

Company registration number 357730 (Ireland)

LYCATEL (IRELAND) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

LYCATEL (IRELAND) LIMITED

COMPANY INFORMATION

Directors	Vilius Danila David Sherman	(Appointed 22 December 2023)
Secretary	David Sherman	
Company number	357730	
Registered office	Unit C4, Block C Centre Point Business Park Oak Road Dublin 12 Co. Dublin Ireland D12 YC89	
Auditor	UHY Farrelly Dawe White Limited FDW House Blackthorn Business Park Coes Road Dundalk Co. Louth Ireland	
Business address	Unit C4, Block C Centre Point Business Park Oak Road Dublin 12 Co. Dublin Ireland D12 YC89	
Bankers	Barclays Bank Leicester Leicestershire LE87 2BB England	
	Citibank Europe PLC 1 North Wall Quay Dublin 1 Ireland	
	Bank of Ireland O'Connell Street Dublin 1 Ireland	

LYCATEL (IRELAND) LIMITED

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LYCATEL (IRELAND) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Principal activities

The primary function of the company is to supply the wider Lyca Group with overseas airtime via a related party Lycatelcom LDA. As such, the company does not hold a customer base by itself – all trading is done via related parties and its operations depends on the successful trading of the wider Lyca Group.

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors and secretary

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Christopher Tooley	(Resigned 22 December 2023)
Vilius Danila	
David Sherman	(Appointed 22 December 2023)

The secretary who held office during the year was David Sherman.

Directors' and secretary's interests

The directors' and secretary's interests in the shares of the company were as stated below:

	Ordinary shares of €1 each	
	1 January 2022	31 December 2022
Christopher Tooley	-	-
Vilius Danila	-	-
David Sherman	-	-

Accounting records

The company's directors acknowledge their responsibilities under sections 281 to 285 of the Companies Act 2014 to ensure that the company keeps adequate accounting records. The following measures have been taken:

- the implementation of appropriate policies and procedures for recording transactions;
- the employment of competent accounting personnel with appropriate expertise;
- the provision of sufficient company resources for this purpose;
- liaison with the company's external professional advisers.

The accounting records are held at the company's registered office, Unit C4, Block C Centre Point Business Park Oak Road Dublin 12 Co. Dublin Ireland D12 YC89.

Post reporting date events

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

Auditor

UHY Farrelly Dawe White Limited were appointed as the company's auditor and in accordance with section 383(2) of the Companies Act 2014, continue in office as auditor of the company.

LYCATEL (IRELAND) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of disclosure to auditor

Each of the directors in office at the date of approval of this annual report confirms that:

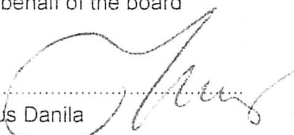
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

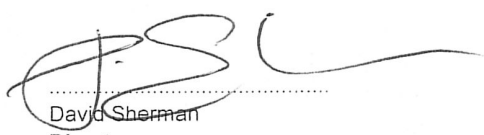
This confirmation is given and should be interpreted in accordance with the provisions of section 330 of the Companies Act 2014.

Medium-sized companies exemption

The entity has availed of the small companies exemption contained in the Companies Act 2014 with regard to the requirements for exclusion of certain information in the directors' report.

On behalf of the board


.....
Vilius Danila
Director


.....
David Sherman
Director

Date: 30/09/2025

LYCATEL (IRELAND) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable Irish law and regulations.

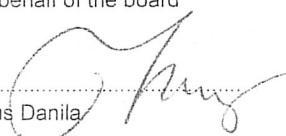
Irish company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Generally accepted Accounting Practice in Ireland) issued by the Financial Reporting Council. 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 assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for that financial year and otherwise comply with the Companies Act 2014.

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

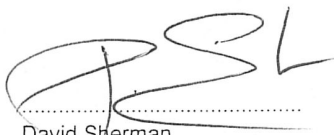
- select suitable accounting policies for the company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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 responsible for ensuring that the company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board


Vilius Danila
Director

Date: 30/09/2025


David Sherman
Director

LYCATEL (IRELAND) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LYCATEL (IRELAND) LIMITED

Disclaimer of opinion

We were engaged to audit the financial statements of Lycatel (Ireland) Limited ('the company') for the year ended 31 December 2022, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* issued in the United Kingdom by the Financial Reporting Council.

Basis for disclaimer of opinion

The audit evidence available to us to confirm the appropriateness of preparing the financial statements on the going concern basis, which the directors explain in note 1.2 to the financial statements, was limited. This is due to the Company continuing to rely upon financial support from its related parties, as described in note 1.2, and whilst there is oversight of trading forecasts and liquid resources there is insufficient information available for the aggregate possible need for financial support for that network of related parties.

Accordingly, from a going concern perspective, we were unable to obtain sufficient, appropriate audit evidence as to the ability of the Company to access financial support from its related parties should that need arise.

Included within debtors (note 9 to these financial statements) and creditors (note 10 to these financial statements) as at 31 December 2022 are amounts of €57,185,367 owed by related parties and amounts of €75,511,948 owed to related parties for which the audit evidence available to us was limited because of the complex nature of the related party structure the Company operates within. Owing to the nature of the Company's and the various counterparties financial information and records, we were unable to obtain sufficient, appropriate audit evidence regarding the measurement, disclosure, completeness, and recoverability of related party balances and transactions for the year.

On the basis that the above matters represent a significant proportion of the financial statements, and further that they individually and collectively represent a material and pervasive issue, we were unable to express an opinion on the financial statements of the Company.

Other information

The directors are responsible for the other information in the annual report. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

LYCATEL (IRELAND) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LYCATEL (IRELAND) LIMITED (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2014

Because of the significance of the matters described in the basis for disclaimer of opinion on financial statements section of our report, we have been unable to form an opinion, whether based on the work undertaken in the course of the audit:

- the information given in the Directors' Report is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Arising from the limitation of our work referred to above, we have not obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited, and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to stock, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been maintained.

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions, are not complied with by the company. We have nothing to report in this regard.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the company's financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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 company's financial statements is located on the IAASA's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>. This description forms part of our auditor's report.

LYCATEL (IRELAND) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LYCATEL (IRELAND) LIMITED (CONTINUED)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Bellew

For and on behalf of UHY Farrelly Dawe White Limited

Chartered Certified Accountants

Statutory Auditor

FDW House
Blackthorn Business Park
Coes Road
Dundalk
Co. Louth
Ireland

Date: 30/9/2025

LYCATEL (IRELAND) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 €	2021 €
Turnover	3	34,200,629	38,000,906
Cost of sales		(34,376,690)	(37,278,222)
Gross (loss)/profit		(176,061)	722,684
Administrative expenses		(11,788,892)	4,757,775
(Loss)/profit before taxation		(11,964,953)	5,480,459
Tax on (loss)/profit	7	-	(1,605,183)
(Loss)/profit for the financial year		(11,964,953)	3,875,276

The Statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

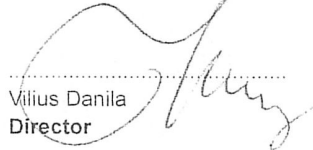
LYCATEL (IRELAND) LIMITED

BALANCE SHEET

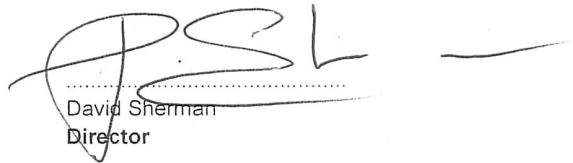
AS AT 31 DECEMBER 2022

	Notes	2022 €	€	2021 €	€
Current assets					
Debtors	9	68,818,705		76,723,069	
Cash at bank and in hand		60,002		155,460	
		<u>68,878,707</u>		<u>76,878,529</u>	
Creditors: amounts falling due within one year	10	<u>(87,308,511)</u>		<u>(83,343,380)</u>	
Net current liabilities		<u>(18,429,804)</u>		<u>(6,464,851)</u>	
Capital and reserves					
Called up share capital presented as equity			100		100
Profit and loss reserves	11	<u>(18,429,904)</u>		<u>(6,464,951)</u>	
Total equity		<u>(18,429,804)</u>		<u>(6,464,851)</u>	

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



 Vilius Danila
 Director



 David Sherman
 Director

LYCATEL (IRELAND) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Profit and loss reserves	Total
	€	€	€
Balance at 1 January 2021	100	(10,340,227)	(10,340,127)
Year ended 31 December 2021:			
Profit and total comprehensive income	-	3,875,276	3,875,276
Balance at 31 December 2021	100	(6,464,951)	(6,464,851)
Year ended 31 December 2022:			
Loss and total comprehensive income	-	(11,964,953)	(11,964,953)
Balance at 31 December 2022	100	(18,429,904)	(18,429,804)

LYCATEL (IRELAND) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 €	€	2021 €	€
Cash flows from operating activities					
Cash absorbed by operations	13	(95,068)		(1,235,426)	
Income taxes (paid)/refunded		(390)		1,390,886	
Net cash (outflow)/inflow from operating activities		(95,458)		155,460	
Net (decrease)/increase in cash and cash equivalents		(95,458)		155,460	
Cash and cash equivalents at beginning of year		155,460		-	
Cash and cash equivalents at end of year		60,002		155,460	

LYCATEL (IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Lycatel (Ireland) Limited is a limited company domiciled and incorporated in Ireland. The registered office is Unit C4, Block C, Centre Point Business Park, Oak Road, Dublin 12, Co. Dublin, Ireland, D12 YC89 and its company registration number is 357730.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2014.

The financial statements are prepared in euros, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest €.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. However, the directors are aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern.

The company has reported a loss for year of €11,964,953 (31 December 2021: profit €3,875,276) and as of 31 December 2022 the Company had net current liabilities of €18,429,804 (31 December 2021: Net current liabilities of €6,464,851). In order to meet its day to day working capital requirements the company is reliant on the continued support from its related parties and of its ultimate controlling shareholder.

Mr A. Subaskaran, being the ultimate controlling party, founder and global chairman of the Lycamobile Group has provided confirmation that it his intention to continue to provide support to the company for a period of at least 12 months from the date of approval of these financial statements.

The Company trades with other affiliated and related party companies and the Company, its affiliates and related parties are included within an operating model that ensures revenue and profits are economically allocated to the Company which has earned them. As such the Company has substantial trading transactions with other related party companies and there are significant amounts due to or from those parties that are repayable on demand. As a consequence of this, the operating model exposes each company to cash needs as well as operational risks of those affiliated and related companies. Within a number of those companies, there are net liabilities as well as net assets, elements of litigation with external parties and tax authority challenges and risks associated with local legislation interpretations. These factors could result in potential liabilities and a drain in cash resources across the operating model and the companies which are part of it. Accordingly, the timing and amount of cash available to the Company to meet its liabilities as they fall due may be affected by the uncertain future working capital needs of those parties.

LYCATEL (IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Trading forecasts for the Company, Lyca affiliated companies and related party companies, have been prepared on an aggregate basis. The forecast takes account of the market conditions and risk factors faced by all entities involved in the model. This forecast shows the group of affiliated and related companies, being profit generating for the period to 31 December 2025 and that they have the ability to meet future resourcing requirements and settle related party debts as they fall due, within this group. Whilst those forecasts show a headroom over cash requirements, it is observed that the operational risks of the wider Lyca affiliated and related party companies could give rise to additional liabilities and a need for additional cash resources for certain companies.

On the basis of the trading forecasts of the group and those of related companies and the long term support as provided by affiliated and related companies and that of the ultimate controlling party, the directors are confident that the company will have adequate working capital resources to continue in operational existence for the foreseeable future and for those reasons they continue to adopt the going concern basis of accounting in preparing these financial statements. The financial statements do not include any adjustments that would be necessary were the going concern basis to be inappropriate.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

LYCATEL (IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

LYCATEL (IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 Employee benefits

The company operates an employee share ownership plan (ESOP) trust and has de facto control of the shares held by the trust and bears their benefits and risks. The company records assets and liabilities of the trust as its own. Consideration paid by the ESOP scheme for shares of the company is deducted from equity. Finance costs and administrative expenses incurred by the company in relation to the ESOP are recognised on an accruals basis.

LYCATEL (IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover

	2022	2021
	€	€
Turnover analysed by class of business		
Sales of Worldwide International Phone Minutes	34,200,629	38,000,906

	2022	2021
	€	€
Turnover analysed by geographical market		
Republic of Ireland	34,200,629	38,000,906

4 Operating (loss)/profit

	2022	2021
	€	€
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	5,998,894	(12,859,751)

5 Employees

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

	2022	2021
	Number	Number
Administration	1	1

Their aggregate remuneration comprised:

	2022	2021
	€	€
Wages and salaries	12,000	12,000
Social security costs	1,056	1,056
	13,056	13,056

LYCATEL (IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

6 Directors' remuneration

	2022	2021
	€	€
Remuneration for qualifying services	12,000	12,000

7 Taxation

	2022	2021
	€	€
Current tax		
Corporation tax on profits for the current period	-	1,605,183

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	€	€
(Loss)/profit before taxation	(11,964,953)	5,480,459
Expected tax (credit)/charge based on the standard rate of corporation tax of 12.50% (2021: 12.50%)	(1,495,619)	685,057
Tax effect of expenses that are not deductible in determining taxable profit	56,235	938,492
Unutilised tax losses carried forward	1,439,384	-
Adjustments in respect of prior years	-	(81,546)
Capital Allowance	-	(305)
Surcharge	-	63,485
Taxation charge for the year	-	1,605,183

8 Financial instruments

	2022	2021
	€	€
Carrying amount of financial assets		
Debt instruments measured at amortised cost	65,731,117	76,045,893
Instruments measured at fair value through profit or loss	-	155,460
Carrying amount of financial liabilities		
Measured at amortised cost	84,312,832	(78,443,705)

LYCATEL (IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

9 Debtors

	2022	2021
	€	€
Amounts falling due within one year:		
Trade debtors	8,545,750	6,172
Other debtors	57,185,367	76,039,721
Prepayments	3,087,588	646,725
Accrued income	-	30,451
	<u>68,818,705</u>	<u>76,723,069</u>

10 Creditors: amounts falling due within one year

	2022	2021
	€	€
Trade creditors	4,941,368	127,352
Amounts owed to group undertakings	75,511,948	76,039,721
Corporation tax	2,995,679	2,996,069
Other creditors	1,949,919	1,903,606
Accruals	1,909,597	2,276,632
	<u>87,308,511</u>	<u>83,343,380</u>

11 Profit and loss reserves

	2022	2021
	€	€
At the beginning of the year	(6,464,951)	(10,340,227)
(Loss)/profit for the year	(11,964,953)	3,875,276
	<u>(18,429,904)</u>	<u>(6,464,951)</u>

LYCATEL (IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

12 Related party transactions

The following amounts were outstanding at the reporting end date:

	2022	2021
Amounts due to related parties	€	€
Hasting Denmark Aps	-	459,763
Lycamobile UK Limited	2,440,636	1,949,658
Lycamobile Pty Limited	15,856,386	15,956,893
lycatel Distribution UK Limited	27,676,253	29,206,944
Docklands Data Centre Limited	1,615,743	623,615
Lycatel Australia Pty Limited	1,064,263	1,071,008
Hastings Telecommunications and Services	75,000	75,000
Skyline Telecom SRL	8,333,130	8,333,130
Universal Service 2006 SRL	18,176,620	18,235,420
Lycatelcom	230,406	77,825
Gnanam Telecom Centres AB	-	50,465
Lycatel Distribution France SARL	43,511	-

LYCATEL (IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

12 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	2022	2021
	€	€
Amounts due from related parties		
Hasting Denmark Aps	1,024,143	-
Lycatel Carrier Services Limited	-	5,430
Lycatel Services Limited	3,749,897	40,933,731
Switchware Limited	12,572,492	13,266,114
UK GT Limited	2,145,294	119,201
Lycamobile Europe Limited	41,788	8,210
Lycamobile Distribution Limited	1,093,215	1,134,257
Lycamobile Ireland Limited	75,395	70,445
Lycatel Ireland Distribution Limited	3,460,439	3,586,501
Lycamobile Austria Limited	40	40
Lycamobile Denmark Limited	194	214
Lycamoney Limited	5,638	5,949
Lycamobile Global Limited	1,255	1,255
Lycatel Greece Limited	1,450	1,450
Lycamobile SPRL	56,623	56,623
Lycamobile Denmark Aps	3	13,550
Lycatel Germany GMBH	5,480,339	5,480,339
Universal Service Collection AS	281,631	295,114
Lycatel Portugal Unipessoal Lda	13,035	186,789
Skyline Telecom SL	244,684	258,474
Lycatel Distribution France SARL	-	473
Lycatel GMBH	1,139,770	1,066,625
Lycatel LLC	54,057	25,621
Lycatel Canada inc.	7,341,149	7,401,354
Lycatel Business Outsourcing Solution P Limited	61,572	64,969
Lycatel BPO P Limited	274,453	289,597
Plintron Technologies Pvt Limited	83,518	88,127
LM Holdco Limited	1,633,285	1,679,269
Lycatel Denmark APS	16,350,008	-

LYCATEL (IRELAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

13 Cash absorbed by operations

	2022 €	2021 €
(Loss)/profit for the year after tax	(11,964,953)	3,875,276
Adjustments for:		
Taxation charged	-	1,605,183
Decrease in provisions	(4,963,836)	(7,507,931)
Movements in working capital:		
Decrease in debtors	12,868,200	6,812,602
Increase/(decrease) in creditors	3,965,521	(6,020,556)
Cash absorbed by operations	<u>(95,068)</u>	<u>(1,235,426)</u>

14 Analysis of changes in net funds

	1 January 2022 €	Cash flows €	31 December 2022 €
Cash at bank and in hand	<u>155,460</u>	<u>(95,458)</u>	<u>60,002</u>

15 Parent company

The company is a wholly owned subsidiary of WWW Holding Company Limited, a company registered in the United Kingdom.

Ultimate controlling party

The company considers Mr. A Subaskaran to be the ultimate controlling party of the company arising from his holding of 97.9% of the ordinary share capital in WWW Holding Company Limited.

16 Approval of financial statements

The directors approved the financial statements on