

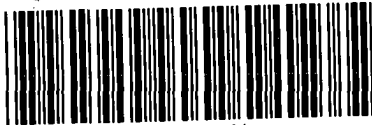
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**MYCOM (UK) LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

TUESDAY



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COMPANIES HOUSE

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**MYCOM (UK) LIMITED**

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**COMPANY INFORMATION**

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**Directors** Siamak Sarbaz (resigned on 26 November 2018)  
Mounir Ladki (appointed on 29 November 2018)  
Payam Taaghoh

**Company secretary** Harjit Samra

**Registered number** 03246779

**Registered office** 4th Floor  
The Urban Building  
3-9 Albert Street  
Slough  
Berkshire  
SL1 2BE

**Independent auditors** Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
1020 Eskdale Road  
Winnersh  
Wokingham  
Berkshire  
RG41 5TS

**Bankers** Natwest Bank plc  
Hendon, Central Circus Branch  
5 Central Circus  
London  
NW4 3LA

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**MYCOM (UK) LIMITED**

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## MYCOM (UK) LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

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#### Introduction

Mycom UK is part of the MYCOM OSI group. MYCOM OSI was formed in 2014 by combining two leading Telecom Industry Service Assurance software providers – MYCOM and OSI. The heritage of MYCOM (Est. 1997) is in Network Performance Management, and OSI (Est. 1989) in Fault Management, with both offering Service Management capabilities. Today, MYCOM OSI has completed re-architecting its portfolio for the digital era with a cloud native, integrated, real-time service assurance suite of applications powered by automation, analytics and AI/Machine Learning.

MYCOM OSI is headquartered in London, UK with 250+ staff in offices worldwide serving customers in all continents and is 100% focused on service assurance of large-scale telecom and enterprise networks.

#### Business review

Communication Service Providers (CSPs) are transforming into Digital Service Providers (DSPs) and embracing cloud technologies to compete on digital services and agile operations.

Digital transformation for CSPs means they will be able to:

- Deliver new **on-demand, real-time digital and IoT services**
- Bundle **value-added managed services** with connectivity for industry verticals
- **Monetize** quality of experience, network and customer data
- Significantly **increase operational agility** and lower opex

MYCOM OSI is recognized as a **first mover** and leader in its segment with an **award-winning cloud platform** for assurance, automation and analytics so it has become a key enabler for the modern CSP cloud architecture.

The results for the Company are set out on page 8. Revenue for the year increased by 24% and the Company incurred operating loss, however, this was after £2M of expense relating to the transaction (the acquisition of entire capital from another group company). Without this expense operating profit would have increased over four-fold. So the performance of the Company produced strong results. The Directors believe the Company is well placed to capitalise on cloud technologies and therefore continue to grow its revenue profitably.

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## MYCOM (UK) LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

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#### Financial risk management objectives and policies

The Company uses various financial instruments including cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations.

The main risks arising from the Company's financial instruments are noted below, together with policies for managing each of these risks.

#### *Currency risk*

The majority of sales and cost of sales of the Company are invoiced in USD. The Company is able to net the USD amounts with other subsidiaries in the Group.

#### *Liquidity risk*

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs.

#### *Interest rate risk*

The Company finances its operations through retained profits and intra-group funding. The Company's debtors and creditors do not attract interest and are therefore subject to fair value interest rate risk.

#### *Credit risk*

The Company's principal financial assets are cash and trade debtors. The credit risk associated with cash balances is managed by the Company monitoring the financial position of the counterparties involved.

The Company has reviewed debtor balances at 31 March 2019 and provided for balances where the risk of non-recovery is considered to be significant. The directors monitor the performance of counter-parties and address problems with customers where the risk of non-performance of contractual obligations is considered to be significant.

#### Financial key performance indicators

The main financial KPIs used by the Company are the revenue generated and operating profit, as these are used to ensure the Company can continue operations into the future.

- Revenue for the year increased by 24% to £29,439,803 (2018: £23,834,083).
- The operating profit for the year decreased by 130% to minus £112,936 (2018: £372,931).

#### Other key performance indicators

The directors consider the key performance indicator of the Company to be the degree to which it is able to profitably grow the business in service assurance to a growing worldwide customer base and therefore both turnover growth and operating profit are under constant review. It must also ensure that it successfully manages any exposure to the market such as currency fluctuations.

This report was approved by the board on 07/02/2020 and signed on its behalf.



**Payam Taagh**  
Director

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## MYCOM (UK) LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

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The directors present their report and the financial statements for the year ended 31 March 2019.

#### **Principal activity**

The principal activity of the company throughout the year was the provision of computer and telecommunications consultancy services.

The Company is continuing its marketing efforts in line with previous years to capture a larger market share in Europe and the directors consider that an increasing rate of growth in the future will be achievable.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £105,665 (2018: profit £295,281).

No dividend is payable for 2019 (2018: £Nil).

#### **Directors**

The directors who served during the year were:

Siamak Sarbaz (resigned on 26 November 2018)  
Mounir Ladki (appointed on 29 November 2018)  
Payam Taaghol

#### **Directors' responsibilities statement**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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MYCOM (UK) LIMITED

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DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2019

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**Principal risks and uncertainties**

The Company operates in a highly competitive environment and faces competition from a broad range of organisations. Technological developments also have the ability to create new forms of quickly evolving competition. A failure to develop the Company's product proposition in line with changing market dynamics and expectations could erode the Company's competitive position.

A significant economic decline in any of those territories the Company operates in could impact the Company's ability to continue to attract and retain customers in that territory.

The Company invests in significant research and development expenditure projects in order to continually drive the business forward. The failure to deliver key projects effectively and efficiently could result in significantly increased project costs and impede the Company's ability to execute its strategic plans.

The Company is exposed to financial market risks and may be impacted negatively by fluctuations in foreign exchange and interest rates which create volatility in the Company's results to the extent that they are not effectively hedged.

People at the Company are critical to meet the needs of its customers and achieve its goals as a business. Failure to attract or retain suitable employees across the business could limit the Company's ability to deliver its business plan commitments.

**Post balance sheet events**

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

**Disclosure of information to auditors**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Auditors**

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 07/02/2020 and signed on its behalf.



**Payam Taaghola**  
Director



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MYCOM (UK) LIMITED

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### Opinion

We have audited the financial statements of Mycom (UK) Limited (the 'Company') for the year ended 31 March 2019, which comprise the Statement of income and retained earnings, the Statement of Financial Position and the Statement of cash flows and notes to the financial statements, 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 and of its loss 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MYCOM (UK) LIMITED (CONTINUED)

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### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. 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.

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### 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.

### Matter on which we are required to report under the Companies Act 2006

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.

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

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.



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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MYCOM (UK) LIMITED (CONTINUED)**

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**Responsibilities of directors for the financial statements**

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

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

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

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

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

**Use of our report**

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

*Grant Thornton UK LLP*

Steven Cenci FCA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Reading  
Date: 7/2/2020

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MYCOM (UK) LIMITED

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STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 MARCH 2019

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	Note	2019 £	2018 £
Turnover	4	29,439,803	23,834,083
Cost of sales		(21,083,298)	(16,404,628)
<b>Gross profit</b>		<b>8,356,505</b>	<b>7,429,455</b>
Administrative expenses		(8,469,441)	(7,056,524)
<b>Operating (loss)/profit</b>	5	<b>(112,936)</b>	<b>372,931</b>
Interest payable and similar expense	9	172	-
Interest payable and expenses	10	-	(3,670)
<b>(Loss)/profit before tax</b>		<b>(112,764)</b>	<b>369,261</b>
Tax on profit	11	7,099	(73,980)
<b>(Loss)/profit after tax</b>		<b>(105,665)</b>	<b>295,281</b>
Retained earnings at the beginning of the year		3,116,796	2,821,515
		3,116,796	2,821,515
(Loss)/profit for the year		(105,665)	295,281
<b>Retained earnings at the end of the year</b>		<b>3,011,131</b>	<b>3,116,796</b>

There were no recognised gains and losses for 2019 or 2018 other than those included in the Statement of income and retained earnings.

The notes on pages 11 to 25 form part of these financial statements.

**MYCOM (UK) LIMITED**  
**REGISTERED NUMBER:03246779**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	12	131,924	187,126
		<u>131,924</u>	<u>187,126</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	13	332,102	664,203
Debtors: amounts falling due within one year	13	9,837,246	11,283,305
Cash at bank and in hand	14	732,286	743,239
		<u>10,901,634</u>	<u>12,690,747</u>
Creditors: amounts falling due within one year	15	(7,574,848)	(9,306,399)
<b>Net current assets</b>		<u>3,326,786</u>	<u>3,384,348</u>
<b>Total assets less current liabilities</b>		<u>3,458,710</u>	<u>3,571,474</u>
<b>Provisions for liabilities</b>			
Deferred tax	17	(12,469)	(19,568)
		<u>(12,469)</u>	<u>(19,568)</u>
<b>Net assets</b>		<u><u>3,446,241</u></u>	<u><u>3,551,906</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	435,110	435,110
Profit and loss account	19	3,011,131	3,116,796
		<u>3,446,241</u>	<u>3,551,906</u>

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



**Payam Taaghoh**

Director

Date: 07/02/2020

The notes on pages 11 to 25 form part of these financial statements.

**MYCOM (UK) LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2019**

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(105,665)	295,281
<b>Adjustments for:</b>		
Depreciation of tangible assets	73,573	77,489
Interest paid	-	3,670
Interest received	(172)	-
Taxation charge	(7,099)	73,980
Decrease/(increase) in debtors	1,806,117	(5,212,520)
Decrease/(increase) in amounts owed by group undertakings	-	734,292
Increase in creditors	598,119	1,300,606
(Decrease)/increase in amounts owed to group undertakings	(2,246,932)	3,129,949
Corporation tax (paid)	(110,694)	(159,055)
<b>Net cash generated from operating activities</b>	<b>7,247</b>	<b>243,692</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(18,372)	-
Interest received	172	-
Interest paid	-	(3,670)
<b>Net cash from investing activities</b>	<b>(18,200)</b>	<b>(3,670)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(10,953)</b>	<b>240,022</b>
Cash and cash equivalents at beginning of year	743,239	503,217
<b>Cash and cash equivalents at the end of year</b>	<b>732,286</b>	<b>743,239</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	732,286	743,239
	<b>732,286</b>	<b>743,239</b>

The notes on pages 11 to 25 form part of these financial statements.

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**MYCOM (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**1. General information**

Mycom (UK) Limited is a private company limited by shares and registered in England and Wales. Its registered head office and principal place of business is located at 4th Floor, The Urban Building, 3-9 Albert Street, Slough, Berkshire, SL1 2BE.

**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 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Director's report and the Strategic report.

The Company has considerable financial resources together with long-term contracts with a number of customers across different geographic areas. As a result the directors believe the Company is well placed to manage its business risks successfully.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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MYCOM (UK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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2. Accounting policies (continued)

2.3 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:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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**MYCOM (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**2. Accounting policies (continued)**

**2.4 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:

Leasehold improvements	- over 5 years - straight line method
Fixtures & furniture	- over 3 years - straight line method
Computer equipment	- over 3 years - straight line method

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 the Statement of income and retained earnings.

**2.5 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.

**2.6 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.

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MYCOM (UK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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2. Accounting policies (continued)

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 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 the Statement of income and retained earnings 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 income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of income and retained earnings within 'other operating income'.

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MYCOM (UK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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2. Accounting policies (continued)

2.10 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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.

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 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 the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

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## MYCOM (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 2. Accounting policies (continued)

##### 2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, 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 reporting 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 Statement of financial position 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 reporting date.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount or values may vary in certain instances from the assumptions and estimates made. Changes will be recorded, with corresponding effect in profit or loss, when, and if, better information is obtained.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment within the next financial year are included below.

##### **Trade receivables**

Management estimates the recoverable amount of trade receivables, taking into account the most reliable evidence at each reporting date and making a provision for any doubtful debts.

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NOTES TO THE FINANCIAL STATEMENTS  
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4. Turnover

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	6,433,818	6,173,371
Rest of Europe	950,169	656,416
Rest of the world	22,055,816	17,004,296
	<u>29,439,803</u>	<u>23,834,083</u>

5. Operating (loss)/profit

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

	2019 £	2018 £
Depreciation of tangible fixed assets	73,574	77,489
Exchange differences	(172,428)	698,615
Other operating lease rentals	186,421	203,765
Defined contribution pension cost	192,129	160,466
	<u>179,696</u>	<u>1,140,335</u>

6. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<u>25,923</u>	<u>17,000</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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7. Employees

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

	2019 £	2018 £
Wages and salaries	7,233,763	5,325,946
Social security costs	801,937	508,675
Cost of defined contribution scheme	192,129	160,466
	<u>8,227,829</u>	<u>5,995,087</u>

The directors consider that there are no other key management personnel other than the directors themselves. See Note 8 for details in relation to Directors' remuneration for the year.

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

	2019 No.	2018 No.
Office and management	5	5
Sales and technical	41	37
	<u>46</u>	<u>42</u>

8. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	3,682,188	652,176
Company contributions to defined contribution pension schemes	12,000	10,000
	<u>3,694,188</u>	<u>662,176</u>

During the year retirement benefits were accruing to 1 director (2018 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £1,933,337 (2018 - £652,176).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,000 (2018 - £10,000).

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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9. Interest receivable

	2019 £	2018 £
Other interest receivable	172	-

10. Interest payable

	2019 £	2018 £
Other interest payable	-	3,670

11. Taxation

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	84,980
Adjustments in respect of previous periods	-	250
	-	85,230
<b>Total current tax</b>	-	85,230
<b>Deferred tax</b>		
Origination and reversal of timing differences	(7,099)	(11,250)
<b>Total deferred tax</b>	(7,099)	(11,250)
<b>Taxation on (loss)/profit on ordinary activities</b>	(7,099)	73,980

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MYCOM (UK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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11. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
(Loss)/profit on ordinary activities before tax	<u>(112,764)</u>	<u>369,261</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(21,425)	70,160
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,874	3,570
Unrecognised deferred tax asset on loss carryover	10,452	-
Adjustments to tax charge in respect of prior periods	-	250
<b>Total tax charge for the year</b>	<u><u>(7,099)</u></u>	<u><u>73,980</u></u>

**Factors that may affect future tax charges**

A reduction in the UK corporation tax rate from 20% to 19% took effect from 1 April 2017. A further reduction from 19% to 17% will take effect from 1 April 2020.

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MYCOM (UK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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12. Tangible fixed assets

	Leasehold improvements £	Fixtures & furniture £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 April 2018	220,093	46,241	206,989	473,323
Additions	-	-	18,372	18,372
At 31 March 2019	<u>220,093</u>	<u>46,241</u>	<u>225,361</u>	<u>491,695</u>
<b>Depreciation</b>				
At 1 April 2018	77,530	14,222	194,445	286,197
Charge for the year on owned assets	52,706	9,159	11,709	73,574
At 31 March 2019	<u>130,236</u>	<u>23,381</u>	<u>206,154</u>	<u>359,771</u>
<b>Net book value</b>				
At 31 March 2019	<u>89,857</u>	<u>22,860</u>	<u>19,207</u>	<u>131,924</u>
At 31 March 2018	<u>142,563</u>	<u>32,019</u>	<u>12,544</u>	<u>187,126</u>

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MYCOM (UK) LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
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13. Debtors

	2019 £	2018 £
<b>Due after more than one year</b>		
Trade debtors	<u>332,102</u>	<u>664,203</u>
<b>Due within one year</b>		
Trade debtors	5,065,811	7,203,564
Other debtors	106,389	81,136
Prepayments and accrued income	4,665,046	3,998,605
	<u>9,837,246</u>	<u>11,283,305</u>

14. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>732,286</u>	<u>743,239</u>

15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	916,667	183,587
Amounts owed to group undertakings	883,017	3,129,949
Corporation tax	-	82,738
Other taxation and social security	404,667	228,759
Other creditors	16,828	14,141
Accruals and deferred income	5,353,669	5,667,225
	<u>7,574,848</u>	<u>9,306,399</u>

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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16. Financial instruments

	2019 £	2018 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>6,329,685</u>	<u>8,719,455</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>3,364,124</u>	<u>(4,749,921)</u>

Financial assets measured at amortised cost comprise cash and cash equivalents, trade debtors, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, other creditors and amounts owed to group undertakings.

17. Deferred taxation

	2019 £	2018 £
At beginning of year	(19,568)	(30,817)
Charged to profit or loss	7,099	11,249
<b>At end of year</b>	<u>(12,469)</u>	<u>(19,568)</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Fixed asset timing differences	(15,700)	(22,289)
Accrued pension liabilities	3,231	2,721
	<u>(12,469)</u>	<u>(19,568)</u>

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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18. Share capital

	2019 £	2018 £
<b>Authorised</b>		
500,000 (2018: 500,000) Ordinary shares of £1.00 each	<u>500,000</u>	<u>500,000</u>
<b>Allotted, called up and fully paid</b>		
435,110 (2018: 435,110) Ordinary shares of £1.00 each	<u>435,110</u>	<u>435,110</u>

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

19. Reserves

**Profit & loss account**

Profit and loss account includes all current and prior period retained profits and losses.

20. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £192,130 (2018: £150,466). Contributions totalling £16,991 (2018: £14,323) were payable to the fund at the balance sheet date

21. Commitments under operating leases

At 31 March 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	232,092	232,092
Later than 1 year and not later than 5 years	309,456	541,548
	<u>541,548</u>	<u>773,640</u>

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**MYCOM (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**22. Related party transactions**

The Company has availed of the exemptions under FRS102 which allows non-disclosure of transactions with other group companies.

The Company has issued a cross-guarantee with its parent OSI which holds a fixed and floating charge over all assets held for any amounts due to the holder.

**23. Ultimate parent undertaking and controlling party**

As at the year end the directors consider Magnate Topco Limited, incorporated in Jersey, to be the ultimate parent and controlling undertaking, following the acquisition of the entire share capital from another group company within the year.