

Registered number: 10040088

MISSION LABS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE PERIOD ENDED 31 DECEMBER 2021



MISSION LABS LIMITED

COMPANY INFORMATION

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

Registered number 10040088

Registered office 5 Fleet Place
London
England
EC4M 7RD

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

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

MISSION LABS LIMITED

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MISSION LABS LIMITED
REGISTERED NUMBER: 10040088

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	31 December 2021 £	2 March 2021 £
Fixed assets			
Intangible assets	4	1,170,554	378,711
Tangible assets	5	1,178,529	214,193
Investments	6	526	526
		<u>2,349,609</u>	<u>593,430</u>
Current assets			
Debtors: amounts falling due within one year	7	1,674,456	1,298,046
Cash at bank and in hand	8	365,827	2,384,929
		<u>2,040,283</u>	<u>3,682,975</u>
Creditors: amounts falling due within one year	9	(1,424,726)	(1,031,746)
Net current assets		<u>615,557</u>	<u>2,651,229</u>
Total assets less current liabilities		<u>2,965,166</u>	<u>3,244,659</u>
Creditors: amounts falling due after more than one year	10	(1,912,982)	(101,752)
		<u>1,052,184</u>	<u>3,142,907</u>
Provisions for liabilities			
Deferred taxation	12	(121,357)	-
		<u>(121,357)</u>	<u>-</u>
Net assets excluding pension asset		<u>930,827</u>	<u>3,142,907</u>
Net assets		<u>£ 930,827</u>	<u>£ 3,142,907</u>
Capital and reserves			
Called up share capital		1,506	1,506
Share premium account		3,288,355	3,288,355
Profit and loss account		(2,359,034)	(146,954)
		<u>£ 930,827</u>	<u>£ 3,142,907</u>

MISSION LABS LIMITED
REGISTERED NUMBER: 10040088

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

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

For the period ending 31 December 2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

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

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

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

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

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



6/9/2022

D Eagles
Director

The notes on pages 5 to 17 form part of these financial statements.

MISSION LABS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 3 March 2021	1,506	3,288,355	(146,954)	3,142,907
Comprehensive income for the period				
Profit for the period	-	-	(2,212,080)	(2,212,080)
Total comprehensive income for the period	-	-	(2,212,080)	(2,212,080)
Total transactions with owners	-	-	-	-
At 31 December 2021	£ 1,506	£ 3,288,355	£ (2,359,034)	£ 930,827

The notes on pages 5 to 17 form part of these financial statements.

MISSION LABS LIMITED

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

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

The notes on pages 5 to 17 form part of these financial statements.

MISSION LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of Gamma Communications Plc as at 31 December 2021 and these financial statements may be obtained from <https://www.gammacommunicationsplc.com/investors/>.

MISSION LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Going concern

The company was acquired by Gamma Communications Plc on 3 March 2021. The acquisition gives the Company access to funds in order to accelerate development capabilities in the rapidly evolving markets of Cloud Contact Centre and Cloud Communications. In accordance with IAS 38 the Company has expensed the majority of these costs, resulting in a loss for the period. The Company continues to be supported by the parent group and therefore the Directors are satisfied that the preparation of the financial statements under the Going Concern assumption is appropriate.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

MISSION LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.5 Revenue

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

Professional services

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

Subscriptions and rentals

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

Equipment sales

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

MISSION LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.6 Leases

The Company as a lessee

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

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

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

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

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

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

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.14.

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

2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a systematic basis over their useful economic lives, as detailed in note 2.13.

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

2.8 Interest income

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

MISSION LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.9 Finance costs

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

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.11 Pensions

Defined contribution pension plan

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

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

2.12 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

MISSION LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.13 Intangible assets

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

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

Amortisation is provided on the following bases:

Development expenditure	- 2-5 years straight line
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During the period there was a change in the application of the accounting policy. Previously, development expenditure was amortised at 7% of relevant sales value. It is now amortised over the useful economic life of between two to five years. This brings the policy in line with the group.

2.14 Tangible fixed assets

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

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

The estimated useful lives range as follows:

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

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

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

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 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.

MISSION LABS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.17 Cash and cash equivalents

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

2.18 Creditors

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

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

2.19 Provisions for liabilities

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

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

3. Employees

The average monthly number of employees, including directors, during the period was 106 (2021 - 75).

MISSION LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

4. Intangible assets - Development expenditure

	£
Cost	
At 3 March 2021	1,142,235
Additions	1,109,205
At 31 December 2021	<u>2,251,440</u>
Amortisation	
At 3 March 2021	763,524
Charge for the period on owned assets	317,362
At 31 December 2021	<u>1,080,886</u>
Net book value	
At 31 December 2021	<u>£ 1,170,554</u>
At 2 March 2021	<u>£ 378,711</u>

MISSION LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

5. Tangible fixed assets

	Leasehold property improvements £	Office equipment £	Computer equipment £	Right of use £	Total £
Cost or valuation					
At 3 March 2021	50,413	27,513	136,155	311,635	525,716
Additions	400,584	3,943	68,593	704,403	177,523
Disposals	-	(5,705)	(3,390)	-	(9,095)
At 31 December 2021	<u>450,997</u>	<u>25,751</u>	<u>201,358</u>	<u>1,016,038</u>	<u>694,144</u>
Depreciation					
At 3 March 2021	25,468	21,082	45,806	219,167	311,523
Charge for the period on owned assets	29,312	3,815	44,904	134,239	212,270
Disposals	-	(5,705)	(2,473)	-	(8,178)
At 31 December 2021	<u>54,780</u>	<u>19,192</u>	<u>88,237</u>	<u>353,406</u>	<u>515,615</u>
Net book value					
At 31 December 2021	<u>£ 396,217</u>	<u>£ 6,559</u>	<u>£ 113,121</u>	<u>£ 662,632</u>	<u>£178,529</u>
At 2 March 2021	<u>£ 24,945</u>	<u>£ 6,431</u>	<u>£ 90,349</u>	<u>£ 92,468</u>	<u>£214,193</u>

MISSION LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 3 March 2021	526
At 31 December 2021	<u>£ 526</u>

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

MISSION LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

7. Debtors

	31 December 2021 £	2 March 2021 £
Trade debtors	1,118,454	992,453
Called up share capital not paid	-	262,560
Prepayments and accrued income	556,002	43,033
	<u>£ 1,674,456</u>	<u>£ 1,298,046</u>

8. Cash and cash equivalents

	31 December 2021 £	2 March 2021 £
Cash at bank and in hand	365,827	2,384,929
	<u>£ 365,827</u>	<u>£ 2,384,929</u>

9. Creditors: Amounts falling due within one year

	31 December 2021 £	2 March 2021 £
Trade creditors	493,411	313,071
Other taxation and social security	253,294	468,371
Lease liabilities	109,340	71,106
Other creditors	12,704	14,347
Accruals and deferred income	555,977	164,851
	<u>£ 1,424,726</u>	<u>£ 1,031,746</u>

MISSION LABS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

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

	31 December 2021 £	2 March 2021 £
Other loans	1,200,000	-
Lease liabilities	712,982	101,752
	<u>£ 1,912,982</u>	<u>£ 101,752</u>

11. Loans

Analysis of the maturity of loans is given below:

	31 December 2021 £	2 March 2021 £
Amounts owed to parent undertaking	1,200,000	-
	<u>1,200,000</u>	<u>-</u>
	<u>£ 1,200,000</u>	<u>£ -</u>

12. Deferred taxation

	2021 £
Charged to profit or loss	(121,357)
At end of year	<u>£ (121,357)</u>

MISSION LABS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

12. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	31 December 2021 £	2 March 2021 £
Accelerated capital allowances	(121,357)	-
	<u>£ (121,357) £</u>	<u>-</u>

13. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £203,706 (2021 - £139,172).

14. Commitments under operating leases

The Company had no commitments under non-cancellable operating leases at the balance sheet date.

15. Related party transactions

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

16. Controlling party and subsequent events

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