Company Registration No. 04831976 (England and Wales)

MONITISE EUROPE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

MONITISE EUROPE LIMITED

COMPANY INFORMATION

Directors	Tom Hunter William Jones Richard Waller
Company number	04831976
Registered office	Eversheds House 70 Great Bridgewater Street Manchester M1 5ES
Auditor	RSM UK Audit LLP Chartered Accountants Davidson House Forbury Square Reading Berkshire RG1 3EU

MONITISE EUROPE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the Strategic Report and financial statements of Monitise Europe Limited (the "company") for the year ended 31 December 2019.

Review of the business

The company's results are set out in the statement of comprehensive income on page 8.

Turnover for the year ended 31 December 2019 was £6,382,000 (18 month period ended 31 December 2018: £12,492,000). The decrease was due to the longer reporting period for the prior period and during the current year the remaining customers on the enterprise banking platform migrated away from the platform to use platforms that were run by competitors.

Operating profit for the year ended 31 December 2019 was £2,214,000 (18 month period ended 31 December 2018: loss £208,000).

Operating profit increased from the prior period as the prior period saw a large increase in the provision taken against intercompany balances. In the current period the provision against intercompany balances was taken however at a smaller level than the prior period and as such we see an increase in the operating profit for the current year compared to the prior period.

The statement of financial position of the company at 31 December 2019 is set out on page 9.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the Monitise Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Monitise Group, which include those of the company, are discussed in Risk Management in the Monitise Limited 2019 Annual Report.

Strategy and future developments

Following the loss of the final customer from the enterprise banking platform in 2019 all live services on the platform were terminated. The company will continue as a holding company for the foreseeable future.

Key performance indicators

The directors of Monitise Limited manage the Monitise Group's operations on an integrated basis. For this reason, the company's directors believe that analysis using key performance indicators for the company is not necessary for an understanding of the development, performance or position of the business of the company. The key performance indicators for the Monitise Group, which includes the company, are discussed in the Directors' Report of the Monitise Limited 2019 Annual Report.

Impact of COVID-19

The impact of the COVID-19 outbreak globally post year end has required many of the company's employees to work remotely from home. For ongoing customers, this does not significantly impact the company's ability to deliver software services to them. For customers requiring professional services support, this is provided remotely where possible. The company is not reliant on any critical suppliers that cannot operate as a result of COVID-19.

On behalf of the board

DocuSigned by:

Richard Waller

C68C71BFA34243D...

Richard Waller

Director

Date: 18 December 2020

MONITISE EUROPE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements of Monitise Europe Limited (the "company") for the year ended 31 December 2019.

Principal activities
The principal activity of the company is the provision of mobile phone initiated banking and payment services.

Change of accounting reference date
During the prior period, the company changed its accounting reference date from 30 June to 31 December. The change was made to align the year end of Monitise Europe Limited with the year end of Fiserv Inc. which is 31 December. As a result, the financial statements of the company in the prior period were prepared for an 18 month period ended 31 December 2018.

Results and dividends
Details of the results are set out in the statement of comprehensive income on page 8 and in the Strategic Report on page 1.

The profit for the financial year is £2,214,000 (2018: loss £206,000).

Details of the future developments of the company are included in the Strategic Report on page 1.

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

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

Tom Hunter
William Jones
Richard Waller

Qualifying third party indemnity provisions
The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the reporting date.

Financial instruments
The company's activities expose it to financial risks arising from its use of financial instruments.

(a) Liquidity risk
Liquidity risk arises from the company's management of working capital. It is the risk that the company will encounter difficulty in meeting its financial obligations as they fall due. The company ensures enough funding is available from other Fiserv Group companies to meet its financial obligations as they fall due.

(b) Interest rate risk
Where applicable, the company invests its surplus cash in a spread of fixed rate term bank deposits to minimise risk and maximise flexibility. In doing so, it limits its exposure to fluctuations in interest rates that are inherent in such a market. Overall risk is not regarded as significant. Amounts owed to group undertakings are non-interest bearing loans and are repayable on demand.

MONITISE EUROPE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

(c) Credit risk
Credit risk arises principally from the company's trade receivable and cash and cash equivalents. It is the risk that the counterparty fails to discharge its obligation in respect of the instruments.

The company has no current customers and all live services on the banking platform have been terminated. The company is no longer marketing the banking platform to new customers and therefore there will be minimal exposure to credit risk in future reporting periods.

Trade receivables
The nature of the company's operations means that all of its current key customers form part of established businesses in the banking and payments sector and therefore the credit risks are minimised due to the nature of these customers. The Monitise Group continually reviews its credit risk policy, taking particular account of future exposure to developing markets and associated changes in customers' credit risk profiles.

The carrying amount in the Balance Sheet, net of any applicable provisions for loss, represents the amount exposed to credit risk and hence there is no difference between the carrying amount and the maximum credit risk exposure.

Cash and cash equivalents and short-term investments
The Fiserv Group Board formulates the group's treasury policy and its objectives which are designed to manage the Monitise Group's risk and secure cost-effective funding for the Monitise Group's operations, including the company. These objectives include the requirement to minimise risk on investment funds but maintain flexibility.

Auditor
RSM UK Audit LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going concern and post balance sheet events

During the year, all live services on the MEP platform were terminated and from December 2019 the entity was non-trading.

Post year end, the COVID-19 pandemic has arisen causing a negative impact on the global economy and general business activities. The directors have considered the impact of the pandemic on the company and at the time of approving the financial statements the directors have a reasonable expectation that the company has adequate resources to continue in operations existence for the foreseeable future despite the impact of COVID-19. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Further detail of the measures taken by directors and the going concern considerations made can be seen in the accounting policies included in the notes to the financial statements.

On behalf of the board

DocuSigned by:
Richard Waller
C68C71BFA34243D...

Richard Waller
Director

Date: 18 December 2020

MONITISE EUROPE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

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

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

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. 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, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MONITISE EUROPE LIMITED

Opinion

We have audited the financial statements of Monitise Europe Limited (the "company") for the year ended 31 December 2019 which comprise the income statement, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. *Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit* of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

RSM UK Audit LLP

Neil Mellor (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Davidson House
Forbury Square
Reading
Berkshire, RG1 3EU
22 December 2020

MONITISE EUROPE LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Year ended 31 December 2019 £'000	Period ended 31 December 2018 £'000
Revenue	3	6,382	12,492
Cost of sales		(1,323)	(4,264)
Gross profit		5,059	8,228
Administrative expenses		(1,888)	(1,018)
Exceptional item	4	(957)	(7,418)
Operating profit/(loss)	7	2,214	(208)
Investment income	9	-	2
Profit/(loss) before taxation		2,214	(206)
Tax on profit/(loss)	10	-	-
Profit/(loss) and total comprehensive income/ (expense) for the financial year		2,214	(206)

The notes on pages 11 to 19 form part of these financial statements.

Company Registration No. 04831976

MONITISE EUROPE LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	2019 £'000	2018 £'000
Current assets			
Trade and other receivables	11	7,938	2,996
Cash and cash equivalents		32	2,662
		7,970	5,658
Current liabilities			
Trade and other payables	12	1,436	942
Taxation and social security		9	405
		1,445	1,347
Net current assets		6,525	4,311
Total assets less current liabilities		6,525	4,311
Net assets		6,525	4,311
Equity			
Called up share capital	13	16,314	16,314
Retained earnings		(9,789)	(12,003)
Total equity		6,525	4,311

The financial statements on pages 8 to 19 were approved by the board of directors and authorised for issue on 18 December 2020 and are signed on its behalf by:

DocuSigned by:
Richard Waller
C88C71BFA34243D...

Richard Waller
Director

MONITISE EUROPE LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital £'000	Retained earnings £'000	Total £'000
Balance at 1 July 2017	16,314	(11,797)	4,517
Period ended 31 December 2018:			
Loss and total comprehensive income for the period	-	(206)	(206)
Balance at 31 December 2018	16,314	(12,003)	4,311
Period ended 31 December 2019:			
Profit and total comprehensive income for the period	-	2,214	2,214
Balance at 31 December 2019	16,314	(9,789)	6,525

The notes on pages 11 to 19 form part of these financial statements.

MONITISE EUROPE LIMITED

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

1 Accounting policies

Company information
Monitise Europe Limited is a private company limited by shares incorporated in England and Wales. The registered office is Eversheds House, 70 Great Bridgewater Street, Manchester, England, M1 5ES.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention
The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost basis. The principal accounting policies adopted are set out below.

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

- exemption from preparing a Statement of Cash Flows as required by IAS 7 Statement of Cash Flows;
- exemption from the requirements of IFRS 7 Financial Instruments: Disclosures;
- exemption from the presentation of comparative information as required by IAS 1 Presentation of Financial Statements;
- exemption from the disclosure requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- exemption from the requirements to disclose related party transactions between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned;
- exemption from the capital management disclosure requirements of IAS 1, Presentation of Financial Statements;
- exemption from disclosure 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; and
- exemption from the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.

Where required, equivalent disclosures are given in the group accounts of Fiserv Inc. The group accounts of Fiserv Inc. are available to the public and can be obtained as set out in note 17.

Going concern
The financial statements have been prepared on the going concern basis as the company's ultimate parent company, Fiserv Inc., has provided written confirmation of their willingness to provide continued financial support to the company for the foreseeable future, defined as at least 12 months from the date of signing the Monitise Europe Limited financial statements for the year ended 31 December 2019. Fiserv Inc. is considered to have sufficient resources to provide support, if needed, to the company. On this basis, the directors consider it appropriate to prepare these financial statements on the going concern basis.

1 Accounting policies (Continued)

Revenue

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services provided within the company's ordinary activities, net of discounts and sales taxes.

Turnover comprises subscription and transaction revenue, product licenses and development and integration services.

Subscription and transaction revenue relates to revenue generated from all types of end-user activity and may take various forms including per user fees, click fees, commissions and revenue share, and includes associated managed services. This revenue is recognised as the services are performed.

Product licenses are sales where the customer has the ability to exploit the licensed functionality upon delivery and include both certain term-based and perpetual licenses. This license revenue is recognised as a sale of a good once all of the recognition criteria have been met.

Turnover relating to development and integration services contracted on a time and materials basis is recognised as the services are performed. Turnover relating to development and integration services identified as a service contract is recognised on a straight line basis. Development and integration service revenue delivered under a fixed price contract is recognised on a percentage-of-completion basis, based on the extent of work competed as a percentage of overall estimated project cost, when the outcome of a contract can be estimated reliably.

Typically, a number of the above elements may be sold together as a bundled contract. Revenue is recognised separately for each component if it is considered to represent a separable good or service and a fair value can be reliably established. The company may derive fair value for its services based on a reliable cost estimate plus an appropriate market-based margin. Where a product license is included within a bundled arrangement, the residual value of the contract is ascribed to the produce license after a fair value has been allocated to all other components.

Amounts which meet the company's revenue recognition policy which have not yet been invoiced are accounted for as accrued income whereas amounts invoiced which have not met the company's revenue recognition are accounted for as deferred income until such time as the revenue can be recognised. Management makes an assessment of the certainty of any accrued revenue amounts in determining how much revenue to recognise.

Intangible assets other than goodwill

Software licenses are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives using the straight-line method on the following bases:

Software licenses	3 - 4 years

Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives using the straight-line method on the following bases:

Short-term leasehold property	56 months
Computer equiment	3 - 5 years

MONITISE EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies (Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

Cash and cash equivalents
Cash and cash equivalents include cash in hand and deposits held at call with banks.

Financial assets
Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets held at amortised cost
Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary, including amounts owed by group undertakings.

Impairment of financial assets
An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both.

The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss is a probability-weighted amount determined from a range of outcomes and takes into account the time value of money.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities
The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Other financial liabilities
Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

1 Accounting policies (Continued)

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Foreign exchange
Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Exceptional items
Exceptional items are items which, in management's judgement, need to be disclosed by virtue of their size or nature in order for the user to obtain a proper understanding of the financial information.

MONITISE EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

2 Critical accounting estimates and judgements

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, 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.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Revenue recognition
Revenue for development and integration services is recognised when the right to consideration is earned as each project progresses. Provisions against accrued income are made as and when management becomes aware of objective evidence that the amount of time worked will not be recoverable in full. The company sometimes enters into agreements with customers where a product license is bundled with services. Revenue is recognised separately for each component if it is considered to represent a separable good or service and a fair value can be reliably established. This consideration requires an element of judgement.

3 Revenue

An analysis of the company's revenue is as follows:

	2019	2018
	£'000	£'000
Revenue analysed by class of business		
Professional services	2,500	5,329
Processing	242	5,209
Maintenance	3,640	238
Licenses	-	1,716
	6,382	12,492

All revenue has been generated in the United Kingdom.

4 Exceptional items

	2019	2018
	£'000	£'000
Exceptional provision against amounts due from group undertakings	(957)	(7,418)

The exceptional charge in the current and prior period relate to an increase in the net provision for amounts due from group undertakings, which reflects the restructuring of the group in the comparative financial period and the reduced trading in certain group companies.

5 Employees

The company does not have any legal employees and benefits from the services of employees legally employed by Monitise International Limited, a sister company. The average number of these employees is disclosed in Monitise International Limited's financial statements. During the year, the company was recharged £686,000 (2018: £1,870,000) in respect of these services.

Their aggregate remuneration comprised:

	2019	2018
	£'000	£'000
Wages and salaries	572	1,722
Social security costs	75	94
Pension costs	39	54
	686	1,870

6 Directors' remuneration

In the current and prior period the directors were remunerated through other group companies. The directors' services to the company did not occupy a significant amount of their time. As such, the directors do not consider that they received any remuneration for their incidental services to the company for the year (2018: £nil).

7 Operating profit/(loss)

	2019	2018
	£'000	£'000
Operating profit/(loss) for the period is stated after charging/(crediting):		
Exchange losses	1	3
Fees payable to the company's auditor for the audit of the company's financial statements	10	25
Depreciation of property, plant and equipment	-	492
Profit on disposal of property, plant and equipment	-	(7)
Amortisation of intangible assets	-	305

8 Auditor's remuneration

	2019	2018
Fees payable to the company's auditor and its associates:	£'000	£'000
For audit services		
Audit of the financial statements of the company	10	25

9 Investment income

	2019	2018
	£'000	£'000
Interest income		
Other interest income	-	2

MONITISE EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

10 Taxation

The total tax charge for the year included in the income statement can be reconciled to the profit/(loss) before tax multiplied by the standard rate of tax as follows:

	2019 £'000	2018 £'000
Profit/(loss) before taxation	2,214	(206)
Expected tax charge/(credit) based on a corporation tax rate of 19.00% (2018: 19.00%)	421	(39)
Effect of expenses not deductible in determining taxable profit	182	1,414
Group relief	(564)	(1,304)
Tax losses for which a deferred tax asset has not been recognised	(39)	(71)
Taxation charge for the period	-	-

Reductions in the UK corporation tax rate to 17% (effective from 1 April 2021) have been substantively enacted. These changes will reduce the company's future current tax charge accordingly.

At 31 December 2019, the company had £159,000 of unrecognised deferred tax assets (2018: £194,000).

11 Trade and other receivables

	2019 £'000	2018 £'000
Trade receivables	138	2,798
Amounts owed by fellow group undertakings	7,800	10
Prepayments and accrued income	-	188
	7,938	2,996

Of the amounts owed by fellow group undertakings, £800,000 (2018: £nil) is interest bearing and repayable on demand. Interest was charged on these amounts at an interest rate of 1.78%. The remaining amounts owed by fellow group undertakings of £7,000,000 (2018: £nil) is interest-free, unsecured and repayable on demand.

MONITISE EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

12 Trade and other payables

	2019 £'000	2018 £'000
Trade payables	-	3
Amounts owed to fellow group undertakings	731	757
Accruals and deferred income	47	182
Other payables	658	-
	1,436	942

Amounts owed to group undertakings are non-interest bearing loans and are repayable on demand.

13 Share capital

	2019 £'000	2018 £'000
Allotted, called up and fully paid		
Authorised		
16,314,228 Ordinary shares of £1 each	16,314	16,314
Issued and fully paid		
16,314,228 Ordinary shares of £1 each	16,314	16,314
	16,314	16,314

All ordinary shares have attached to them full voting, dividend and capital distribution (including on wind up) rights; they do not confer any rights of redemption.

14 Reserves

Profit and loss account

Cumulative profits and losses net of distributions to owners.

15 Contingent liabilities

On 19 January 2007, Mobile VPT Limited raised a claim against business partners Monitise Europe Limited, LINK Interchange Network Limited, Monitise International Limited and Morse Plc (the business partners). Following advice from leading counsel, the directors believe that the company's UK business activities in the UK do not infringe any valid claim of Mobile VPT's Patent and that the Mobile VPT Patent my be invalid. As a result, and in line with the fact that there has been no adverse movement since the proceedings in this case were stayed in October 2007, no provision has been reflected in the financial statements.

16 Events after the reporting date

During the year, all live services on the MEP platform were terminated and from December 2019 the entity was non-trading.

Subsequent to the company's financial year end, the World Health Organization (WHO) announced on 31 January 2020 a global health emergency related to a new strain of coronavirus originating in Wuhan, China (COVID-19 outbreak) and the associated risks to international communities, and the global economy, as the virus spreads beyond its point of origin. On 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic due to a rapid increase in global exposures. These events are having a significant negative impact on global stock markets, currencies, and general business activities. The timing and extent of the impact and recovery from the COVID-19 outbreak is unknown but may have an impact on the company's activities in an uncertain global market.

17 Controlling party

The immediate parent undertaking is Monitise Group Limited, a company incorporated in England and Wales (registered office: Eversheds House, 70 Great Bridgewater Street, Manchester, M1 5ES).

The ultimate parent company is Fiserv Inc. a company incorporated in the United States of America (registered office: 255 Fiserv Drive, Brookfield, WI 53008-0979, United States of America). Fiserv Inc. heads both the smallest and largest group undertakings for which group accounts including Monitise Europe Limited are prepared. Copies of the financial statements of Fiserv Inc. are available from its registered office.

The directors do not consider there to be one ultimate controlling party of the ultimate parent company, Fiserv Inc.