

Monty UK Global Limited

Annual Report and Financial Statements

For the Year Ended 31 December 2022

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Monty UK Global Limited

Company Information

Directors	Mountasser M Hachem Serge Khalil
Company secretary	Carole Batarseh
Registered number	08632740
Registered office	Bridge House 181 Queen Victoria Street London England EC4V 4EG
Independent auditors	Ernst & Young LLP Statutory Auditor 1 More London Place London SE1 2AF

Monity UK Global Limited

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Monty UK Global Limited

**Strategic Report
For the Year Ended 31 December 2022**

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

Principal activities and review of the business

The company is a communication mediator providing SMS, Voice and all other general services worldwide.

The key financial and other performance indicators during the year were as follows:

	2022	2021	Change
	£	£	%
Turnover	116,130,626	102,453,103	13
Company operating profit – continuing operations	6,944,962	3,429,759	102
Profit after tax	5,425,842	2,639,342	106
Net profit before tax margin %	5.9	3.3	79
Equity shareholders' funds	11,190,241	5,764,399	94
Current assets as ratio of current liabilities ('quick ratio')	1.873	1.357	38
Average number of employees	8	13	(38)

Monty UK Global Limited's turnover increased 13% on prior year (2021: 22%), with a net profit before tax margin of 6% (2021: 3%). The increase in turnover is due to the additional new revenue contracts won during the year, combined with an increase in set prices to customers as a result of the elevated market prices placed by operators that notably increased direct costs.

Nevertheless, operating profits increased by 102% (2021: 124%) in line with the increase in profit after tax by 106% (2021: 119%). The increase in operating profit was primarily driven by a significant increase in sales, namely third-party SMS sales, and Intercompany sales (see note 25 for related party transactions). Additionally, a significant increase in positive gain of exchange was recorded standing at GBP 584,849 (2021: GBP 184,063) see note 5. We continue to attempt to minimise the impact of foreign currency exchange rate movement by purchasing and selling our services in the same currencies where possible and improving our payment terms where possible to minimize loss in value that results from late payment.

Principal risks and uncertainties

Relationships

Monty UK Global Limited benefits from a close relationship with the overall Monty Mobile group. Any loss of this relationship could have a direct and detrimental effect on the company's existence.

Foreign exchange

The company has significant currency sales transactions in Euro and US Dollars and as such is exposed to movement in exchange rates. To minimise this risk the company endeavors to purchase services in the same currency where possible and lessen payment terms to maximise on receipt value date.

Environment

The company recognises that its business has an impact on the local and global environment. Monty UK Global Limited operates in accordance with group policies.

Employees

The company is committed to the continuous development of its employees by offering adequate training courses and thus enhancing our work practices and retaining our talent.

Monty UK Global Limited

**Strategic Report (continued)
For the Year Ended 31 December 2022**

Financial instruments

The company's principal financial assets are bank balances and trade debtors. The company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of provisions for doubtful debts. The company has a growing number of customers and as such has a need to ensure that credit terms are kept.

Climate risk

The management of the company have concluded that there are no material climate risks applicable to the entity.

Brexit risk

The management of the company have concluded that there are no material Brexit risks applicable to the entity.

War in Ukraine

The management of the company have concluded that there are no material risks in relation to the war in Ukraine applicable to the entity.

Cost of living crisis

The management of the company have concluded that there are no material risks associated with the rising cost of living crisis applicable to the entity.

Section 172 of the Companies Act 2006

Stakeholder engagement

In compliance with section 172 of the Companies Act 2006, the directors recognise the importance of engagement with all stakeholders and the impact this has on the Company's long-term success. The Company has built and maintained relationships with investors, advisors, suppliers and all other stakeholders. The directors recognise the importance of these and take active steps to develop and strengthen them through dialogue and engagement. These relationships are monitored at board level. The following stakeholder groups, according to section 172(1) Companies Act 2006 were identified as relevant to the Company.

Decision making

The Company recognises the importance of good governance in the success of the Company. The Board determines the strategic objectives and strategies of the Company to best support the delivery of long-term value providing overall strategic direction. The Company has robust systems of financial controls and risk management, the Board takes decisions that affect the success of the Company in the long term after a disciplined review. The Board undertakes its decisions by ensuring safety, efficiency, smart technology adoption and sustainability.

Employees

The Company recognises the importance of engaging with all employees to ensure that they are fully aligned with the objectives and values of the business. The Company engages with its workforce in a variety of ways, including Directors' delivery of strategic information directly to the workforce, availability of training opportunities to help employees develop their skill set; regular informal discussions with employees, besides formal feedback taken via the annual review process each year with a specific focus on employee wellbeing. Good communication between the Board and employees has ensured that, where appropriate, the workforce is kept abreast of strategic matters.

Monty UK Global Limited

**Strategic Report (continued)
For the Year Ended 31 December 2022**

Section 172 of the Companies Act 2006 (continued)

Customers and suppliers

Relationships with suppliers and customers are integral to the successful delivery of the Company's strategic plan. Regular reviews are conducted for key customer accounts, and as a responsible business, our supplier payments are made within the respective credit terms. We always seek new channels with new customers and suppliers to expand our business and improve our relationship with our existing customers and suppliers. Understanding the needs of our customers and suppliers enables us to achieve our objectives. The Company implements adequate security measures to maintain the privacy of its customers and suppliers.

Shareholders

The Board consistently engages with the ultimate controlling party to ensure that all key decisions and actions that are taken are aligned with the goals and objectives of the ultimate controlling party.

Community and Environment

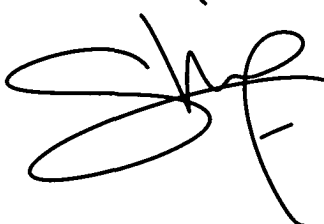
Our operations contribute positively to wider society enabling us to create stronger communities and have a positive environmental and cultural impact. We work to reduce the environmental impact of our operations doing our part to curb the most harmful impacts of global climate change. Our engagement in the community and environment aligns our focus with that of our customers and suppliers, enabling us to achieve our strategic objectives.

Company and high standards of Conduct

The Company adopts high ethical standards and follows a strict policy of maintaining integrity.

This report was approved on 21 June 2023 and signed by.

Serge Khalil
Director



Monty UK Global Limited

**Directors' Report
For the Year Ended 31 December 2022**

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

Principal activity

The company's principal activity during the year continued to be providing wholesale SMS messaging services.

Results and dividends

The profit for the year, after taxation, amounted to £5,359,312 (2021 £2,639,342).

The directors do not recommend the payment of a dividend (2021 - £Nil).

Directors

The directors who served during the year and thereafter were:

Mountasser M Hachem
Serge Khalil

Going concern

The company's business activities, the factors likely to affect its future development and position, and the principal risks and uncertainties faced by the company, are set out in the Strategic Report. The directors have considered the company's forecasts and funding available to it for a period to 30 June 2024.

The key assumptions used by management for the going concern assessment included but were not limited to the below. These were assessed and challenged internally:

- 1) Risk of a significant drop in demand of the services offered.
- 2) Risk of single point of failure in the supply chain.
- 3) Restricted ability to operate due to changes in public policy.
- 4) Geographical implications of the company's operations.
- 5) Remote working.
- 6) Contractual obligations and fulfillment of important commercial relationships.

The company concluded that the above risks did not significantly affect the company's operations and financial performance. In fact, the company is meeting its day-to-day working capital requirements, and will be able to meet medium and long term commitments based on the budgeted figures prepared to 30 June 2024.

The company is meeting its day-to-day cash commitments and payments as shown in its year-end financial statements reflected by the profitability of the company and its cash position.

The current budget was developed by management to capture probable scenarios for a period to 30 June 2024. This includes downside scenario modelling and reverse stress testing. The projected figures along with the actual figures to date, show a decrease in the company's profitability by around 46% in 2023 compared to 2022. The positive cash position of £540,099 at the 31 December 2022 year end is sufficient to support the day to day operations of the company. Cash has decreased from the prior year as a result of changes in working capital including an increase in trade receivables and other working capital. Management have reviewed the recoverability of its receivables and continually review the credit worthiness of its customer base. Management have concluded that receivables are recoverable and forecasted cashflows support the ability to continue to meet its obligations as they fall due. The company is expected to remain profitable and cash generative for the entire Going Concern period to 30 June 2024. This is true for downside scenarios modelled.

Moreover, no material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, Monty International FZ-LTD Dubai and Monty Mobile Limited Cyprus to meet its obligations in respect of the external loan financing; thus, management are satisfied the corporate guarantees provided (see note 23) by the company will not impact on the going concern assessment in this respect.

On the basis of the assessment of the company's financial position, the directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future, up to 30 June 2024. Thus, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Monty UK Global Limited**Directors' Report (continued)
For the Year Ended 31 December 2022****Research and development**

During the prior reporting period, the aim of the company's technology teams had been to finalize the development project relating to e-sims. Accordingly, the development project has been completed and is ready for sale. The company has signed an agreement for the sale of the e-sims which confirms future revenue stream. Research and development expenditure has now ceased and research and development expenditure in respect of the prior year is disclosed in note 5 of the financial statements with development costs reaching the criteria for asset recognition being capitalized where appropriate (see note 11 of the financial statements).

Environmental matters

Large UK companies are required to report under the Streamlined Energy and Carbon Reporting (SECR) requirements except where exempt due to emissions being below 40,000 kWh per year. The company and other group entities that have UK emissions falling within the disclosure requirement of the scheme fall below this exemption threshold and therefore no such disclosure is made.

Engagement with employees

The employees of the company are systematically provided with information on matters which concern them as employees. Employees or their representation are regularly consulted when decisions are taken which are likely to affect their interests. The directors continue to provide information to employees in order to achieve employee awareness of financial and economic factors affecting the company. The company maintains a policy of giving fair consideration to applications for employment made by disabled persons having regard to their particular aptitudes and abilities. In the event of an employee becoming disabled, the company uses its best endeavors to ensure continued employment.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Post balance sheet events

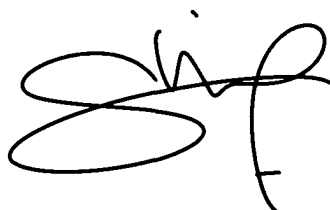
There have been no significant events affecting the company since the year end.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 21 June 2023 and signed on its behalf.

Serge Khalil
Director



Monty UK Global Limited

**Directors' Responsibilities Statement
For the Year Ended 31 December 2022**

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, have been followed, subject to any material departures disclosed and explained in the financial statements;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in United Kingdom Accounting Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- 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 to 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Monty UK Global Limited

Independent Auditors' Report to the Members of Monty UK Global Limited

Opinion

We have audited the financial statements of Monty UK Global Limited for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 27 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its 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 to 30 June 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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.

Monty UK Global Limited

Independent Auditors' Report to the Members of Monty UK Global Limited (continued)

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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the 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 or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 6, 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.

Monty UK Global Limited

Independent Auditors' Report to the Members of Monty UK Global Limited (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the Financial Reporting Standard 101, the Companies Act 2006, the Proceeds of Crime Act 2002, the Bribery Act 2010, relevant employment legislation and UK General Data Protection Regulation.
- We understood how Monty UK Global Limited is complying with those frameworks by performing enquiries regarding the processes and procedures in place as well as reviewing documentation relating to those processes and procedures as appropriate. We considered the oversight of those charged with governance and the culture of honesty and ethical behaviour including the emphasis placed on fraud prevention. We consider these factors to reduce opportunities for fraud to take place as they could persuade individuals not to commit fraud because of the likelihood of detection and punishment.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by identifying significant classes of transactions and significant accounts and considering how these classes of transactions and accounts may be subject to management override and fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved: enquiries of internal legal counsel, management and those charged with governance, review of board minutes, journal entry testing and focused testing of transactions in the financial statements with characteristics that may indicate a higher risk of fraud. We identified revenue as an area that was particularly susceptible to misstatement through management override. Our response to this risk was to carry out detailed testing over revenue, receivables and cash. We also carried out detailed testing of unusual items identified during our work.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Monty UK Global Limited

Independent Auditors' Report to the Members of Monty UK Global Limited (continued)

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.

DocuSigned by:
Ernst & Young LLP
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Naresh Alimchandani (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 22 June 2023

Monty UK Global Limited

**Statement of Comprehensive Income
For the Year Ended 31 December 2022**

	Note	2022 £	2021 £
Turnover	4	116,130,626	102,453,103
Cost of sales		(102,986,030)	(95,093,223)
Gross profit		<u>13,144,596</u>	<u>7,359,880</u>
Administrative expenses		(6,795,347)	(4,114,184)
Other operating income		595,713	184,063
Operating profit	5	<u>6,944,962</u>	<u>3,429,759</u>
Interest payable and similar costs	9	(116,817)	(68,151)
Profit before tax		<u>6,828,145</u>	<u>3,361,608</u>
Tax on profit	10	(1,402,303)	(722,266)
Profit for the financial year		<u><u>5,425,842</u></u>	<u><u>2,639,342</u></u>

There was no other comprehensive income for 2022 (2021: £NIL).

The notes on pages 15 to 33 form part of these financial statements.

The results derive from continuing operations.

Monty UK Global Limited
Registered number: 08632740

Balance Sheet
As at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	11	210,302	362,254
Tangible assets	12	297,521	310,634
Right of use asset	13	219,877	89,695
		<u>727,700</u>	<u>762,583</u>
Current assets			
Debtors	14	22,207,043	15,627,947
Cash at bank and in hand	15	540,099	3,623,529
		<u>22,747,142</u>	<u>19,251,476</u>
Creditors: amounts falling due within one year	16	(12,143,881)	(14,184,356)
Net current assets		<u>10,603,261</u>	<u>5,067,120</u>
Total assets less current liabilities		<u>11,330,961</u>	<u>5,829,703</u>
Creditors: amounts falling due after more than one year	17	(129,475)	-
		<u>11,201,486</u>	<u>5,829,703</u>
Provisions for liabilities			
Deferred taxation	19	(11,245)	(65,304)
		<u>(11,245)</u>	<u>(65,304)</u>
Net assets		<u>11,190,241</u>	<u>5,764,399</u>
Capital and reserves			
Called up share capital	21	100	100
Profit and loss account		11,190,141	5,764,299
Total equity		<u>11,190,241</u>	<u>5,764,399</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 June 2023

Serge Khalil
Director



The notes on pages 15 to 33 form part of these financial statements.

Monty UK Global Limited

**Statement of Changes in Equity
For the Year Ended 31 December 2022**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2021	100	3,124,957	3,125,057
Profit for the year	-	2,639,342	2,639,342
Total comprehensive income for the year	-	2,639,342	2,639,342
At 1 January 2022	100	5,764,299	5,764,399
Profit for the year	-	5,425,842	5,425,842
Total comprehensive income for the year	-	5,425,842	5,425,842
At 31 December 2022	100	11,190,141	11,190,241

The notes on pages 15 to 33 form part of these financial statements.

Monty UK Global Limited

Statement of Cash Flows
For the Year Ended 31 December 2022

	2022	2021
	£	£
Cash flows from operating activities		
Profit for the financial year	5,425,842	2,639,342
Adjustments for:		
Amortisation of intangible assets	160,203	119,195
Depreciation of tangible assets	106,440	83,600
Depreciation of right of use asset	133,194	119,604
Interest paid	116,817	68,151
Taxation charge	1,402,303	722,266
(Increase) in debtors	(6,579,096)	(5,130,817)
(Decrease) in creditors	(2,965,059)	(673,379)
Corporation tax (paid)	(763,193)	(328,222)
Net cash generated from operating activities	(2,962,549)	(2,380,260)
Cash flows from investing activities		
Purchase of intangible fixed assets	(8,251)	(100,091)
Purchase of tangible fixed assets	(93,327)	(218,616)
Increase in ROU Assets	(263,376)	-
Net cash used in investing activities	(364,954)	(318,707)
Cash flows from financing activities		
Interest paid	(116,817)	(68,151)
Payments of lease liability	(139,110)	-
Term loan	500,000	-
Net cash used in financing activities	244,073	(68,151)
Net increase/(decrease) in cash and cash equivalents	(3,083,430)	(2,767,118)
Cash and cash equivalents at beginning of year	3,623,529	6,390,647
Cash and cash equivalents at the end of year	540,099	3,623,529
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	540,099	3,623,529
	540,099	3,623,529

The notes on pages 15 to 33 form part of these financial statements.

Monty UK Global Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

1. General information

Monty UK Global Limited is a private company limited by shares and incorporated in England and Wales. The registered office is Bridge House, 181 Queen Victoria Street, London, England, EC4V 4EG.

2. Accounting policies**2.1 Basis of preparation of financial statements**

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

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The company's functional currency is the EUR.

The financial statements are presented in GBP due to the company's offices being held in the UK and reporting to relevant UK authorities being in GBP.

Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in the foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The company does not apply hedge accounting of foreign exchange risks in its company financial statements.

The financial statements comply with IFRS only if they comply with all the requirements of each applicable standard and each applicable interpretation of those standards including the translation method.

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 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 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 paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Monty UK Global Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

2. Accounting policies (continued)**2.3 Going concern**

The company's business activities, the factors likely to affect its future development and position, and the principal risks and uncertainties faced by the company, are set out in the Strategic Report. The directors have considered the company's forecasts and funding available to it for a period to 30 June 2024.

The key assumptions used by management for the going concern assessment included but were not limited to the below. These were assessed and challenged internally:

- 1) Risk of a significant drop in demand of the services offered.
- 2) Risk of single point of failure in the supply chain.
- 3) Restricted ability to operate due to changes in public policy.
- 4) Geographical implications of the company's operations.
- 5) Remote working.
- 6) Contractual obligations and fulfillment of important commercial relationships.

The company concluded that the above risks did not significantly affect the company's operations and financial performance. In fact, the company is meeting its day-to-day working capital requirements, and will be able to meet medium and long term commitments based on the budgeted figures prepared to 30 June 2024.

The company is meeting its day-to-day cash commitments and payments as shown in its year-end financial statements reflected by the profitability of the company and its cash position.

The current budget was developed by management to capture probable scenarios for a period to 30 June 2024. This includes downside scenario modelling and reverse stress testing. The projected figures along with the actual figures to date, show a decrease in the company's profitability by around 46% in 2023 compared to 2022. The positive cash position of £540,099 at the 31 December 2022 year end is sufficient to support the day to day operations of the company. Cash has decreased from the prior year as a result of changes in working capital including an increase in trade receivables and other working capital. Management have reviewed the recoverability of its receivables and continually review the credit worthiness of its customer base. Management have concluded that receivables are recoverable and forecasted cashflows support the ability to continue to meet its obligations as they fall due. The company is expected to remain profitable and cash generative for the entire Going Concern period to 30 June 2024. This is true for downside scenarios modelled.

Moreover, no material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, Monty International FZ-LTD Dubai and Monty Mobile Limited Cyprus to meet its obligations in respect of the external loan financing; thus, management are satisfied the corporate guarantees provided (see note 23) by the company will not impact on the going concern assessment in this respect.

On the basis of the assessment of the company's financial position, the directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future, up to 30 June 2024. Thus, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.4 Impact of new international reporting standards, amendments and interpretations

There were not any new or revised accounting standards applicable from 1 January 2022 that had any material impact on the company.

Monty UK Global Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

2. Accounting policies (continued)**2.5 Turnover**

The company recognises revenue from sale of services based on the usage of Short Message Services (SMS). Revenue from contracts with customers is recognised when the company's services are rendered and company's performance obligations to customers are satisfied based on the specific terms of the contract with customers (e.g. SMS usage or installation of hardware) at an amount that reflects the consideration to which the company is entitled in exchange for those goods or services (excluding VAT and other sales taxes). The company has concluded that it is the principal in its revenue arrangements because it controls the goods or services before transferring them to 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. If this rate cannot be readily determined, the company uses its incremental borrowing rate. The incremental borrowing rate is based on the rate applicable to working capital loans and overdrafts available to the company.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives; The lease liability is included in 'Creditors' on the Balance Sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

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 'Intangible Assets', 'Tangible Fixed Assets' and 'Investment Property' lines, as applicable, in the Balance Sheet.

The company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Monty UK Global Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

2. Accounting policies (continued)**2.7 Interest income**

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

2.8 Finance costs

Finance costs are charged to Statement of Comprehensive Income 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.

2.9 Borrowing costs

All borrowing costs are recognised in Statement of Comprehensive Income in the year in which they are incurred.

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.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Monty UK Global Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

2. Accounting policies (continued)**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.

The estimated useful lives range as follows:

Development costs	- over 3 years
License	- over 12.5 years
Software	- over 5 years

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.

Depreciation is provided on the following basis:

Assets purchased 2017 and before:

Furniture and Fixtures	- over 3 years
Servers	- over 4 years
Computer equipment	- over 3 years

Assets purchased 2018 and after:

Furniture and Fixtures	- over 5 years
Servers	- over 5 years
Computer equipment	- over 5 years

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 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.

Third party debtors and creditors are recognised gross when there is both a payable and receivable. Related party debtors and creditors are presented net (on the basis that there is an intention and right to settle net and that the risk profile of related party customer/supplier balances differs from third party balances).

Monty UK Global Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

2. Accounting policies (continued)**2.15 Cash and cash equivalents**

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

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

2.16 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.

Third party debtors and creditors are recognised gross when there is both a payable and receivable. Related party debtors and creditors are presented net (on the basis that there is an intention and right to settle net and that the risk profile of related party customer/supplier balances differs from third party balances).

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to Statement of Comprehensive Income in the year that the company becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.18 Financial instruments

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Monty UK Global Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

2. Accounting policies (continued)**2.19 Financial instruments (continued)****Fair value through profit or loss**

All of the company's financial assets other than those which meet the criteria to be measured at amortised cost are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in Statement of Comprehensive Income to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses (ECLs) on investments in debt instruments that are measured at amortised or at fair value through Other Comprehensive Income (FVOCI). The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For trade receivables and contract assets, the company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment (see note 14).

Financial liabilities**Fair value through profit or loss**

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

Monty UK Global Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

2. Accounting policies (continued)

2.19 Financial instruments (continued)

Financial liabilities (continued)

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the financial year.

Provision for expected credit losses of trade receivables

The company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by credit insurance). Due to low loss rates, a consistent rate across aging groups was considered appropriate for ECL estimation for the year. The provision matrix is initially based on the company's historical observed default rates. The company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the telecommunication sector, the historical default rates are adjusted.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

4. Turnover

An analysis of turnover by class of business is as follows:

	2022	2021
	£	£
SMS	116,027,529	102,408,532
Other	103,097	44,571
	116,130,626	102,453,103

Monty UK Global Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

4. Turnover (continued)

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	9,121,721	15,772,122
Rest of Europe	29,970,587	22,478,703
USA	44,648,369	34,534,518
Ireland	14,512,769	13,840,711
Rest of the world	17,877,180	15,827,049
	<u>116,130,626</u>	<u>102,453,103</u>

5. Operating profit

The operating profit is stated after charging / (crediting):

	2022 £	2021 £
Expected credit loss and credit loss expense.	782,372	212,782
Depreciation of tangible fixed assets	106,440	83,600
Depreciation of right of use assets	133,194	119,604
Amortisation of intangible assets	160,203	119,195
Exchange differences	(584,849)	(184,063)
Defined contribution pension cost	4,477	5,518
Membership and Subscriptions	767,342	211,789
Research and development costs	-	12,300
	<u>782,372</u>	<u>212,782</u>

6. Auditors' remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the company.

	2022 £	2021 £
Fees for the audit of the financial statements	60,500	50,000
Fees for the audit of the parent company's group financial statements	86,650	74,500
Taxation services	8,235	13,600
Taxation services for the parent company's group financial statements	6,215	6,850
Other services	-	47,250
Tax advisory	16,000	38,500
Finance advisory	-	112,500
	<u>177,600</u>	<u>343,200</u>

Fees for the taxation services and audit of the group financial statements are borne on behalf of Monty Mobile Limited UK the company's parent company.

Monty UK Global Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

7. Employees

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

	2022 £	2021 £
Wages and salaries	340,564	396,043
Social security costs	15,507	16,849
Defined contribution pension cost	4,477	5,518
	<u>360,548</u>	<u>418,410</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Employees	<u>8</u>	<u>13</u>

8. Directors' remuneration

	2022 £	2021 £
Director's emoluments	98,649	83,006
Remuneration of parent company non-executive board members	62,357	59,488
	<u>161,006</u>	<u>142,494</u>

One director participated in the defined contribution pension scheme during the year ended 31 December 2022 (2021 – one director).

9. Interest payable and similar costs

	2022 £	2021 £
Bank interest and charges	<u>116,817</u>	<u>68,151</u>

Monty UK Global Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

10. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	1,273,655	667,434
Adjustments in respect of prior periods	182,708	10,875
Total current tax	<u>1,456,363</u>	<u>678,309</u>
Deferred tax		
Current year	(657)	28,284
Effects of changes in tax rates	(207)	15,673
Adjustments in respect of prior periods	(53,196)	-
Total deferred tax (see note 19)	<u>(54,060)</u>	<u>43,957</u>
Taxation on profit	<u>1,402,303</u>	<u>722,266</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit before tax	<u>6,828,145</u>	<u>3,361,608</u>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	1,297,348	638,706
Effects of:		
Tax rate changes	(207)	15,673
Expenses not deductible	16,864	57,012
Non-taxable income	(5,320)	-
Effects of group relief	(35,894)	-
Adjustments in respect of prior periods	129,512	10,875
Total tax charge for the year	<u>1,402,303</u>	<u>722,266</u>

Monty UK Global Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

10. Taxation (Continued)**Factors that may affect future tax charges**

The corporation tax rate for the current year remains the same as the prior year i.e. 19%. The Finance Act 2021 was substantively enacted on the 24 May 2021 and has increased the corporation tax rate from 19% to 25% with effect from 1 April 2023. The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

11. Intangible assets

	Development costs £	License and software £	Total £
Cost			
At 1 January 2022	478,893	2,586	481,479
Additions – acquired separately	13,297	-	13,297
Disposals	(5,046)	-	(5,046)
At 31 December 2022	<u>487,144</u>	<u>2,586</u>	<u>489,730</u>
Amortisation			
At 1 January 2022	119,065	160	119,225
Charge for the year	160,035	168	160,203
At 31 December 2022	<u>279,100</u>	<u>328</u>	<u>279,428</u>
Net book value			
At 31 December 2022	<u>208,044</u>	<u>2,258</u>	<u>210,302</u>
At 31 December 2021	<u>359,828</u>	<u>2,425</u>	<u>362,254</u>

Monty UK Global Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

12. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Office equipment £	Total £
Cost				
At 1 January 2022	4,197	598,909	12,541	615,647
Additions	-	88,797	4,530	93,327
At 31 December 2022	<u>4,197</u>	<u>687,706</u>	<u>17,071</u>	<u>708,974</u>
Depreciation				
At 1 January 2022	4,197	290,640	10,176	305,013
Charge for the year on owned assets	-	104,734	1,706	106,440
At 31 December 2022	<u>4,197</u>	<u>395,374</u>	<u>11,882</u>	<u>411,453</u>
Net book value				
At 31 December 2022	-	292,332	5,189	297,521
At 31 December 2021	-	308,269	2,365	310,634

Monty UK Global Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

13. Right of use asset

	Buildings £
Cost	
At 1 January 2022	239,200
Additions	263,376
At 31 December 2022	<u>502,576</u>
Amortisation	
At 1 January 2022	149,505
Charge for the period	133,194
At 31 December 2022	<u>282,699</u>
Net book value	
At 31 December 2022	<u>219,877</u>
<i>At 31 December 2021</i>	<u>89,695</u>

Monty UK Global Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

14. Debtors

	2022 £	2021 £
Trade debtors	14,817,726	13,430,565
Related party debtors (note 25)	7,082,506	223,017
Allowance for expected credit losses	<u>(349,115)</u>	<u>(212,782)</u>
	21,551,117	13,440,800
Prepayments and accrued income	476,279	1,858,186
Other debtors	179,647	328,961
	<u>22,207,043</u>	<u>15,627,947</u>
Allowance for expected credit losses		
At 1 January 2022/21	212,782	-
Provision during the year	<u>136,333</u>	<u>212,782</u>
At 31 December 2022/21	<u>349,115</u>	<u>212,782</u>

Included in the current year is a charge £646,039 (2021: £394) in respect of irrecoverable receivables. This has been reflected in the loss rate estimate below which is updated based on a rolling historical loss rate and adjusted for anticipated risk on a forward looking basis. There has been no update for additional forward looking risk in the current period.

Set out below is the information about the credit risk exposure on the company's trade receivables and contract assets using its provision matrix:

	Contract asset £	Current £	Less than 30 days £	Days past due		Above 90 days £	Total £
				30 – 60 days £	60 – 90 days £		
Third party debtors	14,817,726	11,353,460	3,237,199	-	227,067	-	14,817,726
Related party debtors, net	3,919,664	-	3,765,237	-	5,207	149,220	3,919,664
Loss rate estimate		1.86%	1.86%	1.86%	1.86%	1.86%	
ECL provision		211,538	130,469	-	4,328	2,780	349,115

Related party debtors are reviewed on a group basis as all related parties are part of the same international group therefore credit risk is assessed on that basis.

Monty UK Global Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

15. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	540,099	3,623,529
	<u>540,099</u>	<u>3,623,529</u>

16. Creditors: amounts falling due within one year

	2022 £	2021 £
Short-term loan	500,000	-
Trade creditors	6,629,849	6,106,190
Related party creditors (note 25)	3,162,842	6,944,209
Corporation tax	994,288	503,971
Lease liabilities (note 20)	153,137	93,279
Other creditors	499,644	411,737
Accruals and deferred income	204,121	124,970
	<u>12,143,881</u>	<u>14,184,356</u>

There is a personal guarantee from a director of the company relating to the bank short-term loan balance £500,000 (2021: £ Nil).

17. Creditors: amounts falling due after more than one year

	2021 £	2021 £
Lease liabilities (note 20)	<u>129,475</u>	<u>-</u>

18. Financial instruments

	2022 £	2021 £
Financial assets		
Financial assets measured at fair value through profit or loss	540,099	3,623,529
Financial assets that are debt instruments measured at amortised cost	21,730,764	13,769,761
	<u>22,270,863</u>	<u>17,393,290</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(10,496,456)</u>	<u>(13,587,106)</u>

Monty UK Global Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

18. Financial instruments (Continued)

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, related party debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, bank overdrafts and accruals and deferred income.

19. Deferred taxation

	2022 £	2021 £
At beginning of year	(65,304)	(21,347)
Charged to profit or loss	864	(43,957)
Adjustment in respect of prior years	53,195	-
At end of year	(11,245)	(65,304)

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Fixed assets	64,440	65,537
Short term timing differences	(53,195)	(233)
	11,245	65,304

20. Leases

The following table summarises the movement in the lease liabilities.

	2022 £	2021 £
1 January	93,279	220,386
Interest expense	65,067	16,228
Payments	(139,110)	(143,335)
Additions	263,376	-
31 December	282,612	93,279
Lease liability		
Within 1 year	153,137	93,279
Between 1 and 2 years	129,475	-
Total	282,612	93,279

Monty UK Global Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

21. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
100 (2020 - 100) Ordinary shares of £1.00 each	100	100

22. 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. Contributions totaling £702 (2021 - £1,187) were payable to the fund at the balance sheet date and are included in creditors.

23. Corporate Guarantees

The company is a guarantor for a USD 5,700,000 loan held by Monty International FZ-LLC Dubai with a financial institution. A corporate guarantee duly notarized and attested for the total facility amount is held by the company.

The company is a guarantor for a USD 25,000,000 Master Murabaha Loan obtained by Monty Mobile Limited Cyprus, from a financial institution. The debenture is held by the company over bank accounts in addition to receivables against existing and future clients and the shares of the entity. The loan facility is split among 2 tranches of USD 15,000,000 and USD 10,000,000 respectively. The first tranche was distributed to a group entity in January 2023 for the purposes of funding payments to vendors with the second tranche not yet drawn down.

24. Contingent Liabilities and Capital Commitments

From time to time we are subject to claims, investigations, legal and administrative cases and proceedings by governmental agencies or private parties. A provision is included in the financial statements where potential outflows are probable and can be estimated reliably. Where the amounts cannot be estimated reliably, disclosure is included relating to these contingent liabilities. The company had no capital commitments and contingent liabilities as at 31 December 2022 and 31 December 2021.

25. Related party transactions

	Net debtor/ (creditor) 2022	Sales in the normal course of business 2022	Purchases in the normal course of business 2022
	£	£	£
Related parties			
Monty Mobile International LTD	1,864,458	8,678,536	32,449,257
Spectron LTD	3,369	-	-
Monty Mobile DOO	34,463	-	-
PT Monty Mobile International	5,147,698	-	14,071,513
Monty International FZ LTD	(2,905,317)	6,301,245	19,057,389
Monty for SMS Services Company	(3,532)	-	27,142
Monty Mobile Vietnam Co LTD	-	-	-
Monty Mobile Private LTD	(154)	-	-
Bond SMS LTD	-	-	-
Monty Mobile International LTD	32,518	5,395	-
Roxytel LTD	(253,839)	-	-

Monty UK Global Limited

**Notes to the Financial Statements
For the Year Ended 31 December 2022**

25. Related party transactions (continued)

	Net debtor/ (creditor) 2021	Sales in the normal course of business 2021	Purchases in the normal course of business 2021
	£	£	£
Related parties			
Monty Mobile International Ltd	(1,898,023)	4,513,683	36,104,905
Spectron LTD	3,012	-	-
Monty Mobile DOO	32,680	-	-
PT Monty Mobile Indonesia	(1,110,618)	-	11,153,091
Monty International FZ LTD	(3,919,820)	2,003,356	16,684,573
Monty for SMS Services Company	(15,603)	1,937	59,023
Monty Mobile Vietnam Co LTD	32,169	33,616	2,017
Monty Mobile Private LTD	(146)	336	-
Bond SMS LTD	129,748	134,384	2,195
Monty Mobile International LTD	25,408	25,828	-
	<u> </u>	<u> </u>	<u> </u>

Included in administrative expenses is £2,143,299 (2021: £1,898,453) relating to management fees charged by Monty Mobile International Ltd.

Included in administrative expenses is £62,357 (2021: £59,488) relating to remuneration of the parent company non-executive board members.

Included in administrative expenses is £73,031 (2021: £3,479) relating to the provision for expected credit losses on related party balances. Due to low loss rates, a consistent rate across aging groups was considered appropriate for ECL estimation.

Included in other creditors is £329,283 (2021: £329,283) relating to a loan from the ultimate beneficial owner Mr M M Hachem.

The above entities are related by virtue of common control by Mr M M Hachem and Monty Mobile Limited UK. All amounts due from and to related entities are interest free and repayable on demand.

26. Post balance sheet events

There have been no significant events affecting the company since the year end.

27. Controlling party

The company's ultimate parent undertaking is Monty Mobile Limited Cyprus which is incorporated in Cyprus. This is the largest group which consolidated accounts are prepared. Copies of the group financial statements for Monty Mobile Limited Cyprus are available from 4 Pindou street, Egkomi 2409, Nicosia, Cyprus.

The company's immediate parent undertaking is Monty Mobile Limited UK, a company incorporated in the United Kingdom. The smallest undertaking preparing consolidated financial statements that include the company is Monty Mobile Limited UK. Copies of the consolidated financial statements are available from Bridge House, 181 Queen Victoria Street, London, EC4V 4EG.

Mr M M Hachem is the ultimate controlling party of the group.