

BTC Sure Group Limited

Annual Report and Financial Statements

Year Ended

31 December 2022

Company Number 08094216



BTC Sure Group Limited

Company Information

Directors	Abdulla Bin Khalifa Alkhalifa Mikkel Vinter Christopher Hild Saurabh Gupta Reem Mohamed Saeed Mohamed Ali Altajer (appointed 23 March 2022) Faisal (Moh'D Nazih) Ismail Qamhiyah (appointed 17 May 2022 and resigned on 02 April 2023) Maitham Hasan (appointed on 02 April 2023)
Registered number	08094216
Registered office	Hackwood Secretaries Limited One Silk Street London EC2Y 8HQ
Independent auditor	KPMG Channel Islands Limited Glategny Court Glategny Esplanade St Peter Port Guernsey GY1 1WR

BTC Sure Group Limited

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BTC Sure Group Limited

Strategic report For the year ended 31 December 2022

The Directors present the BTC Sure Group Limited (the "Company") Strategic report together with the audited financial statements for the year ended 31 December 2022.

Review of the business, principal risks and uncertainties

During the year, the Company made a profit after taxation of £103,759,000 (loss after taxation during 2021 - £37,871,000).

The sole purpose of the Company is to act as a holding company for its investment in subsidiaries (see note 8 to the financial statements). Accordingly, the only source of income to the Company is the dividends received from subsidiaries (see note 5 to the financial statements).

The key risks facing the Company are the risk of impairment of investment in subsidiaries and the non- declaration of dividend income by subsidiaries. During the year the Company did not acquire or dispose of any of its subsidiaries.

The future plans and prospects for the Company are to continue to act as a holding company for its investments in its subsidiaries.

Given the nature of the Company, the Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Statement by the Directors in accordance with s172(1) Companies Act 2006

In line with Section 172 of the Companies Act 2006, a director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) The likely consequences of any decision in the long term;
- (b) The interests of the Company's employees;
- (c) The need to foster the Company's business relationships with suppliers, customers and others;
- (d) The impact of the Company's operations on the community and the environment;
- (e) The desirability of the Company maintaining a reputation for high standards of business conduct; and
- (f) The need to act fairly as between members of the Company.

Shareholders

The Directors have an open dialogue with shareholders through regular meetings. Discussions with shareholders cover a wide range of topics including financial performance, strategy, outlook, governance and ethical practices. Shareholder feedback and their views are considered as part of the decision making process.

This report was approved by the Board and signed on its behalf by:



Reem Mohamed Saeed Mohamed Ali Altajer
Director

Date: 14 September 2023

BTC Sure Group Limited

Directors' report For the year ended 31 December 2022

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

Principal activity

The sole purpose of the Company is to act as a holding company for its investment in subsidiaries (see note 8 to the financial statements). Accordingly, the only source of income to the Company is the dividends received from subsidiaries (see note 5 to the financial statements).

Results and dividends

The profit for the year, after taxation, amounted to £103,759,000 (loss after taxation during 2021 - £37,871,000).

In respect of the year ended 31 December 2022, the Directors recommend a dividend payment of £24,000,000 to be paid to the shareholder of the Company (2021 - £28,574,000).

Going concern

In preparing the financial statements, the Directors have considered the ability of the Company to continue as a going concern.

The Company's only creditor is a subsidiary of the parent company, which will not seek repayment of the amount unless the Company has sufficient cash to make such a repayment. The Directors therefore consider that the Company will be able to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

In making this assessment the Directors have considered a period of at least 12 months from the date of approval of these financial statements, as well as the Company's financial position, performance, forecasts, budgets, and post balance sheet events and concluded that there is no material uncertainty about the Company's ability to continue as a going concern.

As at the date of signing, the Company has net current liabilities of £124,167,000 (2021 - £137,353,000) however, the Company remains in a net asset position and the Directors consider there to be sufficient funds to continue in operational, existence for the foreseeable future. The Directors have reviewed the current and projected financial position of the Company and have a reasonable expectation that the Company has adequate resources to continue in operational business for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Directors

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

Abdulla Bin Khalifa Alkhalifa

Mikkel Vinter

Christopher Hild

Saurabh Gupta

Reem Mohamed Saeed Mohamed Ali Altajer (appointed 23 March 2022)

Faisal (Moh'D Nazih) Ismail Qamhiyah (appointed 17 May 2022, resigned on 02 April 2023)

Maitham Hasan (appointed on 02 April 2023)

BTC Sure Group Limited

Directors' report (continued)
For the year ended 31 December 2022

Qualifying third party indemnity provisions

All Directors of BTC Sure Group Limited benefit from qualifying professional indemnity and third party insurance provisions during the financial year and at the date of its report, arranged by Bahrain Telecommunications Company BSC Group ("the Group") as part of the overall Group insurance policy for its Directors and officers.

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2021: Nil).

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent auditor

The auditor, KPMG Channel Islands Limited, will continue in office in accordance with Section 487(2) of the Companies Act 2006.

This report was approved by the Board and signed on its behalf by:



Reem Mohamed Saeed Mohamed Ali Altajer
Director

Date: 14 September 2023

BTC Sure Group Limited

Statement of directors' responsibilities For the year ended 31 December 2022

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; 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 keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that they comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BTC Sure Group Limited

Independent Auditor's report to the members of BTC Sure Group Limited

Our opinion

We have audited the financial statements of BTC Sure Group Limited (the "Company"), which comprise the Balance sheet as at 31 December 2022, and the statements of comprehensive income and changes in equity for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of the Company's income for the year then ended;
- are properly prepared in accordance with United Kingdom accounting standards, including FRS 102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for our opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including FRC Ethical Standards. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the Directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

BTC Sure Group Limited

Independent Auditor's report to the members of BTC Sure Group Limited (continued)

Fraud and breaches of laws and regulations - ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation, from management. We did not identify any additional fraud risks.

We performed procedures including

- incorporating an element of unpredictability in our audit procedures.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with management (as required by auditing standards), and discussed with management the policies and procedures regarding compliance with laws and regulations.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of litigation or impacts on the Company's ability to operate. We identified company law as being the area most likely to have such an effect. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

BTC Sure Group Limited

Independent Auditor's report to the members of BTC Sure Group Limited (continued)

The Strategic report and Directors' report

The Directors are responsible for the Strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic report and the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects:

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 4, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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, 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

BTC Sure Group Limited

Independent Auditor's report to the members of BTC Sure Group Limited (continued)

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

This report is made solely to the Company's member, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's member 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 its member, as a body; for our audit work, for this report, or for the 'opinions we have formed.



David Alexander (Senior Statutory Auditor)

For and on behalf of KPMG Channel Islands Limited, Statutory Auditor

Chartered Accountants

Guernsey

Chartered Accountants

Date: 14 September 2023

BTC Sure Group Limited

Statement of comprehensive income For the year ended 31 December 2022

	Note	2022 £000	2021 £000
Reversal of / (additional) impairment on assets	8	66,573	(66,182)
Operating profit /(Loss)		66,573	(66,182)
Income from shares in group undertakings	5	37,186	28,311
Profit / (loss) on ordinary activities before taxation		103,759	(37,871)
Taxation on profit on ordinary activities	6	-	-
Profit / (loss) for the financial year		103,759	(37,871)
Other comprehensive income		-	-
Total comprehensive income / (loss) for the year		103,759	(37,871)

All amounts relate to continuing activities.

The notes on pages 12 to 20 form part of these financial statements.

BTC Sure Group Limited
Registered number: 08094216

Balance sheet
As at 31 December 2022

	Note	2022 £000	2021 £000
Fixed assets			
Fixed asset investments	8	285,750	219,177
Current assets			
Debtors: amounts falling due within one year	9	13,208	13,208
Current liabilities			
Creditors: amounts falling due within one year	10	(137,375)	(150,561)
Net current liabilities		<u>(124,167)</u>	<u>(137,353)</u>
Net assets		<u>161,583</u>	<u>81,824</u>
Capital and reserves			
Called up share capital	11,12	49,000	49,000
Profit and loss account	12	112,583	32,824
Total equity		<u>161,583</u>	<u>81,824</u>

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



Reem Mohamed Saeed Mohamed Ali Altajer
Director

Date: 14 September 2023

The notes on pages 12 to 20 form part of these financial statements.

BTC Sure Group Limited

Statement of changes in equity For the year ended 31 December 2022

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2021	49,000	99,269	148,269
Comprehensive loss for the year			
Loss for the year	-	(37,871)	(37,871)
Total comprehensive loss for the year	-	(37,871)	(37,871)
Dividends paid	-	(28,574)	(28,574)
Total transactions with owners	-	(28,574)	(28,574)
At 1 January 2022	49,000	32,824	81,824
Comprehensive income for the year			
Loss for the year	-	103,759	103,759
Total comprehensive income for the year	-	103,759	103,759
Dividends paid	-	(24,000)	(24,000)
Total transactions with owners	-	(24,000)	(24,000)
At 31 December 2022	49,000	112,583	161,583

The notes on pages 12 to 20 form part of these financial statements.

BTC Sure Group Limited

Notes to the financial statements For the year ended 31 December 2022

1. General information

BTC Sure Group Limited (the "Company") is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is Hackwood Secretaries Limited, One Silk Street, London, EC2Y 8HQ.

2. Accounting policies

Basis of preparation

The financial statements were prepared on a historical cost basis in accordance with the Financial Reporting Standard 102 '*The Financial Reporting Standard applicable in the UK and the Republic of Ireland*' ("*FRS 102*"). The functional and presentation currency of these financial statements is sterling. All amounts have been rounded to the nearest £1,000.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Summary of disclosure exemptions

In these financial statements, the Company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the year;
- Cash Flow Statement and related notes and;
- Key Management Personnel compensation.

As the consolidated financial statements of Bahrain Telecommunications Company BSC include the disclosures equivalent to those required by FRS 102 the Company has also taken the exemptions available in respect of the following disclosures:

- The disclosures required by FRS 102.11 'Basic Financial Instruments' and FRS 102.12 'Other Financial Instrument Issues' in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The following accounting policies have been applied consistently to all periods presented in the financial statements.

BTC Sure Group Limited

Notes to the financial statements For the year ended 31 December 2022

2. Accounting policies (continued)

Going concern

In preparing the financial statements, the Directors have considered the ability of the Company to continue as a going concern and have prepared cash flow forecasts to inform their decisions.

The Company's only creditor is a subsidiary of the parent company, which will not seek repayment of the amount unless the Company has sufficient cash to make such a repayment. The Directors therefore consider that the Company will be able to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

In making this assessment the Directors have considered a period of at least 12 months from the date of approval of these financial statements, as well as the Company's financial position, performance, forecasts, budgets, and post balance sheet events and concluded that there is no material uncertainty about the Company's ability to continue as a going concern.

As at the date of signing, the Company has net current liabilities of £ 124,167,000(2021 - £137,353,000) however, the Company remains in a net asset position and the Directors consider there to be sufficient funds to continue in operational, existence for the foreseeable future. The Directors have reviewed the current and projected financial position of the Company and have a reasonable expectation that the Company has adequate resources to continue in operational business for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Dividends receivable

Dividend income from shares in group undertakings is recognised when the right to receive payment is established.

Impairment of investments

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit ("CGU") to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).

Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Foreign currency translation

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are recognised in the statement of comprehensive income.

BTC Sure Group Limited

Notes to the financial statements For the year ended 31 December 2022

2. Accounting policies (continued)

Finance costs

Interest expense is accrued on a time basis by reference to the principal outstanding and the effective interest rate applicable.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Investments

Fixed asset investments are stated at cost less amounts written off in respect of any impairment.

At each balance sheet date, the Company reviews the carrying amounts of all assets to determine whether there is any indication that any of those assets have suffered an impairment loss.

Impairment is recognised in the statement of comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of net selling price, defined as the fair value less cost to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

BTC Sure Group Limited

Notes to the financial statements For the year ended 31 December 2022

2. Accounting policies (continued)

Financial instruments

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment.

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment.

Borrowings

Borrowings are recognised initially at fair value net of transaction costs incurred and are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Dividends payable

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgements in applying accounting policies 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 amounts 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing the financial statements, the key judgements relate to whether there are indicators of impairment of the carrying value of fixed asset investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the investments.

Functional currency is the currency of the primary economic environment in which the entity operates; normally, that is, the currency of the environment in which an entity primarily generates and expends cash. One of the key judgements in preparing these financial statements is the functional currency. As most of the transactions of the Company are being carried out in Pound Sterling, we have come to a conclusion that the functional currency of the Company is Pound Sterling.

BTC Sure Group Limited

Notes to the financial statements For the year ended 31 December 2022

4. Staff costs and Directors' remuneration

Director's emoluments are borne by other group companies during the year ended 31 December 2022 and 31 December 2021. The Directors received no remuneration in respect of their qualifying services to the Company (2021 - £nil).

The Company had no employees during the year ended 31 December 2022 and 31 December 2021, reflected in £nil (2021 - £nil) staff costs.

In 2022 the auditor's remuneration is £9,600 (2021 - £9,600) for the audit of these financial statements which is borne by the ultimate parent company.

5. Income from shares in group undertakings

	2022 £000	2021 £000
Dividend income received from subsidiary undertakings	37,186	28,311

Income from shares in group undertakings consists of dividend income from subsidiary undertakings. The income is recognised when the right to receive payment is established.

6. Taxation on profit on ordinary activities

	2022 £000	2021 £000
Current tax on profits for the year	-	-
Taxation on profit on ordinary activities	-	-

BTC Sure Group Limited

Notes to the financial statements For the year ended 31 December 2022

6. Taxation on loss / profit on ordinary activities (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19.00% (2021 - 19.00%). The differences are explained below:

	2022 £000	2021 £000
Profit/ (loss) on ordinary activities before tax	103,759	(37,871)
Profit/ (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2021 - 19.00%)	19,714	(7,196)
Effects of:		
Expenses not deductible for tax purposes	(12,649)	12,575
Income not taxable for tax purposes	(7,065)	(5,379)
Deferred tax not recognized	-	17
Remeasurement of deferred tax for changes in tax rates	-	(17)
Total tax charge for the year	-	-

Factors that may affect future tax charges

As part of the changes to the corporation tax rate, substantively enacted as part of the Finance Act 2016 on 24 May 2021, the main rate of corporation tax was increased to 25% with effect from 1 April 2023.

There were no other factors that may affect future tax charges.

7. Dividends

	2022 £000	2021 £000
Dividends declared (£0.76 per ordinary share (2021 - £0.58 per ordinary share))	37,186	28,574

BTC Sure Group Limited

Notes to the financial statements For the year ended 31 December 2022

8. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2022	285,750
At 31 December 2022	285,750
Impairment	
At 1 January 2022	66,573
Reversal of impairment	(66,573)
At 31 December 2022	-
Net book value	
At 1 January 2022	<u>219,177</u>
At 31 December 2022	<u>285,750</u>

The Company has carried out a review to determine whether there has been any impairment in the carrying values of its fixed asset investments. The review was based on a combination of discounted cash flow analysis (using the Group's approved five-year business plan) and cost of investments in the books of the Company.

For the year ended 31 December 2022, this exercise has resulted in reversal of impairment on Sure (Guernsey) Limited of £57,695,000 on Sure (Jersey) Limited of £ 7,553,000 and on Sure (Diego Garcia) Limited of £1,325,000 (2021: impairment on Sure (Guernsey) Limited of £57,695,000, Sure (Jersey) Limited of £ 7,553,000 and Sure (Diego Garcia) Limited of £934,000.

These impairments were recorded as a result of carrying values being less than cost previously, based on discounted cash flow analysis.

BTC Sure Group Limited

Notes to the financial statements For the year ended 31 December 2022

8. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Sure (Diego Garcia) Limited	9F Cumberland House, 1 Victoria Street, Hamilton, Bermuda	Telecommunication services	Ordinary	100%
Sure South Atlantic Limited	Ross Road, Stanley, Falkland Islands, FIQQ1ZZ	Telecommunication services	Ordinary	100%
Sure (Guernsey) Limited	Centenary House, La Vranguie, St Peter Port, Guernsey, GY1 2EY	Telecommunication services	Ordinary	100%
Sure (Jersey) Limited	The Powerhouse, Queen's Road, St Helier, Jersey, JE2 3AP	Telecommunication services	Ordinary	100%
Foreshore Limited	The Powerhouse, Queen's Road, St Helier, Jersey, JE2 3AP	Telecommunication services	Ordinary	100%
Sure (Isle of Man) Limited	33-37 Athol Street, Douglas, Isle of Man, IM1 1LB	Telecommunication services	Ordinary	100%

9. Debtors: amounts falling due within one year

	2022 £000	2021 £000
Amounts owed by group undertakings	<u>13,208</u>	<u>13,208</u>

All amounts shown under debtors are unsecured, interest free and repayable on demand.

10. Creditors: amounts falling due within one year

	2022 £000	2021 £000
Amounts owed to group undertakings	<u>137,375</u>	<u>150,561</u>

All amounts shown under creditors are unsecured, interest free and repayable on demand.

BTC Sure Group Limited

Notes to the financial statements For the year ended 31 December 2022

11. Share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
49,000,001 (2021 - 49,000,001) Ordinary shares of £1 each	<u>49,000</u>	<u>49,000</u>

The Company has one class of ordinary shares which carries no right to fixed income.

12. Reserves

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Profit and loss account

This reserve records cumulative profits, losses and total other recognised gains or losses made by the Company, including distributions.

13. Ultimate parent company and immediate parent company

The Company is a subsidiary of Bahrain Telecommunications Company BSC (together with its subsidiaries referred to as "Beyon") which is the ultimate parent company and controlling undertaking incorporated in the Kingdom of Bahrain. The Company's immediate parent company is Batelco International Group Holding Limited which is a company incorporated in Jersey.

The smallest and largest group in which the results of the Company are consolidated is that headed by Bahrain Telecommunications Company BSC, incorporated in the Kingdom of Bahrain. The consolidated accounts of Bahrain Telecommunications Company BSC are available to the public and may be obtained from the Group's website <https://beyon.com> or from Office of the Registrar, Bahrain Bourse, Bahrain Financial Harbour, Harbour mall - 4th Floor, PO Box 3203, Manama, Kingdom of Bahrain.

14. Post balance-sheet events

No significant events have occurred post balance sheet.