

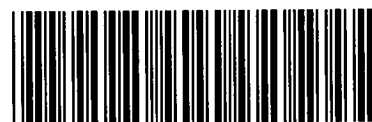
Registered number: 06011822

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2018

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MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

CONTENTS

	Page(s)
Company Information	1
Strategic Report	2 - 3
Directors' Report	4 - 6
Independent Auditors' Report to the Members of Monitise Limited	7 - 9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12 - 13
Notes to the Financial Statements	14 - 27

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

COMPANY INFORMATION

Directors	Tom Hunter Richard Waller
Registered number	06011822
Registered office	Eversheds House 70 Great Bridgewater Street Manchester M1 5ES
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Harefield Road Uxbridge UB8 1EX

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2018

The directors present the Strategic Report of Monitise Limited (the "Company") for the 18 months period ended 31 December 2018.

Strategy and future developments

The Company will act as an intermediate holding company for the foreseeable future. The directors consider that the Company is well placed to manage its investments.

As the Company no longer generates an income or employs staff the business is not expected to incur significant future costs.

Review of business

The Company's results are set out in the Statement of Comprehensive Income on page 10.

Review of the Company's business

After the significant restructuring undertaken in the prior year, the Company made further changes in 2018 including the sale of Global Voucher Group Limited for £36,500,000 and Monitise Yazilin AS for £1 resulting in a net gain on disposal of £17,743,000.

The loss for the financial period/year was £6,051,000 (2017: £12,919,000) after an exceptional charge of £14,837,000 (2017: £7,558,000).

At 31 December 2018 the Company had a cash balance of £9,000 (2017: £5,175,000).

The Statement of Financial Position of the Company at 31 December 2018 is set out on page 11.

Key performance indicators

Key Performance Indicators are used to measure and control both financial and operational performance. Revenues, margins, costs and cash are trended to ensure plans are on track and corrective actions are taken where necessary.

Principal risks and uncertainties

As a holding company, the results of the Company are subject to a number of risks. The principal risk and uncertainty affecting the Company is related to its investments. The Company is exposed to the risk of deterioration in business performance in its group undertakings, which may have an adverse effect on the carrying value of the Company's investments. The Company reviews periodically both its investments in subsidiaries and amounts owed to it by group undertakings, and provides against these balances to the extent that the carrying value may not be recoverable.

Impact of COVID-19

In the near term, COVID-19 is creating considerable uncertainty for economies and markets. We believe that our business resilience is sufficient to deal with this, but the impact on economies and markets will be highly correlated with how effective containment measures are.

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2018**

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



Richard Waller
Director

Date: *27th April 2019*

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2018

The directors present their annual report and the audited financial statements of Monitise Limited (the "Company") for the 18 months period ended 31 December 2018.

Change of accounting reference date

During the 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 Limited with the year end of Fiserv Inc. which is 31 December. As a result, the financial statements of the Company are prepared for a 18 month period ended 31 December 2018. The comparatives are for the year ended 30 June 2017.

Results and dividends

The loss for the financial period/year amounted to £6,051,000 (2017: loss £12,919,000).

The directors do not recommend the payment of a dividend (2017: £Nil).

Principal activities

Monitise Limited (the "Company") is a specialist in financial services technology primarily focused on accelerating the digital transformation of banks and financial institutions.

Going concern

The ability of the Company to continue as a going concern is dependent upon the continuing financial support of its ultimate parent Company, Fiserv Inc.. Fiserv Inc. has confirmed its financial support to the Company to enable it to continue trading and to meet its day to day commitments for at least twelve months from the date of signing the financial statements.

The financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern on the basis that the Company's parent has indicated that it will continue to provide this support for the foreseeable future. In the opinion of the directors, the going concern basis is appropriate for the preparation of these financial statements.

Directors

The directors who served during the period and up to the date of signing the financial statements, unless otherwise stated, were:

Tom Hunter (appointed 11 July 2018)
Richard Waller (appointed 16 January 2018)
Lee Cameron (resigned 16 January 2018)
Gavin James (resigned 11 January 2018)
Tom Spurgeon (appointed 16 January 2018, resigned 31 July 2018)
Peter Ayliffe (resigned 1 September 2017)
Amanda Burton (resigned 1 September 2017)
Timothy Wade (resigned 1 September 2017)

Political contributions

The Company made no political or charitable donations during the period (2017: £Nil).

Future developments

Details of the future developments of the Company are included in Strategic Report on page 2.

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2018

Employees

Whilst staff are no longer paid through the Company's PAYE scheme work remains to be carried out on behalf of the Company by employees through other group companies. As such, sourcing and retaining the highest caliber employees by other group companies from a wide range of backgrounds is key to the Company's strategy. The service the Company provides to all its customers is only as good as the people who represent the business and brand.

Directors' indemnity and liability insurance

The Company has purchased and maintained throughout the year liability insurance in respect of its Directors. The Directors also have the benefit of the indemnity provision contained in the Company's Articles of Association which represents a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006.

Post balance sheet events

The impact of the COVID-19 outbreak globally post year end has required many of our employees to work remotely from home. We consider this event as a non-adjusting post balance sheet event. For ongoing customers, this does not significantly impact our ability to deliver our software service to them. For customers requiring professional services support, we provide this remotely where possible to do so. We are not reliant on any critical suppliers that cannot operate as a result of COVID-19. At this stage it is not possible to estimate the full impact that COVID-19 will have on the company as a result of the impact on the macroeconomic environment.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 period. In preparing the 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 United Kingdom Accounting Standards, comprising FRS 101, have been followed subject to any material departures disclosed and explained in the financial statements; 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2018**

Disclosure of information to auditors

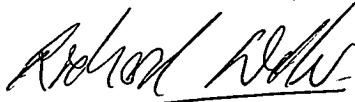
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

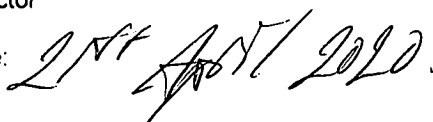
Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

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



Richard Waller
Director

Date:



MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

Report on the audit of the financial statements

Opinion

In our opinion, Monitise Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the 18 months period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2018; the Statement of Comprehensive Income and the Statement of Changes in Equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC) (CONTINUED)

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for 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.

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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC) (CONTINUED)

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Hannes Verwey (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge

Date: 21/04/2020

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2018**

		18 months period ended 31 December 2018 £000	Year ended 30 June 2017 £000
	Note		
Administrative expenses		(1,493)	(5,381)
Exceptional administrative expenses	4	(14,837)	(7,558)
Operating loss	5	(16,330)	(12,939)
Income from shares in group undertakings	12	10,276	-
Interest receivable and similar income	9	3	38
Interest payable and similar expenses	10	-	(18)
Loss before taxation		(6,051)	(12,919)
Tax on loss	11	-	-
Loss for the financial period/year		(6,051)	(12,919)
Currency revaluation movement		-	82
		-	82
Total comprehensive expense for the financial period/year		(6,051)	(12,837)

The notes on pages 14 to 27 form part of these financial statements.

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)
REGISTERED NUMBER: 06011822

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	31 December 2018 £000	30 June 2017 £000
Fixed assets			
Investments	12	-	34,812
Current assets			
Debtors	14	2	275
Cash at bank and in hand	15	9	5,175
		<u>11</u>	<u>5,450</u>
Creditors: amounts falling due within one year	16	(3,435)	(4,644)
Net current (liabilities)/assets		<u>(3,424)</u>	<u>806</u>
Total assets less current liabilities		<u>(3,424)</u>	<u>35,618</u>
Provisions for liabilities			
Provisions	17	(627)	(682)
Net (liabilities)/assets		<u>(4,051)</u>	<u>34,936</u>
Capital and reserves			
Called up share capital	18	24,039	23,179
Share premium account	19	349,931	383,727
Foreign exchange reserve	19	-	82
Share based payment reserve	19	-	49,608
Merger reserve	19	240,649	240,649
Profit and loss account	19	(618,670)	(662,309)
Total shareholders' (deficit)/funds		<u>(4,051)</u>	<u>34,936</u>

The financial statements on pages 10 to 27 were approved and authorised for issue by the board and were signed on its behalf by:



Richard Waller
Director

Date: 

The notes on pages 14 to 27 form part of these financial statements.

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2018

	Called up share capital	Share premium account	Foreign exchange reserve	Share based payment reserve	Merger reserve	Profit and loss account	Total shareholders' (deficit)/funds
	£000	£000	£000	£000	£000	£000	£000
At 1 July 2017	23,179	383,727	82	49,608	240,649	(662,309)	34,936
Comprehensive expense for the financial period							
Loss for the financial period	-	-	-	-	-	(6,051)	(6,051)
Currency translation differences	-	-	(82)	-	-	82	-
Total comprehensive expense for the financial period	-	-	(82)	-	-	(5,969)	(6,051)
Shares issued during the financial period	860	204	-	-	-	-	1,064
Shares redeemed during the financial period	-	(34,000)	-	-	-	-	(34,000)
Options vested but not exercised	-	-	-	(49,608)	-	49,608	-
Total transactions with owners	860	(33,796)	-	(49,608)	-	49,608	(32,936)
At 31 December 2018	24,039	349,931	-	-	240,649	(618,670)	(4,051)

The notes on pages 14 to 27 form part of these financial statements.

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2017**

	Called up share capital	Share premium account	Ordinary shares to be issued	Foreign exchange reserve	Share- based payment reserve	Merger reserve	Profit and loss account	Total shareholders' funds
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 July 2016	22,519	383,721	2,511	-	47,739	238,183	(651,026)	43,647
Comprehensive expense for the financial year								
Loss for the financial year	-	-	-	-	-	-	(12,919)	(12,919)
Currency revaluation movement	-	-	-	82	-	-	-	82
Total comprehensive expense for the financial year	-	-	-	82	-	-	(12,919)	(12,837)
Issue of ordinary shares relating to prior year business combinations	647	-	(2,511)	-	(602)	2,466	-	-
Share-based payments	-	-	-	-	2,754	-	1,353	4,107
Exercise of share options	13	6	-	-	(283)	-	283	19
Total transactions with owners	660	6	(2,511)	-	1,869	2,466	1,636	4,126
At 30 June 2017	23,179	383,727	-	82	49,608	240,649	(662,309)	34,936

The notes on pages 14 to 27 form part of these financial statements.

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

1. General information

Monitise Limited (the "Company") is a specialist in financial services technology primarily focused on accelerating the digital transformation of banks and financial institutions is incorporated and domiciled in the United Kingdom. The address of its registered office is Eversheds House, 70 Great Bridgewater Street, Manchester, M1 5ES.

The principal activity of the Company is holding investments and intra group loans.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently through out the period:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.3 Going concern

The ability of the Company to continue as a going concern is dependent upon the continuing financial support of its ultimate parent Company, Fiserv Inc.. Fiserv Inc. has confirmed its financial support to the Company to enable it to continue trading and to meet its day to day commitments for at least twelve months from the date of signing the financial statements.

The financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern on the basis that the Company's parent has indicated that it will continue to provide this support for the foreseeable future. In the opinion of the directors, the going concern basis is appropriate for the preparation of these financial statements.

2.4 Changes in accounting policy and disclosures

There are no changes in the accounting policies during the current period.

New IFRS accounting standards and interpretations not yet effective:

Non applicability of IFRS 9 and 15

Impact of the adoption of IFRS 9 Financial instruments (effective for periods beginning on or after 1 January 2018)

The main impact that IFRS 9 'Financial Instruments' will have on the Company is the introduction of the expected credit loss model. The directors have assessed that this impact will not be material to the financial statements of the Company.

Impact of the adoption of IFRS 15 Revenue from contracts with customers effective for periods beginning on or after 1 January 2018)

This standard will not have an impact on the financial statements of the Company.

IFRS 16, Leases (effective for periods beginning on or after 1 January 2019)

The new lease standard addresses the definition of a lease, recognition and measurement of leases, and it establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. This standard replaces the current guidance in IAS 17 and is a far reaching change in accounting by lessees in particular. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A key change arising from IFRS 16 is that most operating leases will be accounted for on the Balance Sheet for lessees. IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. Under IAS 17, lessees were required to make a distinction between a finance lease (on Balance Sheet) and an operating lease (off Balance Sheet). The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees.

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

The Company will apply IFRS 16 from its mandatory adoption date of 1 January 2019. The Company intends to apply the modified retrospective approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets will be measured at the amount of the lease liability on adoption, adjusted for any prepaid or accrued lease expenses and onerous contracts. In addition, the Company will elect the following main practical expedients and will apply these consistently to all of our leases:

- To exempt short-term leases and low value items; and
- To not separate lease and non-lease components.

The most significant changes are the recognition of right-of-use assets and lease liabilities for operating leases. The adoption of IFRS 16 is currently under consideration and not expected to have a material impact on the financial statements.

2.5 Exemption from preparing consolidated financial statements

The Company is a wholly-owned subsidiary of Fiserv UK Limited. The ultimate parent company is Fiserv Inc., a company incorporated in the United States of America. Fiserv Inc. prepares publicly available consolidated financial statements which include the results of Monitise Limited therefore the Company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. These financial statements are separate financial statements.

2.6 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the Company's functional currency. Items within the financial statements are rounded to the nearest thousand pound.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the income statement within administrative expenses.

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.8 Finance costs

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

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.9 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.

2.10 Investments

Investments in subsidiary undertakings are stated at cost plus incidental expenses less provision for any impairment in value. Impairment reviews are performed by the directors annually or when an indication of potential impairment has been identified.

2.11 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

2.14 Creditors

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

2.15 Provisions

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

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the Company to make estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The directors base their estimates on historical experience and various other assumptions that they believe are reasonable under the circumstances, the results of which form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

In the process of applying the Company's accounting policies, management has made a number of judgements and estimations, of which the following are deemed to have the most significant effect on amounts recognised in the financial statements:

Impairment of assets

FRS 101 requires management to undertake an annual test for impairment of assets, including investments and intercompany receivables and to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Provisions

Management uses judgement to estimate the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Judgement has been exercised with regard to the length of period for which surplus properties remain vacant.

4. Exceptional items

	18 months period ended 31 December 2018 £000	Year ended 30 June 2017 £000
Restructuring costs	5,119	7,558
Impairment of intra group loans	11,817	-
Net gain on sale of investments (note 12)	(17,743)	-
Investment impairment	15,644	-
	14,837	7,558

5. Operating loss

The operating loss is stated after (crediting)/charging:

	18 months period ended 31 December 2018 £000	Year ended 30 June 2017 £000
Exchange differences	(20)	5
Operating lease charges	-	2

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

6. Auditors' remuneration

	18 months period ended 31 December 2018 £000	Year ended 30 June 2017 £000
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	8	73

Non-audit fees payable to the Company's auditors were £2,000 (2017: £25,000).

7. Employees

Staff costs, including directors' remuneration, were as follows:

	18 months period ended 31 December 2018 £000	Year ended 30 June 2017 £000
Wages and salaries	983	1,332
Social security costs	42	25
Share based payments	-	2,754
	1,025	4,111

The Company does not have any legal employees and benefits from the services of employees legally employed by Monitise International Limited, a subsidiary company. The average number of these employees is disclosed in Monitise International Limited's financial statements. During the year, the Company was recharged £1,025,000 (2017: £873,000) in respect of these services.

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

8. Directors' remuneration

	18 months period ended 31 December 2018 £000	Year ended 30 June 2017 £000
Aggregate directors' remuneration	-	880

During the current 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.

The highest paid director received remuneration of £343,000 in the prior prior.

Number of directors accruing benefits under defined contribution schemes during the period was none (2017: 1).

9. Interest receivable and similar income

	18 months period ended 31 December 2018 £000	Year ended 30 June 2017 £000
Interest income on short - term deposits	3	38

10. Interest payable and similar expenses

	18 months period ended 31 December 2018 £000	Year ended 30 June 2017 £000
Interest payable on overdrafts and loans	-	18

11. Tax on loss

	18 months period ended 31 December 2018 £000	Year ended 30 June 2017 £000
Corporation tax		
Current tax on loss for the financial period/year	-	-
Total current tax	-	-

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

11. Tax on loss (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19.00% (2017: 19.50%). The differences are explained below:

	18 months period ended 31 December 2018 £000	Year ended 30 June 2017 £000
Loss before taxation	(6,051)	(12,919)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2017: 19.50%)	(1,150)	(2,519)
Effects of:		
Expenses not deductible	2,154	2,519
Income not taxable	(1,952)	-
Group relief surrendered	750	-
Deferred tax not recognised	198	-
Total tax charge for the period/year	-	-

At 31 December 2018, the Company had £4,347,063 unrecognised deferred tax assets (2017: £4,169,367).

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the Balance Sheet date have been measured using this enacted tax rate and reflected in these financial statements.

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

12. Investments

	Investments in subsidiary companies £000
Cost	
At 1 July 2017	251,611
Disposals	(48,868)
	<hr/>
At 31 December 2018	202,743
	<hr/>
Accumulated impairment	
At 1 July 2017	216,799
Impairment charge for the period	15,644
Disposals	(29,700)
	<hr/>
At 31 December 2018	202,743
	<hr/>
Net book value	
At 31 December 2018	-
	<hr/>
At 30 June 2017	34,812
	<hr/>

As part of several organisational changes conducted by the Monitise group during the period, the following transactions impacting investments with subsidiary undertakings occurred:

- The Company received the following dividends to the value of £10,276,293 from its subsidiaries during the period; a) £6,726,100 from Global Voucher Group Limited on 15 December 2017 and b) £3,550,193 from Monitise Yazilim AS on 27 December 2017.
- On 18 December 2017 the Company sold its investment in Global Voucher Group Limited for £36,910,726, resulting in a profit on disposal of £25,933,952.
- On 27 December 2017 the Company sold its investment in Monitise Yazilim AS for £1, resulting in a loss on disposal of £8,190,000.
- The Company also impaired its remaining investment in subsidiary undertaking Monitise Group Limited to £nil, resulting in an impairment charge of £15,644,000.

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018****13. Subsidiary undertakings****Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
*Monitise Group Limited	Eversheds House, 70 Great Bridgewater Street, Manchester, England, M1 5ES	Intermediate holding company	Ordinary	100%
PT Monitise Mobile Indonesia	Jl. Kramat Raya No.43, Jakarta 10450, Indonesia	Non-trading	Ordinary	51%
*Monitise Asia Pacific Limited	Unit 605-08, 6/F Wing On Centre, 111 Connaught Road Central, Sheung Wan, Hong Kong	Non-trading	Ordinary	100%
Monitise Europe Limited	Eversheds House, 70 Great Bridgewater Street, Manchester, England, M1 5ES	Mobile phone banking and payments services	Ordinary	100%
Monitise International Limited	Eversheds House, 70 Great Bridgewater Street, Manchester, England, M1 5ES	Mobile phone banking and payments services	Ordinary	100%
*Monitise Cyprus Holdings No. 1 Limited	Elenion Building, 5th Dervis Street, CY - 1066 Nicosia, Cyprus	Intermediate holding company	Ordinary	100%
*Monitise Cyprus Holdings No. 2 Limited	Elenion Building, 5th Dervis Street, CY - 1066 Nicosia, Cyprus	Intermediate holding company	Ordinary	100%

*Direct subsidiary undertakings of the Company.

Monitise Cyprus Holdings No. 1 Limited was officially liquidated on 18th September 2019.

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

13. Subsidiary undertakings (continued)

Joint ventures

The following were joint ventures of the Company:

Name	Registered office	Principal activity	Holding
Syntheo UK Limited [^]	2 Triton Square, Regents Place, NW1 3AN, London, United Kingdom	Mobile phone banking and payments services	50%
Movida ^{**}	903 Shreenath CHS Limited, Liberty Garden, Malad West, Mumbai 400064, India	Mobile phone banking and payments services	50%

* Syntheo UK Limited is in process of being liquidated. Board approval completed late 2019, liquidator formally appointed 9 December 2019.

[^] Indirect JV, shares are held by Monitise International Limited.

^{**} Indirect JV, shares are held by Monitise Cyprus 2 Limited.

14. Debtors

	31 December 2018 £000	30 June 2017 £000
Amounts owed by group undertakings	2	197
Prepayments and accrued income	-	78
	2	275

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

15. Cash at bank and in hand

	31 December 2018 £000	30 June 2017 £000
Cash at bank and in hand	9	5,175

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

16. Creditors: amounts falling due within one year

	31 December 2018 £000	30 June 2017 £000
Trade creditors	3	26
Amounts owed to group undertakings	3,397	3,138
Other creditors	-	1
Accruals and deferred income	35	1,479
	3,435	4,644

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

17. Provisions

	Reorganisation £000
At 1 July 2017	682
Utilised in the period	(55)
At 31 December 2018	627

Provision has been made for the ongoing costs of closing the Company's Far East Investments and the finalisation of the restructuring activities.

18. Called up share capital

	31 December 2018 £000	30 June 2017 £000
Allotted, called up and fully paid		
2,403,858,245 (2017: 2,317,865,290) Ordinary shares of £0.01 each	24,039	23,179

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

18. Called up share capital (continued)

On 4 September 2017, the Company issued 67,282,360 Ordinary shares of £0.01 each for consideration of £705,110.

On 25 September 2017, the Company issued 1,514,109 Ordinary shares of £0.01 each for consideration of £19,139.

On 29 September 2017, the Company issued 2,755,258 Ordinary shares of £0.01 each for consideration of £27,752.

On 5 October 2017, the Company issued 28,877 Ordinary shares of £0.01 each for consideration of £603.

On 1 November 2017, the Company issued 1,026,703 Ordinary shares of £0.01 each for consideration of £22,423.

On 28 February 2018, the Company issued 13,385,648 Ordinary shares of £0.01 each for consideration of £288,691.

19. Reserves

Share premium account

Share premium represents the excess consideration received over the nominal value of shares issued, net of any costs directly attributable to the issue.

Share based payment reserve

Share based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees as part of their remuneration.

Merger Reserve

The merger reserve relates to the de-merger from Morse Plc, the previous parent company of the Monitise Group of companies, and acquisitions where the consideration has been share-based.

Relating to acquisitions, the difference between the fair value of consideration and the nominal value of shares issued has been credited to the merger reserve on issue of the shares, with a transfer from the ordinary shares to be issued reserve where necessary.

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

MONITISE LIMITED (FORMERLY KNOWN AS MONITISE PLC)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

20. Share based payments

Monitise Limited (formerly Monitise Plc), operated a number of equity settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options was recognised as an expense. The total amount to be expensed over the vesting period was determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions were included in assumptions about the number of options that were expected to vest. It recognised the impact of the revision to original estimates, if any, in the Statement of Comprehensive Income, with a corresponding adjustment to equity.

When options to acquire shares in the Company had been granted, a charge to record the fair value of the award was made to the Statement of Comprehensive Income and an equivalent capital contribution from the immediate parent company was recorded in capital and reserves.

On 1 September 2017 the Monitise Group was acquired by Fiserv UK Limited, an indirect and wholly owned subsidiary of Fiserv Inc. Under the terms of the deal Fiserv Inc. settled all of the outstanding options under the various Performance Share Plans ("PSP"). As a result, as at 31 December 2017 no remaining options were outstanding over shares in Monitise Limited.

On 1 February 2018 all staff contracted to the Company were transferred to Monitise International Limited, a wholly owned subsidiary of the Company. Eligible employees of Monitise International Limited were entitled to join the Fiserv share-based payment schemes where awards are granted over the common share capital of the Company's ultimate parent, Fiserv Inc. Details of these share-based payment schemes can be found in the Monitise International Limited financial statements.

21. Related party transactions

The Company is a wholly owned subsidiary of Fiserv, Inc. and has taken advantage of the exemption contained in IAS 24 'Related-party disclosures'. It has therefore not disclosed transactions or balances with other entities within the Fiserv Group which are also wholly owned.

22. Post balance sheet events

The impact of the COVID-19 outbreak globally post year end has required many of our employees to work remotely from home. We consider this event as a non-adjusting post balance sheet event. For ongoing customers, this does not significantly impact our ability to deliver our software service to them. For customers requiring professional services support, we provide this remotely where possible to do so. We are not reliant on any critical suppliers that cannot operate as a result of COVID-19. At this stage it is not possible to estimate the full impact that COVID-19 will have on the company as a result of the impact on the macroeconomic environment.

23. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Fiserv UK 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 of 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.