited and Oxygen8 Communications Limited together with such other security as the Bank may from time to time hold in respect of the debts and liabilities of any guarantor to the Bank.

(b) an unlimited debenture dated 4th June 2014 from Dynamic Mobile Billing Limited.

All charges were subsequently released on 2 and 11 October 2023.

# DYNAMIC MOBILE BILLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2023

#### 15 Deferred income

	2023 £	2022 £
Deferred income is included within:		
Creditors	78,068	84,519
Deferred income at 1 June	84,519	52,945
Released from prior year	(84,519)	(52,945)
Resources deferred in current year	78,068	84,519
Deferred income at 31 May	<u>78,068</u>	<u>84,519</u>

#### 16 Retirement benefit schemes

	2023 £	2022 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>94,262</u>	<u>43,411</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### Share capital

	2023 £	2022 £
<b>Ordinary share capital issued and fully paid</b>		
206,966 Ordinary shares of 1p each	<u>2,070</u>	<u>2,070</u>

#### 18 Operating lease commitments

##### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	92,437	92,437
Between two and five years	<u>44,344</u>	<u>92,437</u>
	<u>136,781</u>	<u>184,874</u>

# DYNAMIC MOBILE BILLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2023

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#### 19 Related party transactions

The company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

During the year, Dynamic Mobile Billing Limited, traded with other companies, related due to common directorship/shareholding as follows:

##### Betafriend Limited

Sales to of £3,624 (2022 - £5,040)  
Trade debtor balance due from of £1,859 (2022 - £5,148)

##### Dynamic Communications East Africa Limited

Sales to of £12,394 (2022 - £11,294)  
Trade debtor balance due from of £4,604 (2022 - £2,724)

##### Engage Hub Limited

Sales to of £658,783 (2022 - £818,446)  
Purchases from of £44,300 (2022 - £75,458)  
Trade debtor balance due from of £127,538 (2022 - £193,737)  
Trade creditor balance due to of £303 (2022 - £17,801)

##### Melodi Limited

Purchases from of £4,000 (2022 - £0)  
Trade creditor balance due to of £4,800 (2022 - £0).

##### Newplay Group Limited

Loan balance due to of £0 (2022 - £5,972)

##### Oxygen8 Communications Ireland Limited

Sales to of £34,622 (2022 - £40,543)  
Purchases from of £75,759 (2022 - £73,546)

##### Telecom Advertising & Promotion Limited

Purchases from of £60,000 (2022 - £60,000)

##### Tola Mobile DMCC

Sales to of £59,365 (2022 - £69,588)  
Purchases from of £32,390 (2022 - £51,006)  
Trade debtor balance due from of £12,500 (2022 - £28,615).

# DYNAMIC MOBILE BILLING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2023

#### 20 Group company debt

The company increased its provision against its group debtors by £279,235 following a review of its debts and their collectability.

In the prior year the company waived a debt due from Oxygen8 Communications South Africa (Pty) Ltd, a fellow group subsidiary company, amounting to £467,759, following a review of its likely collectability. Due to the long term nature of the debt which was originally provided as early start-up working capital and has accrued interest over the term the company decided to charge it against retained earnings rather than the profit and loss account in the current year.

#### 21 Ultimate controlling party

The company's ultimate parent company is Oxygen8 Communications Limited, company number 05882576, a company registered in England and Wales. The company's ultimate controlling party is Mr G Corbett through this control of Oxygen8 Communications Limited.

The largest and smallest group in which the results of the company are consolidated is that headed by Oxygen8 Communications Limited. The consolidated accounts are available to the public and copies can be obtained from 9th Floor, Lyndon House, 58-62 Hagley Road, Birmingham, B16 8PE.

#### 22 Directors Loan

The directors loan account balance of £262 (2022 - £268) has since been repaid in full after the year end.

#### 23 Post balance sheet date event

On 31 October 2023 the Viveri Group Limited, a related company, acquired 100% of the share capital of Dynamic Mobile Billing Limited from Oxygen8 Communications Limited for £4,599,999 satisfied by the Buyer allotting and issuing shares in Viveri Group Limited.

#### 24 Cash generated from operations

	2023	2022
	£	£
Profit / (loss) for the year after tax	421,474	406,613
Adjustments for:		
Taxation charged	160,037	87,383
Finance costs	11	16
Investment income	(11,083)	(15,969)
Loss on disposal of tangible fixed assets	384	726
Depreciation	36,681	53,630
Movements in working capital:		
Decrease/(increase) in debtors	(1,112,803)	2,289,124
(Decrease)/increase in creditors	1,354,586	(861,275)
	<u>849,287</u>	<u>1,960,248</u>

# **DYNAMIC MOBILE BILLING LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 MAY 2023***

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### **25 Auditor's liability limitation agreement**

The company has, by resolution, waived the need for approval of the auditors' limitation liability, which has been set at £2,000,000 within the letter of engagement dated 24 November 2022. This approval has been confirmed in the letter of representation dated 21 November 2023.