

LINK Group Holdings Limited Annual Report 2007

For the 18 months ended 31 December 2007

Registered No. 05268437

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Directors and advisers

Directors

P M Gerrard

PE Presland

S Rattigan

Auditors

KPMG LLP

Registered office

Drake House, Three Rivers Court

Homestead Road, Rickmansworth

WD3 1FX

Directors' report

The directors present the annual report and the audited financial statements for the 18 months ended 31 December 2007. The company changed the year end during the year from 30 June to 31 December as part of the merger of Voca Limited and Link Interchange Network Limited. The comparative figures represent the results of the Company for the year ended 30 June 2006.

Business review

The principal activity of the LINK Group Holdings Limited ('the Company') is as a holding company.

Financial review

The results of the Company for the period are set out on page 9 and show a profit after taxation of £3,412,960 (2006: loss £37).

The profit for the year arises from the sale of the investment in Prepay Technologies Limited.

Dividends

The Directors have not declared a dividend in the period (2006: £Nil).

Charitable contributions

The company did not give any charitable or political contributions.

Directors

The names of the current directors of the company are shown on page 3. During the year the following changes occurred:

Name	Appointed	Resigned
P M Gerrard		
P E Presland		
S Rattigan	27/12/2007	
J T Hardy		27/12/2007
K A Shields		17/10/2007

Director's interests in shares of the Company

The directors did not have any interest in the shares of the company or in the ultimate parent company during the year.

Directors' disclosure of relevant information to auditors

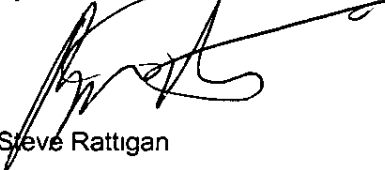
In the case of each person who was a director of the company at the time when the directors' report was approved, the following applied:

- Each director confirmed that as far as he or she was aware individually, there was no relevant audit information of which the company's auditors were unaware, and
- Each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors were aware of that information.

Auditors

KPMG LLP have indicated their willingness to continue in office as auditors and a resolution for their re-appointment will be proposed at the forthcoming annual general meeting

By order of the Board



Steve Rattigan

Director

15 September 2008

Statement of directors' responsibilities in respect of the director's report and financial statements

The directors are responsible for preparing the Annual 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 they have elected to prepare the company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

The company financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss for that period

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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,
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities

By order of the board



Steve Rattigan
Director

15 September 2008

Independent auditors' report to the members of LINK Group Holdings Limited

We have audited the company financial statements (the "financial statements") of LINK Group Holdings Limited for the 18 months ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of directors' responsibilities on page 6.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of the company's profit for the 18 month period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' report is consistent with the financial statements

KPMG LLP

KPMG LLP

Chartered Accountants 1 Canada Square, London

Registered Auditor

15 September 2008

Profit and loss account

For the 18 months ended 31 December

	Notes	18 months ended 31 December 2007 £	Year ended 30 June 2006 £
Turnover		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		(33)	(37)
Operating Loss		(33)	(37)
Profit on sale of investment in associate		3,412,993	-
Profit/ (loss) on ordinary activities before taxation	2,4	3,412,960	(37)
Taxation on profit/ (loss) on ordinary activities	5	-	-
Profit / (loss) on ordinary activities after taxation		3,412,960	(37)

All items dealt with in arriving at profits relate to continuing operations


The Company has no recognised gains and losses other than those included in the above results and therefore no separate statement of total recognised gains and losses has been presented

Balance sheet

As at 31 December

	Notes	31 December 2007 £	30 June 2006 £
Fixed Assets			
Investments	6	10,516	3,571,852
Current Assets			
Debtors	7	5,322,606	1,590,001
Cash at bank in hand		57	89
		<u>5,333,179</u>	<u>5,161,942</u>
Creditors amounts falling due within one year	8	(820,263)	(4,061,986)
Total net assets		<u>4,512,916</u>	<u>1,099,956</u>
Share capital and reserves			
Called up share capital	9	2	2
Share Premium	10	1,100,000	1,100,000
Profit and loss account	11	3,412,914	(46)
Shareholders' funds	10	<u>4,512,916</u>	<u>1,099,956</u>

The financial statements on pages 9 to 14 were approved by the board of directors on 15 September 2008 and were signed on its behalf by



Steve Rattigan
Director

Notes to the financial statements

For the period ended 31 December 2007

1 Principle accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Investments

Investments are carried at historical cost.

Cash flows

The Company has taken advantage of the exemption within FRS1 (Revised) allowing it not to present its own cash flow statement as it is a 100% owned subsidiary of Vocalink Holdings Limited.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2 Directors and employees

The company did not have any employees during the year.

During the period the directors were employed by LINK Interchange Network Ltd ("LINK") and were remunerated by LINK in respect of their services to the Group as a whole. Their emoluments are dealt with in the consolidated financial statements and they received no emoluments from the Company in either 2007 or 2006.

3 Audit Remuneration

The auditors' remuneration of £2,000 was borne by the parent company, Vocalink Holdings Limited.

4 Profit on ordinary activities before taxation

The loss on ordinary activities before taxation for the period ended 31 December 2007 is stated after charging bank charges of £33 (2006: £37).

5 Taxation

	18 months ended 31 December 2007 £	Year ended 30 June 2006 £
Profit/ (loss) on ordinary activities before taxation		
Corporation tax at 20% (2006 30%)		
Current year	-	-
Prior years		
Deferred taxation		
Deferred tax asset not recognised	-	-
Taxation charge	-	-
	2007 £	2006 £
Profit on ordinary activities before Taxation	3,412,960	(37)
Corporation tax at 20% (2006 30%) thereon		
Current year	682,592	(11)
Effect of		
Non taxable income	(682,599)	-
Non taxable expense	7	11
Taxation charge	-	-

6 Investments

	Immediate Payments Limited £	MONILINK Limited £	PrePay Technologies Limited £	Monitise Limited £	Total £
At 1 July 2006	-	10,001	3,561,836	15	3,571,852
Additions	500	-	-	-	500
Disposal	-		(3,561,836)	-	(3,561,836)
At 31 December 2007	500	10,001	-	15	10,516

Joint Ventures – held indirectly	2007	2006
Immediate Payment Limited	50%	50%
MONILINK International Limited	50%	50%

All joint venture and investment companies are incorporated in the United Kingdom which is their principal country of operation. Their principal activity is the provision of payment services.

7 Debtors

	31 December 2007 £	30 June 2006 £
Amounts due from group companies	1,164,843	12,501
Amounts due from joint ventures	3,337,500	1,577,500
Other debtors	820,263	-
	5,322,606	1,590,001

8 Creditors: Amounts falling due within one year:

	31 December 2007 £	30 June 2006 £
Amount due to parent undertaking	-	4,061,986
Other creditors	820,263	-
	820,263	4,061,986

9 Called up share capital

	31 December 2007 £	30 June 2006 £
Authorised		
1,000 shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
2 shares of £1 each	2	2

10 Share premium

	31 December 2007 £	30 June 2006 £
Share premium	1,100,000	1,100,000

11 Reconciliation of movements in shareholders' funds

	Period ended 31 December 2007 £	Year ended 30 June 2006 £
Opening shareholders' funds	1,099,956	1,099,993
Profit/ (Loss) for the period	3,412,960	(37)
Closing shareholders' funds	<u>4,512,916</u>	<u>1,099,956</u>

12 Ultimate parent undertaking

At 31 December 2007 the Company's ultimate parent undertaking is VocaLink Holdings, a company registered in England. A copy of that company's financial statements can be obtained from The Secretary, Drake House, Three Rivers Court, Homestead Road, Rickmansworth, WD3 1FX

13 Related party disclosures

The Company has taken advantage of the exemptions under Financial Reporting Standard No. 8 "Related Party Disclosures" not to disclose full details of transactions with other group companies as the consolidated financial statements of VocaLink Holdings Limited are publicly available

The Group has acted as an agent for MONILINK Limited, a joint venture company, and passed on costs relating to setting up the infrastructure of this company. In addition, the group has advanced a loan to MONILINK of £3,337,500 as at 31 December 2007 (£1,577,500 at 31 December 2006). The loan is repayable on demand, but it is the intention of the shareholders that these loans represent long term funding.