

Registered number: 10040088

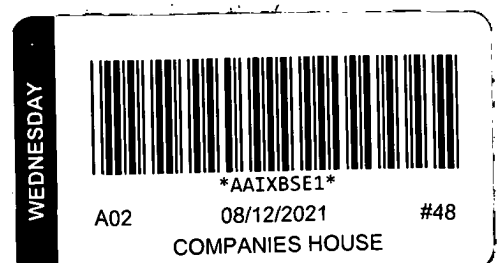
MISSION LABS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE PERIOD ENDED 2 MARCH 2021



MISSION LABS LIMITED

COMPANY INFORMATION

Directors
D Hague (resigned 3 March 2021)
D Hanson
D Eagles
A Belshaw (appointed 3 March 2021)
M Goddard (appointed 3 March 2021)
A Taylor (appointed 3 March 2021)
J Wilson (appointed 4 December 2020, resigned 31 March 2021)

Registered number 10040088

Registered office
5 Fleet Place
London
England
EC4M 7RD

Trading Address
The Old Milk Depot
Bacup Road
Rossendale
Lancashire
BB4 7FE

Accountants
Crowe U.K. LLP
Chartered Accountants
3rd floor
The Lexicon
Mount Street
Manchester
M2 5NT

MISSION LABS LIMITED

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MISSION LABS LIMITED
REGISTERED NUMBER: 10040088

BALANCE SHEET
AS AT 2 MARCH 2021

	Note	2 March 2021 £	31 March 2020 (as restated) £
Fixed assets			
Intangible assets	4	378,711	820,109
Tangible assets	5	214,193	143,137
Investments	6	526	-
		<u>593,430</u>	<u>963,246</u>
Current assets			
Debtors: amounts falling due within one year	7	1,298,046	642,047
Cash at bank and in hand	8	2,384,929	1,595,185
		<u>3,682,975</u>	<u>2,237,232</u>
Creditors: amounts falling due within one year	9	(1,031,746)	(632,477)
Net current assets		<u>2,651,229</u>	<u>1,604,755</u>
Total assets less current liabilities		<u>3,244,659</u>	<u>2,568,001</u>
Creditors: amounts falling due after more than one year	10	(101,752)	(91,300)
		<u>3,142,907</u>	<u>2,476,701</u>
Net assets		<u><u>3,142,907</u></u>	<u><u>2,476,701</u></u>
Capital and reserves			
Called up share capital		1,506	1,409
Share premium account		3,288,355	3,025,891
Profit and loss account		(146,954)	(550,599)
		<u>3,142,907</u>	<u>2,476,701</u>

The members have not required the Company to obtain an audit for the period in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

MISSION LABS LIMITED
REGISTERED NUMBER: 10040088

BALANCE SHEET (CONTINUED)
AS AT 2 MARCH 2021

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 December 2021.



D Eagles
Director

The notes on pages 5 to 16 form part of these financial statements.

MISSION LABS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 2 MARCH 2021**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 31 March 2020	1,409	3,025,891	(550,599)	2,476,701
Comprehensive income for the period				
Profit for the period	-	-	403,645	403,645
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	403,645	403,645
Shares issued during the period	97	262,464	-	262,561
	<hr/>	<hr/>	<hr/>	<hr/>
Total transactions with owners	97	262,464	-	262,561
	<hr/>	<hr/>	<hr/>	<hr/>
At 2 March 2021	1,506	3,288,355	(146,954)	3,142,907

The notes on pages 5 to 16 form part of these financial statements.

MISSION LABS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2019 (as previously stated)	1,409	3,025,891	(802,953)	2,224,347
Transition adjustment	-	-	(46,050)	(46,050)
At 1 April 2019 (as restated)	<u>1,409</u>	<u>3,025,891</u>	<u>(849,003)</u>	<u>2,178,297</u>
Comprehensive income for the year				
Profit for the year	-	-	298,404	298,404
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>298,404</u>	<u>298,404</u>
At 31 March 2020	<u><u>1,409</u></u>	<u><u>3,025,891</u></u>	<u><u>(550,599)</u></u>	<u><u>2,476,701</u></u>

The notes on pages 5 to 16 form part of these financial statements.

MISSION LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 MARCH 2021

1. General information

Mission Labs Limited (the "Company") is a company limited by shares, incorporated in England with registration number 10040088. The registered office is: 5 Fleet Place, London, England, EC4M 7RD.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements of UK GAAP Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.3 Going concern

The directors continue to assess the impact that the COVID-19 pandemic is having on the cloud communications market. They consider that the long-term structural changes and shift towards a more flexible and remote working environment will lead to an increase in adoption of cloud communication services and an acceleration in the use of these services across businesses of all sizes. The directors see this as a long-term growth opportunity across the markets in which we operate.

MISSION LABS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 MARCH 2021**

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

MISSION LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 MARCH 2021

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Professional services

Revenue from providing services is recognised based on the degree of completion of the relevant service, which is assessed on the basis of time spent. To the extent that invoices are raised in a different pattern to the revenue recognition described above, appropriate adjustments are made through accrued income and deferred income to account for revenue when the performance obligations have been met.

Subscriptions and rentals

Subscription fees, consisting primarily of monthly charges for access to cloud communication services are recognised as revenue as the service is provided.

Equipment sales

Revenue from the sale of peripheral and other equipment is recognised when control of the asset has transferred to the buyer, normally the date the equipment is delivered and accepted by the customer.

2.6 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease.

The lease liability is included in 'Creditors' on the Balance sheet.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the Tangible Assets line in the Balance sheet.

MISSION LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 MARCH 2021

2. Accounting policies (continued)

2.6 Leases (continued)

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.13.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a systematic basis over their useful economic lives, as detailed in note 2.12.

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

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Pensions

Defined contribution pension plan

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

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

MISSION LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 2 MARCH 2021

2. Accounting policies (continued)

2.11 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.12 Intangible assets

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Amortisation is provided on the following bases:

Development expenditure	-	7 % of relevant sales value
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2.13 Tangible fixed assets

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

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

The estimated useful lives range as follows:

Short-term leasehold property	-	5 years straight line
Office equipment	-	3 years straight line
Computer equipment	-	3 years straight line
Right of use assets	-	Reducing balance over the life of the lease

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

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

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

MISSION LABS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 MARCH 2021**

2. Accounting policies (continued)

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Cash and cash equivalents

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

2.17 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3. Employees

The average monthly number of employees, including directors, during the period was 75 (2020 - 43).

MISSION LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 MARCH 2021

4. Intangible assets - Development expenditure

	£
Cost	
At 1 April 2020	1,140,755
Additions - external	1,480
At 2 March 2021	<u>1,142,235</u>
Amortisation	
At 1 April 2020	320,646
Charge for the period on owned assets	442,878
At 2 March 2021	<u>763,524</u>
Net book value	
At 2 March 2021	<u>378,711</u>
At 31 March 2020	<u>820,109</u>

MISSION LABS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 MARCH 2021**

5. Tangible fixed assets

	Leasehold property improvements £	Office equipment £	Computer equipment £	Right of use £	Total £
Cost or valuation					
At 1 April 2020 (as previously stated)	34,844	30,430	62,617	-	127,891
Transition adjustment	-	-	-	205,081	205,081
At 1 April 2020 (as restated)	34,844	30,430	62,617	205,081	332,972
Additions	15,569	1,557	74,910	106,554	198,590
Disposals	-	(4,474)	(1,372)	-	(5,846)
At 2 March 2021	50,413	27,513	136,155	311,635	525,716
Depreciation					
At 1 April 2020 (as previously stated)	15,582	18,483	17,879	-	51,944
Transition adjustment	-	-	-	137,891	137,891
At 1 April 2020 (as restated)	15,582	18,483	17,879	137,891	189,835
Charge for the period on owned assets	9,886	7,073	28,076	81,276	126,311
Disposals	-	(4,474)	(149)	-	(4,623)
At 2 March 2021	25,468	21,082	45,806	219,167	311,523
Net book value					
At 2 March 2021	24,945	6,431	90,349	92,468	214,193
At 31 March 2020 (as restated)	19,262	11,947	44,738	67,190	143,137

MISSION LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 MARCH 2021

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
Additions	526
At 2 March 2021	<u>526</u>

Investments comprise equity shares in CircleLoop Limited and Mission Labs Limited (NZ). Both subsidiaries are wholly owned and neither are publicly traded. CircleLoop Limited is incorporated in England and Wales at the same registered office as the Company. Mission Labs Limited is incorporated in New Zealand with its registered office being: C/o TMF Corporate Services Limited, 41 Shortland Street, Auckland Central, 1010, NZ.

MISSION LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 MARCH 2021

7. Debtors

	2 March 2021 £	31 March 2020 £
Trade debtors	992,453	527,865
Other debtors	-	99,398
Called up share capital not paid	262,560	-
Prepayments and accrued income	43,033	14,784
	<u>1,298,046</u>	<u>642,047</u>

8. Cash and cash equivalents

	2 March 2021 £	31 March 2020 £
Cash at bank and in hand	2,384,929	1,595,185
	<u>2,384,929</u>	<u>1,595,185</u>

9. Creditors: Amounts falling due within one year

	2 March 2021 £	Restated 31 March 2020 £
Trade creditors	313,071	123,782
Other taxation and social security	468,371	197,342
Lease liabilities	71,106	34,177
Other creditors	14,347	14,021
Accruals and deferred income	164,851	263,155
	<u>1,031,746</u>	<u>632,477</u>

MISSION LABS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 MARCH 2021**

10. Creditors: Amounts falling due after more than one year

	2 March 2021	<i>Restated 31 March 2020</i>
	£	£
Lease liabilities	101,752	91,300
	<u>101,752</u>	<u>91,300</u>

11. Transition to FRS101

Following the Company being acquired by Gamma Telecom Holdings Limited (note 15) the Company adopted FRS101 as the basis of preparation for financial statements. The transitional adjustments have been accounted for at the start of the prior accounting period (i.e. 1 April 2019),

This change in accounting policy required an IFRS16 adjustment for operating leases, which resulted in a net increase of £67,190 in tangible fixed assets due to the introduction and depreciation of right to use assets and an increase in creditors due in more than 1 year of £125,477 for the introduction of the lease liability. These transitional adjustments resulted in an increase in administrative expenditure of £3,880 and interest expenditure of £8,357 and an increase to retained earnings of £58,287, for the financial year ended 31 March 2020.

There were not any other transitional adjustments.

12. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £139,172 (2020 - £37,659).

13. Commitments under operating leases

At 2 March 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2 March 2021	<i>31 March 2020</i>
	£	£
Not later than 1 year	8,213	16,427
	<u>8,213</u>	<u>16,427</u>

MISSION LABS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 2 MARCH 2021**

14. Related party transactions

The Company has taken advantage of the exemption available under FRS 101 not to disclose related party transactions between itself and its subsidiaries.

15. Controlling party and subsequent events

On 3 March 2021, the entire issued share capital of the Company was acquired by Gamma Telecom Holdings Limited. From this date, the ultimate controlling party of the Company is Gamma Communications Plc, a company listed on the Alternative Investment Market of the London Stock Exchange.