

MOBILE MONEY NETWORK LIMITED

Annual report for the year ended 30 June 2015

Registration number: 07153130

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The Directors present their strategic report for Mobile Money Network Limited (the "Company") for the year ended 30 June 2015.

Review of the business and position of the Company at the year end

Details of the results are set out in the Statement of Comprehensive Income on page 6.

For the current year, revenue represented the sales to other Monitise Group companies for services provided for the servicing of mobile commerce and other cloud based products. For the prior year, revenue represented the provision of mobile commerce-led solutions. Subsequent to the year end, the remaining employees have transferred to another group undertaking in accordance with Monitise Group policy.

The loss for the financial year is £65,000 (2014: loss £4,753,000).

The financial position of the Company at 30 June 2015 is set out on page 7.

Strategy and future developments

The Company will continue to develop and service mobile solutions, including a cloud based platform called FINKit®, targeted at financial institutions.

Key performance indicators

The Directors of Monitise plc 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 plc 2015 Annual Report.

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 plc 2015 Annual Report.

On behalf of the Board



T Spurgeon
Director

14 March 2016

The Directors present their report and the audited financial statements of Mobile Money Network Limited (the "Company") for the year ended 30 June 2015.

The Company's registered number is 07153130. The registered office is 95 Gresham Street, London EC2V 7NA.

The Company has adopted Financial Reporting Standards 101, 'Reduced Disclosure Framework' ("FRS 101") in preparing these financial statements.

Principal activities

The Company's principal activity is the provision, and development, of mobile commerce and other cloud based solutions.

Results for the year and future developments

Details of the results are set out in the Statement of Comprehensive Income on page 6 and in the Strategic Report.

The loss for the financial year is £65,000 (2014: loss £4,753,000). The Directors do not recommend the payment of a dividend (2014: £nil). Details of the future developments of the Company are included in the Strategic Report.

Financial risk management

The Company's activities expose it to financial risks arising from its use of financial instruments:

(a) Credit risk

Credit risk arises principally from the Company's receivables and cash and cash equivalents. It is the risk that the counterparty fails to discharge its obligation in respect of the instruments.

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.

The Board formulates the Monitise 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.

(b) 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 Monitise Group companies to meet its financial obligations as they fall due and has received confirmation of continued financial support from its ultimate parent company.

(c) 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.

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, Monitise plc. Monitise plc 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.

Directors

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

B Petzer
(appointed 24 January 2014; resigned 30 November 2015)
T Spurgeon
R Waller

Directors' indemnities

During the year, the Company has maintained liability insurance in respect of its Directors and Officers. Further, subject to the provisions of the Companies Act 2006, the Company's Articles of Association provide that the Directors are entitled to be indemnified against certain liabilities incurred in the execution or discharge of his or her duties.

Statement of Directors' responsibilities

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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements.

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.

Disclosure of information to auditors

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

Re-appointment of Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue and a resolution that they be reappointed was passed at the Annual General Meeting.

On behalf of the Board



T Spurgeon
Director

14 March 2016

Report on the financial statements

Our opinion

In our opinion Mobile Money Network Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 30 June 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Statement of Financial Position as at 30 June 2015;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK & Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Nigel Reynolds (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
14 March 2016

STATEMENT OF COMPREHENSIVE INCOME
 for the year ended 30 June 2015

	Note	2015 £'000	2014 £'000
Revenue	4	545	50
Cost of sales		(421)	(18)
Gross profit		124	32
Administrative expenses		(167)	(4,746)
Operating loss before exceptional items		(43)	(4,714)
Share based payments	17	(26)	(27)
Operating loss	5	(69)	(4,741)
Finance income	6	4	-
Finance costs	6	-	(12)
Loss on ordinary activities before income tax		(65)	(4,753)
Income tax expense on ordinary activities	9	-	-
Loss for the financial year		(65)	(4,753)
Other comprehensive income		-	-
Total comprehensive expense for the financial year		(65)	(4,753)

All amounts derive from continuing operations.

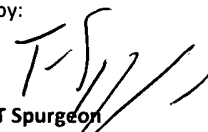
There is no difference between the loss on ordinary activities before income tax and the total comprehensive expense for the financial year stated above and their historical cost equivalents.

STATEMENT OF FINANCIAL POSITION
as at 30 June 2015

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	Note	2015 £'000	2014 £'000
Fixed assets			
Intangible assets	10	-	56
Property, plant and equipment	11	-	12
		-	68
Current assets			
Trade and other receivables	12	10	272
Cash and cash equivalents	13	390	57
		400	329
Creditors: amounts falling due within one year			
Trade and other payables	14	(5,452)	(5,081)
Provisions for liabilities	15	-	(313)
		(5,452)	(5,394)
Net current liabilities		(5,052)	(5,065)
Net liabilities		(5,052)	(4,997)
Equity			
Called up share capital	16	113	113
Share premium account		15,835	15,835
Other reserves		52	42
Accumulated losses		(21,052)	(20,987)
Total shareholders' deficit		(5,052)	(4,997)

The financial statements on pages 6 to 17 were approved by the Board of Directors on 14 March 2016 and signed on its behalf by:


T Spurgeon
Director

Mobile Money Network Limited
Registered number: 07153130

14 March 2016

The notes on pages 9 to 17 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
 for the year ended 30 June 2015

	Called up share capital £'000	Share premium account £'000	Other reserves £'000	Accumulated losses £'000	Total shareholders' deficit £'000
As at 1 July 2013	113	15,835	15	(16,234)	(271)
Loss for the financial year and total comprehensive expense	-	-	-	(4,753)	(4,753)
Share-based payments charge	-	-	27	-	27
As at 30 June 2014	113	15,835	42	(20,987)	(4,997)
As at 1 July 2014	113	15,835	42	(20,987)	(4,997)
Loss for the financial year and total comprehensive expense	-	-	-	(65)	(65)
Share-based payments charge	-	-	26	-	26
Transfer to other group undertakings	-	-	(16)	-	(16)
As at 30 June 2015	113	15,835	52	(21,052)	(5,052)

All equity is attributable to the owners of the Company.

Other reserves reflect the share based payments where they relate to shares of the parent company.

1 General information

Mobile Money Network Limited is a private limited company and is incorporated and domiciled in the United Kingdom. The address of its registered office is 95 Gresham Street, London EC2V 7NA.

The principal activity of the Company is the provision a mobile commerce solutions.

These financial statements are presented in pounds sterling, which is the functional currency. Items within the financial statements are rounded to the nearest thousand pound.

2 Summary of significant accounting policies

The Company has adopted Financial Reporting Standards 101, 'Reduced Disclosure Framework' (FRS 101) in the preparation of these financial statements.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Company have been prepared on a going concern basis in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in preparation of these financial statements, in accordance with FRS 101.

- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payments' (details of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined).
- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 Property, plant and equipment;
 - (iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows),
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 40A-D (requirements for a third statement of financial position),
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)

2 Summary of significant accounting policies (continued)**2.1 Basis of preparation (continued)**

- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

2.2 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, Monitise plc. Monitise plc 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 ultimate 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.

2.3 Changes in accounting policy and disclosures

New and amended standards adopted by the Company:

The Company has adopted Financial Reporting Standards 101, 'Reduced Disclosure Framework' (FRS 101) in the preparation of these financial statements. During the financial year the Company has adopted Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income, and IFRS 13, 'Fair value measurement', and these standards do not have a material impact on these financial statements.

2.4 Consolidation

The Company is a wholly-owned subsidiary of Monitise International Limited and is included in the consolidated financial statements of Monitise plc which are publicly available. These financial statements are separate financial statements.

2.5 Foreign currency translation

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.

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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, 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.

2.6 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition or creation of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced item is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their costs, over the lower of their estimated useful lives or term of lease, from the date at which normal revenue-generating activities begin, as follows:

	Estimated useful economic life
Office equipment	3 - 5 years
Computer equipment	3 - 5 years

2 Summary of significant accounting policies (continued)**2.7 Intangible assets**

Expenditure incurred in the development of software and hardware products, and their related intellectual property rights, is capitalised as an intangible asset only when technical feasibility has been demonstrated; adequate technical, financial and other resources exist to complete the development, which the Company intends to complete and use; future economic benefits expected to arise are deemed probable; and the costs can be reliably measured. Research costs and development costs not meeting these criteria are expensed in the statement of comprehensive income as incurred. Capitalised development costs are amortised as a charge to the statement of comprehensive income on a straight line basis over their useful economic lives, estimated on average at three years. Capitalised development costs for assets which are not yet in use are tested for impairment annually.

Amortisation on the assets is calculated using the straight-line method over their estimated useful lives as follows:

	<u>Estimated useful economic life</u>
Capitalised development	1 - 4 years
Software licences	3 - 4 years

No intangible assets are considered to have an infinite useful economic life.

2.8 Recoverable amount of non-current assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Trade receivables

Trade receivables are initially recognised at fair value and subsequently held at amortised cost using the effective interest rate method. Trade receivables with standard payment terms of between 30 to 45 days are recognised and carried at the lower of their original invoiced or recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision is made when there is objective evidence that the Company will not be able to recover balances in full, the amount of the provision being the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Balances are written off when the probability of recovery is assessed as being remote.

2.10 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.

2.11 Trade payables

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

2.12 Share Capital

Ordinary shares are classified as equity at nominal value.

2.13 Revenue recognition

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.

2.14 Employee benefits

Pension obligations

Contributions to defined contribution schemes are charged to the income statement as they become payable in accordance with the rules of the schemes.

2 Summary of significant accounting policies (continued)**2.15 Share-based payments**

The ultimate parent undertaking, Monitise plc, operates 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 is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, service period and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each reporting date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the Statement of comprehensive income, with a corresponding adjustment to equity. The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the options are exercised, and the overall charge for those options is transferred from the share-based payment reserve to accumulated losses.

The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase in investments in subsidiary undertakings, with a corresponding credit to equity.

2.16 Current and deferred income tax

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

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not provided on the initial recognition of an asset or liability in a transaction, other than a business combination, if at the time of the transaction there is no effect on either accounting or taxable profit or loss.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset or liability is released or settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income tax levied by the same taxation authority and the Company intends to settle current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in the profit and loss except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.17 Provisions for liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of 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.

3 Critical accounting estimates and judgements

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:

3 Critical accounting estimates and judgements (continued)**3.1 Impairment of assets**

IFRS requires management to undertake an annual test for impairment of assets with indefinite lives, including goodwill and, for assets with finite lives, to test for impairment if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the fair value less costs to sell or net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of growth and discount rates. Changing the assumptions selected by management could significantly affect the Company's impairment evaluation and, hence, results. The Company's review includes the key assumptions related to sensitivity in the cash flow projections.

3.2 Provisions for liabilities

Management uses judgement to estimate the amount required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

3.3 Share-based payments

Judgement and estimation are required in determining the fair value of shares at the date of award. The fair value is estimated using valuation techniques which take into account the award's term, the risk-free interest rate and the expected volatility of the market price of the Company's shares. Judgement and estimation are also required to assess the number of options expected to vest.

4 Revenue

For the year ended 30 June 2015 revenue represented the recharge of costs to other Monitise Group companies. For the year ended 30 June 2014, revenue related to the Company's principal activity of facilitating purchases via mobile devices by consumers from affiliated UK businesses. All revenue is generated in the UK.

5 Operating loss

The operating loss is stated after charging:

	Note	2015 £'000	2014 £'000
Depreciation of property, plant and equipment	11	12	36
Amortisation of intangible assets	10	56	1,787

The audit fee for the current year was £10,000 (2014: borne by another group undertaking). Non-audit fees payable to the Company's auditors amounted to £nil (2014: £8,000).

6 Finance costs and finance income

	2015 £'000	2014 £'000
Finance costs are analysed as follows:		
Interest payable on overdrafts and bank loans	-	12
	-	12
Finance income is analysed as follows:		
Interest on cash and cash equivalents	4	-
	4	-

7 Employee costs

	Note	2015 £'000	2014 £'000
Wages and salaries		569	1,400
Social security costs		75	175
Share-based payments	17	26	27
Other pension costs	18	15	29
		685	1,631

	2015 Number	2014 Number
Monthly average number of employees (including directors)		
Management and administration	1	3
Sales and technical	3	6
	4	9

8 Directors' remuneration

Emoluments for the directors of the Company are paid by another group undertaking. No amount has been recharged to the company during the year (2014: £nil) on the basis that the amount attributable to the Company is negligible.

9 Tax expense included in profit or loss

	2015 £'000	2014 £'000
UK Corporation tax	-	-
Deferred tax	-	-
Total tax charge for the year	-	-

Reconciliation of effective tax rate:

The tax assessed is higher (2014 - higher) than that resulting from applying the standard rate of UK corporation tax of 20.75% (2014 - 22.50%). The differences are explained below:

	2015 £'000	2014 £'000
Loss on ordinary activities before income tax	(65)	(4,753)
Tax at 20.75% (2014: 22.50%) thereon	(13)	(1,069)
<i>Effects of:</i>		
Deferred tax timing differences	3	8
Expenses not deductible for tax purposes	5	6
Tax effect of group relief	5	1,055
Total tax charge for the year	-	-

The Company has tax losses which arose in the UK of approximately £16,132,000 (2014: £16,132,000) that are available for offset against future taxable profits of the Company. A deferred tax asset has not been recognised in respect of these losses where it is the view of the Directors that future taxable profits are not deemed probable to be available in the short term to offset against these losses.

With effect from 1 April 2015, the UK main corporation tax rate changed from 21% to 20% and, accordingly, this has been reflected in the financial statements. Further changes to the UK corporation tax rates were announced in the budget on 8 July 2015. These include reductions to the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020. As these charges had not been substantively enacted at the balance sheet date their effects are not included in these financial statements.

10 Intangible assets

	Capitalised development £'000	Software licences £'000	Total £'000
Cost			
As at 1 July 2014	3,393	391	3,784
Disposals	(3,393)	(391)	(3,784)
As at 30 June 2015	-	-	-
Accumulated amortisation			
As at 1 July 2014	3,393	335	3,728
Charge	-	56	56
Disposals	(3,393)	(391)	(3,784)
As at 30 June 2015	-	-	-
Net book value			
As at 30 June 2014	-	56	56
Movement during the year	-	(56)	(56)
As at 30 June 2015	-	-	-

Amortisation of intangible assets is included within administrative expenses in the Statement of Comprehensive Income. Fully amortised assets have been treated as disposals as they have no residual value.

11 Property, plant and equipment

	Office equipment £'000	Computer equipment £'000	Total £'000
Cost			
As at 1 July 2014	21	77	98
Disposals	(21)	(77)	(98)
As at 30 June 2015	-	-	-
Accumulated depreciation			
As at 1 July 2014	17	69	86
Charge	4	8	12
Disposals	(21)	(77)	(98)
As at 30 June 2015	-	-	-
Net book value			
As at 30 June 2015	-	-	-
As at 30 June 2014	4	8	12

Fully depreciated assets have been treated as disposals as they have no residual value.

12 Trade and other receivables

	2015 £'000	2014 £'000
Trade receivables	-	72
Less: provisions for impairment	-	(72)
Trade receivables - net	-	-
Amounts owed by group undertakings	10	133
Other receivables	-	139
	10	272

Trade receivables are considered impaired if they are not considered recoverable. All trade receivables have been impaired. Amounts due by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

13 Cash and cash equivalents

	2015 £'000	2014 £'000
Cash at bank and in hand	390	57

14 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade payables	-	38
Amounts owed to group undertakings	5,372	4,743
Social security and other taxes	59	111
Other creditors	1	4
Accruals and deferred income	20	185
	5,452	5,081

Amounts due to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

15 Provisions for liabilities

	Provision for litigation £'000
As at 1 July 2014	313
Utilised during the financial year	(313)
As at 30 June 2015	-

The utilisation of the provision related to litigation costs that were settled during the year.

16 Called up share capital

	2015 £'000	2014 £'000
Allotted, called up and fully paid		
1,128,128 Ordinary shares of 10p each (2014: 1,128,128 Ordinary shares of 10p)	113	113

Ordinary shares have a nominal value £0.10 and carry one vote per share and the right to dividends.

17 Share based payments

As part of the Monitise Group, the Company participates in a number of equity settled share based payments plans administered by Monitise plc in which options are issued over shares in Monitise plc. A summary of the main terms of the arrangements is set out in note 25 of the Monitise Group plc 2015 annual report.

Transfers of options (to)/from other group companies occurs when an employee transfers from one entity to another within the Monitise Group. Any outstanding share options and their associated costs are transferred accordingly.

As at 30 June 2015 no options were exercisable (2014: none). Options outstanding at 30 June 2015 have a range of exercise prices of 1p to 45.6p (2014: 1p to 45.6p) and expire between April 2016 and December 2017.

The total share based payment charge, based on the fair value of the awards granted, was £26,000 (2014: £27,000). An equivalent amount was credited to other reserves as a capital contribution in each financial year.

On exercise of the shares by the employees, the company is charged the intrinsic value of the shares. This amount is treated as a reduction of the capital contribution and is recognised directly in equity.

18 Pension arrangements

The Company participates in a defined contribution scheme. The pension cost for the year ended 30 June 2015 was £15,000 (2014: £29,000).

19 Related party transactions

The Company is a wholly owned subsidiary of Monitise plc 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 Monitise Group which are also wholly owned.

20 Ultimate parent company and controlling party

The immediate parent company undertaking is Monitise International Limited, which is itself a wholly owned subsidiary of Monitise plc.

The ultimate parent company and controlling party, and the smallest and largest group for which group financial statements are prepared is Monitise plc, a company incorporated in England and Wales, the financial statements of which can be obtained from the Registered Office, 95 Gresham Street, London, EC2V 7NA.