

**Wireless Logic Limited**

**Annual report for the year ended 30<sup>th</sup> April 2020**

**Company number: 03880663**



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## **Company information**

### **Directors**

Oliver Robert Stewart Tucker  
Richard Miller

### **Company secretary**

Richard Miller

### **Company number**

03880663

### **Registered office**

Horizon  
Honey Lane  
Hurley  
Maidenhead  
Berkshire  
SL6 6RJ  
United Kingdom

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
3 Forbury Place  
23 Forbury Road  
Reading  
Berkshire  
RG1 3JH  
United Kingdom

## **Strategic report**

### **For the year ended 30<sup>th</sup> April 2020**

The directors present their strategic report on the company for the year ending 30<sup>th</sup> April 2020.

#### **Review of the business**

Wireless Logic Limited is a leading Machine-to-Machine (“M2M”) and Internet of Things (“IOT”) managed services platform provider. The business provides cloud-based management and monitoring platforms for M2M and IOT assets across multiple international mobile network and satellite operators.

We are Europe’s leading M2M and IOT managed services provider, delivering a one-stop solution combining secure infrastructure, resilient software platforms and multiple network connectivity. In partnership with major mobile and satellite networks, we provide best-in-class managed services to end user clients as well as solution and application providers – from global blue-chip organisations to small and medium enterprises.

Fundamental to our success is our ability to develop and deliver tailored PaaS and IaaS solutions designed to meet the needs of an ever demanding and evolving market where reliability, cost-effectiveness, SLAs and sector knowledge are vital. The Wireless Logic group, of which this company is a part of, is globally recognised within the M2M and IOT sectors as well as being a preferred partner to many of the world’s Mobile Network Operators (MNOs). We continue to push the boundaries as the market evolves – providing managed services, connectivity and related solutions to millions of devices.

The results for the year ended 30<sup>th</sup> April 2020 show turnover was £52.2m (2019: £45.5m) up 15% and EBITDA before exceptional items was £18.0m (2019: £17.2m) up 5%. Operating profit for the year at £11.3m was 11% down (2019: £12.8m) due largely to an increase in amortisation and exceptional items as detailed in note 5.

At the year end, the company had net assets of £74,624k (2019: £60,974k) and remains in a strong position and well placed to continue to grow.

#### **Strategy**

The strategy of the group of which Wireless Logic Limited is a part, has been focussed on growing the business geographically and continuing to broaden the services it offers to customers. Geographically, as at 30<sup>th</sup> April 2020, the company had operating subsidiaries in Germany and The Netherlands; and served the needs of customers across some 40 countries.

In terms of services, SIMPro offers customers a unique and differentiated feature rich platform to enable them to manage their assets across multiple networks. We continue to add further additional services to SIMPro in order to meet the growing needs of our customer base.

The long-term strategy of the company is to be the leading M2M and IOT global managed services platform provider.

## Strategic report (continued)

### Objectives

The business objectives for the year included growing the base of subscriptions in-line with the budget. Base of subscriptions grew by 11% during the year, achieving budget.

As well as meeting our objectives, Wireless Logic Limited continues to be recognised by Megabyte as one of the leading technology companies in England.

### Business model

Our business model is built around the core strategic themes of supporting our global customers, innovation and delivering profitable growth.

We benefit from a subscription based revenue stream which provides a high degree of visibility of future performance. We continue to invest in the infrastructure that enables us to deliver robust and reliable services to end users, who often use what we provide to support activities that are mission critical within their own businesses. We also invest significant amounts into the intangible assets within the business, including the technical and intellectual property behind the platforms and solutions we offer.

### Future outlook

The future outlook for the industry and the company remains positive. Analysis and forecasts of the M2M and IOT markets, by external industry experts, show continued growth, as the end uses to which the technology is put, continue to expand. Furthermore, the applications to which M2M and IOT technologies are being applied, continue to become more sophisticated, and more data intensive. This increases the need for both the resilient private infrastructure and the platforms we offer, to enable customers to manage their growing estate of devices.

The COVID-19 pandemic has had a significant impact on the global economy and the way in which businesses operate. The company has not furloughed any staff and transitioned well to remote working. Customer services were maintained at a very high level throughout and no additional technical issues were encountered. There was increased sales activity immediately before lock-downs across the countries in which we operate, followed by a slightly reduced level of new business during lock-down.

The company has supported customers who have been significantly affected because they have faced difficult trading conditions. Fortunately, the company is limited to a relatively small number and the support has largely taken the form of extending payment terms. Overall, the company has performed well, continuing to grow in terms of both revenue and EBITDA, over this difficult period.

### Exceptional Items

Exceptional costs incurred during the period related principally to mergers and acquisitions activity, re-financing and a share based payment charge. Further details of these costs are disclosed in note 5.

## **Strategic report (continued)**

### **Compliance with Section 172 of the Companies Act**

A Director of the Company must act in accordance with a set of general duties. These duties are detailed in Section 172 of the Companies Act 2006, summarised as follows:

#### **Long term risk management**

The company operates within the wider Wireless Logic Group whose business and risk environment continues to develop as it grows. We regularly review the primary risks set out on the previous page which include focus on our stakeholders across both customers and suppliers as well as managing financial exposures. The Group continues to identify, evaluate, manage and mitigate emerging risks as they appear, with the most prominent recent example being the management of COVID-19 as discussed previously. We continue to ensure we make financially sound long term decisions to support the Group which requires careful review of results and forecasts including cash flows. Major investments are reviewed to ensure they are aligned to the long term success of the Group through alignment to our strategic goals. This focused investment ensures that we continue to provide secure infrastructure, resilient software platforms and multiple network connectivity through continued investment in technology, supporting our customer base through the long term success of the Group. The risk management methodology and outputs of management's risk reviews are reviewed by the Board on a regular basis. As a Company the continued long term success of the entity is dependent on support provided by the Group to ensure the recoverability of amounts owed by Group Undertakings if this is required

#### **Engagement with employees**

Both the Company and The Group have committed to being a responsible business and the Directors also recognise that employees are essential to our business and the delivery of our strategic goals stated above. Our behaviour is aligned to the expectations of our employees, ensuring we operate as a responsible employer with regards to pay, benefits and health and safety. We proactively manage our people's performance and focus on developing talent within the Group whilst also attracting talent for exciting career opportunities in the UK and Europe. We thoroughly believe that embracing diversity in all its forms makes us stronger as a company; our broad-based and talented teams help us to stay agile and move faster than others in the market.

#### **Impact on the community and environment**

The Company and the Group remains aware of its potential impact on the communities it operates within, maintaining a low environmental impact as disclosed within our 'Streamlined Energy & Carbon Reporting' and focusing on support for our communities through our employees. Through creating an opportunity for our employees to thrive many initiatives are started at a local level to support our communities and these are both celebrated and encouraged by the Directors.

## Strategic report (continued)

### Compliance with Section 172 of the Companies Act (continued)

#### **Business relationships with suppliers, customers and others**

The Company is aligned with the wider Group's core strategic theme of our business model focuses on supporting our global customers and as a Board we continue to review customer focused KPIs on a regular basis to ensure customer relationships remain at the forefront of what we do. We aim to build strong and close local relationships. Speaking a local 'language' – i.e. how we say something, not just what we impart, is one of the reasons why Wireless Logic has been so successful to date. As we continue to expand, we hope to continue the diverse, passionate and driven way we work with our local business partners, supporting their needs as well as our own.

#### **Maintaining a reputation for high standards of business conduct**

The Company places a large focus on maintaining its reputation for high standards of business conduct with all of its stakeholders. Management appreciates this is underpinned by the need to act fairly between members of the company and all other stakeholders. Employees are reminded of their obligations to ensure this principle is applied to everything they do through regular updates on Anti Bribery and Corruption standards as well as detailed related policies on equal opportunities, whistleblowing and anti-slavery and human trafficking without the employee handbook.

### **Principal risks and uncertainties**

The principal risks facing the business and details of how we mitigate these risks are set out below.

- **Supplier relationships** – Our relationships with the leading mobile network operators are important to our on-going success. We are an important channel and route to market for them and we mitigate the risk of these relationships being damaged through close and frequent contact.
- **Technology** – The M2M and IOT markets are largely based around the use of SIM card technology. Whilst this technology may change, the need for machines to be connected is forecast to increase significantly. Any technology risks are mitigated through the use of our flexible platforms which enable us to accommodate changes in the technology underlying M2M and IOT connectivity, and the fact that we are bearer service agnostic.
- **Customers** – The business has a customer base across a large number of industries, and no single customer accounted for more than 7.1% of the gross profit. Furthermore, the contracted subscription nature of our revenue provides a high degree of visibility of income.
- **COVID-19** – It's possible that customers will face continued challenges over the coming months depending on future developments in terms of the COVID-19 pandemic and the consequent impact on the macro-economic conditions. During and immediately after the lock-down period the group saw no reduction in key cash collection statistics suggesting the vast majority of customers were weathering the storm well. It's possible that in the latter part of 2020 some customers will experience trading challenges. It's also the case that COVID-19 has created new opportunities for the group with, for example, solutions focussed on foot-fall management in retail environments. Overall, the group is

confident COVID-19 will have a limited impact, felt most in FY21, but our current analysis shows continued growth through the remainder of FY21 and into FY22.

## Strategic report (continued)

### Brexit

The group has operations and subsidiaries across continental Europe and has been monitoring and planning for Brexit since it was announced. In continental Europe the group's subsidiaries work with local mobile network operators and sell largely to local customers, with transactions denominated in Euros or Danish Krona. We don't manufacture physical products and cross border movements are limited to a relatively small number of SIM cards. The group has published guidance on Brexit on our website. We continue to expect the direct impact of Brexit on the group will be minimal, other than variations in the general economic climate caused by terms under which the UK leaves the EU.

### Key Performance Indicators

Management adopts a number of indicators to measure and monitor the overall performance of the company, which include:

- revenue showed a positive trend increasing by 15% alongside an 11% increase in subscriptions,
- EBITDA, which increased to £18.0 m (£17.2m 2019) in the year,
- gross margin remained stable at 49% (50% 2019) and
- cash conversion, which was 106% (96% in 2019).

A budget is set each year and monthly performance, including the key performance indicators above, are monitored against budget. For the period ended 30<sup>th</sup> April 2020, the group exceeded budget and performed strongly against every key performance indicator. In addition, the company looks closely at non-financial key performance indicators, such as staff and customer satisfaction.


## Strategic report (continued)

### Principal risks and uncertainties (continued)

#### Corporate and Social Responsibility

Throughout the year the group supported a number of initiatives including charitable work undertaken by staff. Our employment policies are reviewed regularly and designed to enable the management team to identify and respond to issues that are important to the group's employees, as well as to recruit and develop a diverse and talented group of people. We consider and report on the environmental impact of the group's activities but, as a largely services-based business, we don't have any manufacturing or logistics operations that are energy intensive.

On behalf of the Board



Oliver Tucker  
Director

**02** December 2020

## **Directors' report**

### **For the year ended 30<sup>th</sup> April 2020**

The directors present their report together with the audited financial statements for the year ended 30<sup>th</sup> April 2020.

#### **Stakeholder engagement**

The Company is required by the Companies Act 2006 to set out the development and performance of the business of the group during the year end 30<sup>th</sup> April 2020, the position of the Group at 30<sup>th</sup> April 2020 and a description of the principal risks and uncertainties facing the group. By reference to the Strategic report the following information is given:

- Review of the business;
- Environmental reporting;
- Risk management and principal risks; and
- Customer, supplier and wider stakeholder engagement;

Where appropriate additional detail on some risks and areas of focus is included below as well as required disclosures on going concern and principal activities of the Group.

#### **Principal activities**

The company is principally engaged in the provision of managed services in the Machine-to-Machine ("M2M") and Internet of Things ("IOT") sectors.

#### **Results**

The directors are pleased to present another strong set of results, as explained in the Strategic Report the average monthly revenue per subscriber which showed a positive trend, EBITDA increased to £18.0 m (£17.2m 2019) in the year, gross margin remained stable at 49% (50% 2019) and cash conversion was 106% (96% in 2019).

The directors believe the outlook for the industry, and the company, remains positive, as indicated in the strategic report. The strategy of the company is focussed on growth both geographically and by broadening the services it offers to customers. We'll continue to achieve this through significant organic growth, managing our customer base and continuously investing in our SIMPro platform. As well as in the team that supports and develops this, to ensure we offer market leading services to our customers.

The directors would like to thank all our customers, suppliers, partners and employees for their support in the year.

The results for the year and financial position of the company are shown in the annexed financial statements.

Exceptional administrative expenses of £3.9m (2019: £2.3m) were reported in the year largely driven by acquisition related expenses and a share based payment charge as detailed in note 5.

## **Directors' report (continued)**

### **Matters covered in the Strategic Report**

Disclosure of the company's Business Review, Future Developments, Principal Risks and Uncertainties and Key Performance Indicators is provided in the Strategic Report.

### **Dividends**

No dividends were proposed, paid or received during the year (2019: £nil).

### **Financial Risk Management**

The company's operations expose it to a variety of financial risks that include the effects of changes in foreign exchange rates, interest rate cash flow risk, credit risk and liquidity risk. The group, of which Wireless Logic Limited is a part, has in place a risk management programme that seeks to limit any adverse effects on the financial performance of the group.

#### **Foreign exchange risk**

The company is exposed to movements in foreign exchange rates as a result of transactions with customers and suppliers outside the UK. The company manages the foreign exchange rate risk by transacting in local currencies, where practical and maintaining foreign currency bank accounts.

#### **Credit risk**

In order to manage credit risk with customers, the directors set credit limits based on a combination of trading, payment history, market knowledge and third-party credit references. Credit limits are reviewed on a regular basis in conjunction with customer's debt ageing and collection history.

#### **Liquidity risk**

The company manages its liquidity position with the objective of maintaining the ability to fund commitments and repay liabilities in accordance with their required terms. The financing of operations is managed at a group level. Management have reviewed the Group's forecast cash position and continued covenant compliance. The directors have concluded that, based on the above, the Group and therefore the company will continue to be able to meet its liabilities as they fall due for a period of at least 12 months from the date of the approval of these financial statements.

### **Directors**

The Company has purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors. The policy permitted by the Articles of Association gives the directors the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006.

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Oliver Robert Stewart Tucker

Richard Miller

## Directors' report (continued)

### Streamlined Energy & Carbon Reporting

From the financial year ending 30<sup>th</sup> April 2020, the Company is required to report on the UK energy use and carbon emissions. This new requirement has been implemented by the Department for Business, Energy and Industrial Strategy (BEIS).

The entity has no direct emissions (scope 1) from direct use of transport and third parties are used and no combustion of natural gas. The entity estimates it has used 19,500 kg CO<sub>2</sub>e from electricity in operations through the running of its office in Hurley, Maidenhead following review of electricity bills received (scope 2). The indirect emissions (scope 3) identified within the entity are related to business miles from cars and flights of 29,725 kg CO<sub>2</sub>e.

Emission source	Year ended 30 <sup>th</sup> April 2020 kg CO <sub>2</sub> e
<b>Energy purchased for own use:</b>	
Electricity	19,500
<b>Scope 2 greenhouse gas emissions</b>	<b>19,500</b>
<b>Indirect emissions</b>	
Business miles	29,725
<b>Scope 3 greenhouse gas emissions</b>	<b>29,725</b>
<b>Total</b>	<b>49,225</b>
<b>Intensity ratio (kg CO<sub>2</sub>e / UK FTE)</b>	<b>529</b>

The information above has been prepared internally using electricity bills and employee expense claims as inputs and then calculated using the Government's Environmental Reporting Guidelines and the emission factors taken from the UK Government CHG Conversion Factors 2020. UK FTE is 93 as reported within Wireless Logic Limited accounts. The Company continues to look for opportunities to reduce its emissions however due to the already low emissions reported above aligned to the nature of its business, minimal quantifiable action has been taken in the year to 30<sup>th</sup> April 2020.

### Statement of directors' responsibilities in respect of the financial statements

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

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

## Directors' report (continued)

### Statement of directors' responsibilities in respect of the financial statements (continued)

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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 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.

### Directors' confirmations

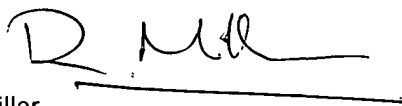
In the case of each director in office at the date the Directors' Report is approved:

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

### Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the Board



Richard Miller

Director

Wireless Logic Limited Registered number 03880663

02 December 2020

## **Independent auditors' report to the members of Wireless Logic Limited**

### **Report on the audit of the financial statements**

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#### **Opinion**

In our opinion, Wireless Logic Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report for the year ended 30<sup>th</sup> April 2020 (the "Annual Report"), which comprise: the statement of financial position as at 30 April 2020; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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#### **Conclusions relating to going concern**

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

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.

## **Independent auditors' report to the members of Wireless Logic Limited (continued)**

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Strategic Report and Directors' report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the year ended 30 April 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' report.

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### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 12-13, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

## Independent auditors' report to the members of Wireless Logic 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 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Charlotte Anderson (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Reading  
3 December 2020

**Statement of Comprehensive Income for the year ended 30<sup>th</sup> April 2020**

	Note	2020 £'000	2019 £'000
<b>Revenue</b>	4	52,177	45,519
Cost of sales		(26,644)	(22,616)
<b>Gross profit</b>		25,533	22,903
Distribution costs		(77)	(77)
Administrative expenses excluding exceptional items		(7,473)	(5,601)
Amortisation	11	(2,220)	(1,698)
Depreciation	12	(509)	(437)
Exceptional expenses	5	(3,935)	(2,319)
Total Administrative expenses		(14,137)	(10,055)
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) before exceptional costs		17,983	17,225
<b>Operating profit</b>	6	11,319	12,771
<b>Profit before interest and taxation</b>		11,319	12,771
Finance income	8	1,981	1,357
Finance costs	8	(976)	(70)
<b>Net finance income</b>		1,005	1,287
<b>Profit before income tax</b>		12,324	14,058
Income tax credit/(expense)	9	17	(689)
<b>Profit for the financial year</b>		12,341	13,369
<b>Total comprehensive income for the year</b>		12,341	13,369

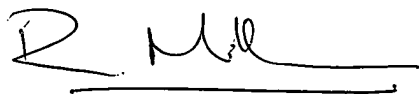
The notes on pages 20 to 36 are an integral part of these financial statements.

**Statement of Financial Position as at 30<sup>th</sup> April 2020**

	Note	2020 £'000	2019 £'000
<b>Non-current assets</b>			
Investments	10	19,633	7,737
Intangible assets	11	4,177	3,247
Property, plant and equipment	12	1,240	406
Deferred tax assets	17	49	19
		<b>25,099</b>	<b>11,409</b>
<b>Current assets</b>			
Inventories	13	123	100
Trade and other receivables	14	71,197	63,147
Cash and cash equivalents		5,622	5,174
		<b>76,942</b>	<b>68,421</b>
<b>Current liabilities</b>			
Trade and other payables: amounts falling due within one year	15	(26,446)	(18,856)
<b>Net current assets</b>		<b>50,496</b>	<b>49,565</b>
<b>Total assets less current liabilities</b>		<b>75,595</b>	<b>60,974</b>
<b>Non-current liabilities</b>			
Trade and other payables: amounts falling due after more than one year	16	(971)	
<b>Net assets</b>		<b>74,624</b>	<b>60,974</b>
<b>Equity</b>			
Called up share capital	18	6	6
Share premium	18	744	744
Retained earnings		73,874	60,224
<b>Total shareholders' funds</b>		<b>74,624</b>	<b>60,974</b>

The notes on pages 20 to 36 are an integral part of these financial statements.

The financial statements on pages 17 to 36 were approved by the board of directors and were signed on its behalf by:



Richard Miller  
Director  
Wireless Logic Limited  
Registered number 03880663  
02 December 2020

**Statement of changes in equity for the year ended 30<sup>th</sup> April 2020**

	Note	Called-up share capital £'000	Share premium £'000	Retained earnings £'000	Total Shareholders' funds £'000
<b>Balance as at 1st May 2018</b>		<b>6</b>	<b>744</b>	<b>45,804</b>	<b>46,554</b>
Profit for the financial year		-	-	13,369	13,369
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>13,369</b>	<b>13,369</b>
Share based payment		-	-	1,051	1,051
<b>Balance as at 30th April 2019</b>		<b>6</b>	<b>744</b>	<b>60,224</b>	<b>60,974</b>
Effect of adoption of IFRS16		-	-	(80)	(80)
Deferred tax effect on adoption of IFRS 16		-	-	14	14
<b>Adjusted balance as at 1<sup>st</sup> May 2019</b>		<b>6</b>	<b>744</b>	<b>60,158</b>	<b>60,908</b>
Profit for the financial year		-	-	12,341	12,341
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>12,341</b>	<b>12,341</b>
<b>Transactions with owners recognised directly in equity:</b>					
Share based payment		-	-	1,375	1,375
<b>Total transactions with owners recognised directly in equity</b>		<b>-</b>	<b>-</b>	<b>1,375</b>	<b>1,375</b>
<b>Balance as at 30th April 2020</b>	<b>18</b>	<b>6</b>	<b>744</b>	<b>73,874</b>	<b>74,624</b>

The notes on pages 20 to 36 are an integral part of these financial statements.

## Notes to the financial statements for the year ended 30<sup>th</sup> April 2020

### 1 General information

Wireless Logic Limited is a leading Machine-to-Machine (“M2M”) and Internet of Things (“IOT”) managed services platform provider. The business provides cloud based management and monitoring platforms for M2M and IOT assets across multiple international mobile network and satellite operators.

The company is a private company limited by shares and is incorporated and domiciled in England, United Kingdom. The address of its registered office is Horizon Honey Lane, Hurley, Maidenhead, Berkshire, SL6 6RJ, England.

### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

The financial statements of Wireless Logic Limited have been prepared in accordance with Financial Reporting Standard 101, ‘Reduced Disclosure Framework’ (FRS 101). The financial statements have been prepared under the historical cost convention, in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraphs 45(b) and 46 to 52 of IFRS 2, ‘Share-based payment’ (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, ‘Financial instruments: Disclosures’.
- 101p8(e) & paragraphs 91 to 99 of IFRS 13, ‘Fair value measurement’ (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, ‘Presentation of financial statements’ – comparative information requirements in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16, ‘Property, plant and equipment’; and
  - paragraph 118(e) of IAS 38, ‘Intangible assets’ (reconciliations between the carrying amount at the beginning and end of the period).

## Notes to the financial statements for the year ended 30<sup>th</sup> April 2020 (continued)

### 2.1 Basis of preparation (continued)

- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows);
  - 16 (statement of compliance with all IFRS);
  - 38A (requirement for minimum of two primary statements, including cash flow statements);
  - 38B–D (additional comparative information);
  - 111 (cash flow statement information); and
  - 134–136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

#### 2.1.2 Changes in accounting policy and disclosures

##### IFRS 16 Leases

The Company has adopted IFRS 16 Leases (IFRS 16) with a date of initial application of 1<sup>st</sup> May 2019.

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases - Incentives and SIC-27 Evaluation the Substance of Transactions involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. The Company does not have any leases where the Company is a lessor, and there is therefore no change required to the related accounting policy.

The Company has applied IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1<sup>st</sup> May 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the practical expedient available under IFRS 16 not to reassess whether a contract is, or contains a lease at 1<sup>st</sup> May 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 respectively at the date of initial application.

Upon adoption of IFRS 16, the Company applied a single recognition and measurement approach for all leases except the short-term leases and leases of low-value assets.

## Notes to the financial statements for the year ended 30<sup>th</sup> April 2020 (continued)

### 2.1.2 Changes in accounting policy and disclosures (continued)

#### IFRS 16 Leases (continued)

In addition, on transition to IFRS 16, the Company has taken advantage of the additional practical expedients and has:

- Used a single discount rate for a portfolio of leases with reasonably similar characteristics,
- Relied on the previous assessments of where leases are onerous immediately before the date of initial application,
- Applied the short-term leases exemptions to leases with lease terms that end within 12 months of the date of initial application,
- Excluded the initial direct costs from the measurement of the right of use asset at the date of initial application where applicable,
- Used hindsight in determining where certain leases contain options to extend or terminate the leases.

The effect of adoption of IFRS 16 as at 1<sup>st</sup> May 2019 is, as follows:

<b>Assets</b>	<b>£'000</b>
Right of use assets	1,220
Deferred tax assets	220
<b>Total assets</b>	<b>1,440</b>
<b>Liabilities</b>	
Lease liabilities - short term	(98)
Lease liabilities - long term	(1,203)
Deferred tax liabilities	(205)
<b>Total Liabilities</b>	<b>(1,506)</b>
<b>Equity</b>	
Retained earnings	66

Based on the above, as at 1<sup>st</sup> May 2019:

- Right of use assets of £1.2m were recognised and presented separately in the statement of financial position. The Company did not have any lease assets previously recognised as finance leases to include within this balance, subsequently, the Company's property, plant and equipment has not been adjusted.
- Additional lease liabilities of £1.3m were recognised and are included as a component of trade and other payables, under lease liabilities.
- Other payables of £116k recognised in respect of operating leases as previously classified were derecognised.
- Deferred tax liabilities were adjusted by £220k and deferred tax assets adjusted by £208k in respect of the changes in assets and liabilities.

**Notes to the financial statements for the year ended 30th April 2020 (continued)****2.1.2 Changes in accounting policy and disclosures (continued)****IFRS 16 Leases (continued)**

- The net effect of these adjustments has been included within opening retained earnings and equates to a reduction of £66k.

The Company's material portfolio of leases relate to its property, there are immaterial leases in place for vehicles and other office equipment. Before the adoption of IFRS 16, under IAS 17, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. At the point of transition to IFRS 16, the Company did not hold any leases which it had previously classified as finance leases, all leases were classified as operating leases.

The Company recognised right of use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low value assets. The right of use assets for leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rates as at the date of initial application, being 1<sup>st</sup> May 2019.

Lease liabilities were recognised based on the present value of the remaining lease payments, discounted applying the incremental borrowing rate at the date of initial application, the Company's weighted average incremental borrowing rate was 4%.

The lease liabilities as at 1<sup>st</sup> May 2019 can be reconciled to the operating lease commitments as of 30<sup>th</sup> April 2019 as follows:

	£'000
<b>Operating lease commitments as at 30<sup>th</sup> April 2019 (as originally presented)</b>	<b>2,916</b>
Adjustment to previous disclosure	(1,214)
<b>Restated Operating lease commitments as at 1<sup>st</sup> May 2019 (restated)</b>	<b>1,702</b>
less:	
Commitments relating to short-term leases	-
Commitments relating to leases of low value assets	-
<b>Adjusted operating lease commitments as at 1<sup>st</sup> May 2019 (restated)</b>	<b>1,702</b>
Impact of applying the incremental borrowing rate	(286)
<b>Lease liabilities as at 1<sup>st</sup> May 2019</b>	<b>1,416</b>
<b>Weighted average incremental borrowing rate as at 1<sup>st</sup> May 2019</b>	<b>4.00%</b>

## Notes to the financial statements for the year ended 30th April 2020 (continued)

### 2.2 Share Based Payments

In accordance with IFRS 2 'Share-based Payment', the fair value of shares held by employees has been estimated at the date of their issue using a future earnings valuation model. This is accounted for as an equity settled share based payment scheme. The related charge is recognised on a straight line basis over the vesting period as an exceptional cost in the Statement of Comprehensive Income, with a corresponding increase in equity.

### 2.3 Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements. Further details to the risks, including COVID-19 and liquidity risks, are detailed in the Strategic and Directors' reports

### 2.4 Consolidation

The company is a wholly owned subsidiary of Wireless Logic Group Limited and of its ultimate parent Blue Topco Limited. It is included in the consolidated financial statements of Blue Holdco Limited which are publicly available from Horizon, Honey Lane, Hurley, Berkshire, SL6 6RJ England. Therefore, the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements for the year ended 30<sup>th</sup> April 2020.

These financial statements are separate financial statements.

### 2.5 Revenue recognition

Revenue is the total amount receivable by the company for goods and services provided, excluding VAT and trade discounts. Revenue on airtime is recognised as incurred by customers. Revenue is principally derived from the company's principal activities of M2M and IOT managed services, which the directors consider comprise a single class of business and arose within the United Kingdom. A very small amount of revenue (2%) is derived from the sale of related hardware.

### 2.6 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£'000), which is also the company's functional currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income within 'Administrative expenses.'

## Notes to the financial statements for the year ended 30th April 2020 (continued)

### 2.7 Exceptional

The company classifies as exceptional items certain charges that are not part of the indicative underlying trading result of the business, including one-off and non-recurring items, such that they have a material impact on the company's financial results. These are disclosed separately to provide further understanding of the financial performance of the company accordingly.

### 2.8 Employee benefits

The company operates an auto enrolment pension scheme which takes effect after the probation period is completed. Contributions payable to the company's pension scheme are charged to the profit or loss in the period to which they relate.

### 2.8 Employee benefits (continued)

After a full years' service, the employee is also eligible to join the private healthcare insurance, subject to P11D tax deduction. Contributions payable to the healthcare insurance are charged to the Statement of Comprehensive Income in the period to which they relate.

### 2.9 Interest income

Interest income is recognised using the effective interest method. When a loan or receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognised using the original effective interest rate.

### 2.10 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds.

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

Deferred income tax is recognised on temporary timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

## Notes to the financial statements for the year ended 30th April 2020 (continued)

### 2.10 Current and deferred income tax (continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### 2.11 Intangible assets

Subscriber acquisition assets relate to acquisitions of customer lists which are valued at cost. Amortisation is calculated to write down the cost of customer connections by equal annual instalments over the expected contract period, normally 3 years.

The group continues to develop and invest in the platform and services it provides to customers. Where development costs increase the intellectual property of the group and meet the necessary criteria, they are capitalised as intangible assets and amortised over a three-year period.

Software costs recognised as assets are amortised over their estimated useful lives, which does not exceed three years.

Amortisation is recognised in the Statement of Comprehensive Income within 'Administrative expenses'.

### 2.12 Property, plant and equipment

Property, plant and equipment are shown at original historical cost, net of depreciation and any provision for impairment. Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets, by equal annual instalments over their expected useful lives. The rates generally applicable are:

Leasehold property	10%
Leasehold improvements	33%
Fixtures and fittings	33%
IT equipment	33%

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other income' in the Statement of Comprehensive Income.

### 2.13 Inventory

Stocks are principally SIM cards and mobile devices / routers and are valued at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is stated after taking account of manufacturing bonuses and support payments, which are deducted from cost of sales.

## Notes to the financial statements for the year ended 30th April 2020 (continued)

### 2.14 Trade and other receivables

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

### 2.15 Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

### 2.16 Cash and cash equivalents

Cash and cash equivalents include cash in hand and other short-term highly liquid investments with original maturities of three months.

### 2.17 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers or as part of intercompany transactions. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 2.18 Investments

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

### 2.19 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 2.20 Dividend distribution

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

### 2.21 Lease contracts

Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Accounting policy for leases is set out in detail within 2.1.2 above.

**Notes to the financial statements for the year ended 30<sup>th</sup> April 2020 (continued)****3 Critical accounting estimates and judgements**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

**(a) Impairment of trade receivables**

The company makes an estimate of the recoverable value of trade and other receivables. When assessing impairment of trade and other receivables using the expected credit loss model, management considers factors including the nature of the charges, the ageing profile of receivables and historical experience. See note 14 for the net carrying amount of the receivables and associated impairment provision.

**(b) Share-based payment**

The Company measures share based payments at fair value at their grant date in accordance with IFRS 2 'Share-based Payment'. The Group calculates the fair value of the shares using a future earnings model, which estimates future EBITDA. The charge recognised in the Statement of Comprehensive Income is therefore inherently linked to this forecast and gives rise to a source of estimation uncertainty.

**4 Revenue**

All revenue arose within the United Kingdom, analysis of revenue by category

	2020 £'000	2019 £'000
Services	51,372	44,936
Sales of goods	805	583
	<b>52,177</b>	<b>45,519</b>

Included in revenue is prior year deferred revenue of £138k (2019: £207k).

**5 Exceptional expenses**

The company classifies as exceptional items certain charges that are not part of the indicative underlying trading result of the business, including one-off and non-recurring items, such that they have a material impact on the company's financial results. These are disclosed separately to provide further understanding of the financial performance of the company accordingly.

**Notes to the financial statements for the year ended 30<sup>th</sup> April 2020 (continued)****5 Exceptional expenses (continued)**

During the year, the exceptional items as detailed below have been included within administrative expenses in the statement of comprehensive income.

	2020	2019
	£'000	£'000
Exceptional costs relating to mergers and acquisitions activity	443	880
Exceptional costs relating to strategic initiatives	1,510	283
Exceptional expenses relating to share based payment	1,375	1,051
Exceptional benefit trust distribution in the period	-	4,257
Gain on employee benefit trust in the period	-	(4,219)
Exceptional expenses relating to employee benefit trust	-	37
Other	607	30
	<b>3,935</b>	<b>2,319</b>

As part of Montagu's acquisition of the Wireless Logic group in July 2018, management purchased shares in the group's ultimate parent. The shares were valued on the date of their issue using a future earnings model, which includes forecast EBITDA as a critical estimate. The resulting expense is recognised in accordance with IFRS 2 as an equity settled share based payment charge. This is being spread over the estimated vesting period of four years.

**6 Operating profit**

	2020	2019
	£'000	£'000
<b>Operating profit is stated after charging</b>		
Wages and salaries	4,138	2,339
Social security costs	294	264
Pension	52	33
<b>Staff costs</b>	<b>4,484</b>	<b>2,636</b>
Exceptional administrative expenses (note 5)	4,136	2,319
Depreciation of tangible fixed assets (note 12)		
- Owned assets	509	437
Amortisation of intangible assets (note 11)		
- Subscriber acquisition	886	776
- Development	1,090	750
- Software	244	172
Operating lease charges		
- Office	-	230
<b>Services provided by the company's auditors</b>		
Fees payable for the audit	90	66
Fees payable for other assurance related services (disclosed in exceptionals)	50	5
Fees payable for tax advisory service	60	60

**Notes to the financial statements for the year ended 30<sup>th</sup> April 2020 (continued)****7 Employees and directors**

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

**Employees**

	2020	2019
By activity	No.	No.
Sales	48	34
Technical	33	20
Finance	12	9
	<b>93</b>	<b>63</b>

**Directors**

The directors' emoluments were as follows:

	2020	2019
	£'000	£'000
Total aggregate emoluments	-	342

**Highest paid director**

The highest paid directors' aggregate emoluments were £nil as they were borne by another Group entity (2019: £190k).

**8 Finance income and costs****Finance income**

	2020	2019
	£'000	£'000
Bank interest	8	23
Interest receivable from group companies	1,973	1,334
Total finance income	<b>1,981</b>	<b>1,357</b>

**Finance costs**

	2020	2019
	£'000	£'000
Interest payable to group companies	(919)	(70)
Other interest payable	(57)	-
Total finance costs	<b>(976)</b>	<b>(70)</b>

**Notes to the financial statements for the year ended 30th April 2020 (continued)****9 Income tax (credit)/expense****Tax expense included in statement of comprehensive income**

	2020	2019
	£'000	£'000
<b>Current tax</b>		
- Tax on profits for the year	-	747
- Adjustment in respect of previous years	-	4
<b>Total current tax</b>	-	751
<b>Deferred tax</b>		
- Origination and reversal of timing differences	(13)	(69)
- Impact of change in tax rate	(4)	7
<b>Total deferred tax</b>	(17)	(62)
<b>Tax on profit</b>	(17)	689

The tax credit for the year of £17k is lower (2019: tax charge £689k) than the resulting charge when applying the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020	2019
	£'000	£'000
Profit on ordinary activities before tax	12,324	14,058
Profit on ordinary activities multiplied by standard rate in the UK 19% (2019: 19%)	2,342	2,671
Effects of:		
- Expenses not deductible for tax purposes	825	475
- Group relief	(3,180)	(2,468)
- Prior year adjustment	-	4
- IFRS 16	-	-
- Tax rate changes	(4)	7
<b>Tax (credit)/charge</b>	(17)	689

With effect from 1<sup>st</sup> April 2017, the standard rate of corporation tax in the UK was 19%, therefore 19% has been used in the reconciliation of the tax expense. Following the cancellation of the previously enacted decrease of the UK corporation tax rate from 19% to 17% from April 2020, UK deferred tax balances have been revalued to 19% (2019: 17%). This has resulted in the majority of the above effects of tax rate changes.

Notes to the financial statements for the year ended 30<sup>th</sup> April 2020 (continued)

## 10 Investments

	2020	2019
Company	£'000	£'000
At 1 <sup>st</sup> May	7,737	7,765
Additions	11,896	-
Disposal of shares	-	(28)
As at 30 <sup>th</sup> April	19,633	7,737

In July 2019, Wireless Logic Limited subscribed for the entire share capital of Wireless Logic Holding France SAS, a company incorporated in France to facilitate the acquisition of Matooma SAS. The total cost of the subscription was £11,896k.

The company directly holds share capital in the following company.

Company name	Nature of the business	Registered Address	Class	%
Mdex GmbH	M2M Managed value added services and SMS provider	Bäckerberg 6, 22889 Tangstedt, Germany	Ordinary	100
Wireless Logic Holding BV	M2M Managed value added services and SMS provider	Josink Maatweg 43, 754 PS Enschede, Nederland	Ordinary	100
Wireless Logic Holding France	Intermediate holding company	8 rue Saint-Augustin, 75002, Paris, France	Ordinary	100

The company indirectly holds share capital in the following companies.

Company name	Nature of the business	Registered Address	Class	%
IC35 International Holding GmbH	M2M Managed value added service provider	Bäckerberg 6, 22889 Tangstedt, Germany	Ordinary	100
M2M-Blue Ventures BV	M2M Managed value added service provider	Josink Maatweg 42, 754 PS Enschede, Nederland	Ordinary	100
M2M Blue BV	M2M Managed value added service provider	Josink Maatweg 42, 754 PS Enschede, Nederland	Ordinary	100
BSS BV	M2M Managed value added service provider	Josink Maatweg 42, 754 PS Enschede, Nederland	Ordinary	100
SimPoint Curacao	M2M Managed value added service provider	Brakkeput Abou 231, Willemstad, Curaçao	Ordinary	100
SimPoint BV	M2M Managed value added service provider	Esp 237, 5633 AD Eindhoven, The Netherlands	Ordinary	100
SimPoint GmbH	M2M Managed value added service provider	Pempelforter Straße 47, 40211 Düsseldorf, Germany	Ordinary	100
SimPoint Caribbean	M2M Managed value added service provider	Brakkeput Abou 231, Willemstad, Curaçao	Ordinary	100
Matooma SAS	M2M Managed value added service provider	ZAC de l'aéroport Entrée 2 SIS 2630 Le Liner, Avenue Georges Frêche, 34470 Pérols, France	Ordinary	100
Matooma North America Inc.	M2M Managed value added service provider	Paracorp Incorporated, 2140 S Dupont Highway, Camden, Kent De 19934	Ordinary	100

The directors believe that the net book value of investments is supported by their underlying net assets.

## Notes to the financial statements for the year ended 30th April 2020 (continued)

## 11 Intangible assets

	Software £'000	Subscriber acquisition £'000	Development £'000	Total £'000
<b>Cost</b>				
At 1 <sup>st</sup> May 2019	1,060	4,537	3,987	9,584
Additions	176	733	2,241	3,150
<b>At 30<sup>th</sup> April 2020</b>	<b>1,236</b>	<b>5,270</b>	<b>6,228</b>	<b>12,734</b>
<b>Accumulated amortisation</b>				
At 1 <sup>st</sup> May 2019	(731)	(2,999)	(2,607)	(6,337)
Charge for the year	(244)	(886)	(1,090)	(2,220)
<b>At 30<sup>th</sup> April 2020</b>	<b>(975)</b>	<b>(3,885)</b>	<b>(3,697)</b>	<b>(8,557)</b>
<b>Net book amount</b>				
At 30 <sup>th</sup> April 2020	261	1,385	2,531	4,177
At 30 <sup>th</sup> April 2019	329	1,538	1,380	3,247

## 12 Property, plant and equipment

	Leasehold improvements £'000	Fixtures and fittings £'000	IT equipment £'000	Total £'000
<b>Cost or valuation</b>				
At 1 <sup>st</sup> May 2019 (as originally stated)	135	268	1,668	2,071
Effect of adoption of IFRS 16: Leases (note 2)	1,220	-	-	1,220
<b>Restated 1st May 2019</b>	<b>1,355</b>	<b>268</b>	<b>1,668</b>	<b>3,291</b>
Additions	-	1	122	123
Disposals	(37)	-	(10)	(47)
<b>At 30<sup>th</sup> April 2020</b>	<b>1,318</b>	<b>269</b>	<b>1,780</b>	<b>3,367</b>
<b>Accumulated depreciation</b>				
At 1 <sup>st</sup> May 2019	(115)	(268)	(1,282)	(1,665)
Charge for the year	(195)	(1)	(313)	(509)
Disposals	37	-	10	47
<b>At 30<sup>th</sup> April 2020</b>	<b>(273)</b>	<b>(269)</b>	<b>(1,585)</b>	<b>(2,127)</b>
<b>Net book amount</b>				
At 30 <sup>th</sup> April 2020	1,045	-	195	1,240
At 30 <sup>th</sup> April 2019	20	-	386	406

**Notes to the financial statements for the year ended 30<sup>th</sup> April 2020 (continued)****13 Inventories**

	2020	2019
	£'000	£'000
Finished goods and goods for resale	123	100

There is no significant difference between the replacement cost of finished goods and goods for resale and their carrying amounts.

**14 Trade and other receivables**

	2020	2019
	£'000	£'000
Trade receivables	6,227	6,213
Amounts owed by fellow group subsidiaries	62,339	54,518
Other receivables	1,372	1,000
Prepayments and accrued income	1,259	1,416
	<b>71,197</b>	<b>63,147</b>

Trade receivables of £6,227k (2019: £6,213k) fall due within one year.

Amounts owed by group undertakings are unsecured and repayable on demand. Trade receivables are stated after expected credit losses of £1,825k (2019: £1,489k). Other receivables include an amount of £690k from those who advised the group in relation to the deductibility of interest on shareholder loans, where a prior period tax liability to HMRC for £1.3m has been provided for and is included in the corporation tax liability (note 15).

**15 Trade and other payables: amounts falling due within one year**

	2020	2019
	£'000	£'000
Trade payables	(3,427)	(3,325)
Amounts owed to group undertakings	(16,098)	(8,551)
Other taxation and social security	(2,163)	(877)
Lease liabilities (IFRS 16)	(155)	-
Corporation tax	(362)	(3,359)
Accruals and deferred income	(4,241)	(2,744)
	<b>(26,446)</b>	<b>(18,856)</b>

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

**16 Trade and other payables: amounts falling due after more than one year**

	2020	2019
	£'000	£'000
Lease liabilities (IFRS 16)	(971)	-
	<b>(971)</b>	<b>-</b>

**Notes to the financial statements for the year ended 30<sup>th</sup> April 2020 (continued)****17 Deferred tax**

The provision for deferred tax consists of the following deferred tax (assets)/liabilities:

	2020	2019
	£'000	£'000
Deferred tax		
Brought forward deferred tax (assets)/liabilities	(19)	43
Deferred tax credited to income statement for the year	(17)	(62)
Prior year adjustment in respect of adoption of IFRS 16	(13)	
At end of year	(49)	(19)
	2020	2019
	£'000	£'000
Deferred tax assets		
Deferred tax assets arising on temporary differences	(49)	(19)
Total deferred tax assets	(49)	(19)

£49k of the deferred tax assets (2019: £19k) are due after more than one year.

A deferred tax asset has been recognised in the financial statements in respect of the above temporary timing difference, as management believe the company will generate sufficient taxable profits in the foreseeable future.

**18 Called up Share capital**

Ordinary shares of £1 each

Allotted and fully paid	No.	Called up Share Capital £'000	Share Premium £'000	Total £'000
As at 1 <sup>st</sup> May 2019 and 30 <sup>th</sup> April 2020	5,782	6	744	750

**19 Capital and other commitments**

As at the 30<sup>th</sup> April 2020 the company had annual commitments under non-cancellable operating leases expiring as follows:

	2020	2019
	£'000	£'000
Not later than one year	-	214
Later than one year and not later than five years	-	1,045
Later than five years	-	443

2019 comparators have been restated from £2,916k to the £1,702k total shown above following a management review of lease liabilities as part of the restatement exercise assessing the impact IFRS 16.

As a result of the adoption of IFRS 16 there are no operating leases to disclose at 30<sup>th</sup> April 2020.

## Notes to the financial statements for the year ended 30<sup>th</sup> April 2020 (continued)

### 20 Related party transactions

During the year, Wireless Logic Limited had no related party transactions to report (2019: £139k paid to CVC Capital Partners for expenses incurred in connection with the sale of Wireless Logic Group to Montagu Private Equity in July 2018)

### 21 Controlling parties

The immediate parent undertaking is Wireless Logic Group Limited (company number: 07033895) a company incorporated in England and Wales.

The ultimate parent undertaking is Blue Topco Limited, a company incorporated in Jersey.

The largest and smallest group of undertakings for which consolidated financial statements for the period ended 30<sup>th</sup> April 2020 have been drawn up is that headed by Blue Holdco Limited. The consolidated financial statements of Blue Holdco Limited are available from Horizon, Honey Lane, Hurley, Berkshire, SL6 6RJ, England.

As at the 30<sup>th</sup> of April 2020, the directors consider the controlling party to be funds managed by Montagu Private Equity LLP.

### 22 Events after the end of the reporting period

COVID-19 – It's possible that customers will face continued challenges over the coming months depending on future developments in terms of the COVID-19 pandemic and the consequent impact on the macro-economic conditions. During and immediately after the lock-down period the group saw no reduction in key cash collection statistics suggesting the vast majority of customers were weathering the storm well. It's possible that in the latter part of 2020 some customers will experience trading challenges. It's also the case that COVID-19 has created new opportunities for the group with, for example, solutions focussed on foot-fall management in retail environments. Overall, the group is confident COVID-19 will have a limited impact, felt most in FY21, but our current analysis shows continued growth through the remainder of FY21 and into FY22.