

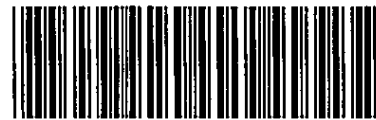
Wireless Information Network Limited

Directors' report and financial statements

Registered number 3212199

15 month period ended 31 March 2011

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Directors' Report

The directors present their Directors' Report and financial statements for the 15 month period ended 31 March 2011

Principal activities

The company's principal activity continues to be the enablement of mobile and wireless data services to corporate customers including the sending and receiving of text messages, as well as delivery of content, such as ring tones and icons, to and from large numbers of mobile phone users. While text messaging accounts for the substantial proportion of the company's current revenues, it also provides other wireless data services to business customers, including picture messaging and the design, management and packaging of information services to users of wireless devices, including mobile phones.

Business review

The company is a wholly owned subsidiary of WIN Limited (formerly WIN plc). WIN Limited, including all its subsidiaries, was acquired by IMI Mobile Europe Limited on the 25 August 2010. Details of the acquisition can be found within the financial statements of IMI Mobile Europe Limited.

Following the acquisition a full review of the operations of the business was undertaken. This resulted in an exceptional one-off expenditure due to the rationalisation of the workforce. Additionally a technical assessment was undertaken, post acquisition, of the Next Generation Messaging Platform which was being built by a third party. This evaluation identified deficiencies which resulted in the need to dispose of a previously capitalised asset.

WIN Limited, and its subsidiaries, have changed their accounting year ends to 31 March 2011 in line with IMI Mobile Europe Limited, the immediate parent company of the group. The trading performance for the period is shown on page 6.

Wireless Information Network Limited (WIN) continues to lead the industry in its service offerings to tier-one Mobile Network Operators, large Enterprises and Media and Entertainment businesses.

The period ended March 2011 was one of further development and transformation such that WIN is now well-positioned to take advantage of the growing market opportunities within the mobile arena. Turnover for the period reached £19.3m (2009: £13.1m). Gross profit was £10.0m (2009: £8.1m).

Wireless Information Network Limited uses gross profit together with gross profit percentage as its key performance indicators in monitoring its activities. The Board continues to be satisfied with the company's performance.

There have been no significant events since the balance sheet date.

Future Prospects

The market for continuing new business remains attractive and WIN is well positioned to take advantage of the opportunities, particularly in the operator market where the company sees increased pressures on the major operators to outsource services in order to reduce costs.

Financial instruments

Details of the company's financial risk management objectives and policies are set out in note 23 of the financial statements.

Principal risks and uncertainties

The principal risk to the business would be a catastrophic failure of any of WIN's core systems, content feeds and network connections. This has been reduced through the implementation of dual-site architecture and the dual routing of all traffic. Continued investment into a new platform will also minimise these risks by providing leading-edge technology with greater reliability, substantially increased capacity and lower latency. This investment is necessary if WIN is to maintain its competitive advantage in these fast changing markets. There are risks if the implementation of new platform is delayed or if current business is disrupted during the migration of customers from the existing to the new platform which is expected to happen in the period to 31 March 2012.

Competitive pressures are a continuing risk to the company, which could result in losing sales to competitors or a reduction in annual margins. The business manages this risk by providing and implementing innovative new services together with greater value added services to its key clients and by maintaining strong relationships with customers, including long term contracts, as well as diversifying its risk from a limited number of key customers.

Directors' Report *(continued)*

Certain of these contracts are significant and fall due for period renewal, the failure to renew such contracts could have a material impact on the profitability of the Group. The demand for some of our services, in line with our competitors, may vary with the level of general economic activity. However, some of our solutions also allow our customers to reduce their costs and opportunities may be enhanced by the economic environment.

The company's sales overseas are made in foreign currency, primarily the Euro, and it is therefore exposed to movement in exchange rates. This is partially mitigated by the fact that the company contracts with suppliers in the same foreign currency. The Group has bank accounts in foreign currencies to manage this risk.

Proposed dividend

The directors have paid an interim ordinary dividend in respect of the current financial year of £0.16 per ordinary share (2009: £0.34).

The directors have proposed a final ordinary dividend in respect of the current financial year of £nil per ordinary share (2009: £nil).

Directors

The following directors held office during the period:

LS Moir

J Rands (resigned 10 December 2010)

G Rivers (resigned 10 December 2010)

M Jefferies (appointed 10 December 2010)

J Patel (appointed 12 December 2010)

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 (as defined by section 418 of the Companies Act 2006) 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.

Auditors

Wilkins Kennedy has been appointed as the company's auditors in accordance with the elective resolution passed by the company under section 485 of the Companies Act 2006 and have indicated their willingness to continue in office.

On behalf of the board



M Jefferies
Director

1 Cliveden Office Village
Lancaster Road
Cressex Business Park
High Wycombe
Buckinghamshire
HP12 3YZ

8 September 2011

Statement of Directors' Responsibilities in respect of the Directors' Report and the financial statements

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

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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditors' report to the members of Wireless Information Network Limited

We have audited the financial statements of Wireless Information Network Limited for the 15 month period ended 31 March 2011 on pages 5 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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 and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 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.

Independent auditors' report to the members of Wireless Information Network Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

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

T Collerton



(Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy

Statutory Auditor
Chartered Accountants
Anglo House
Bell Lane Office Village
Bell Lane
Amersham
Buckinghamshire
HP6 6FA

8 September 2011

Profit and loss account
for the 15 month period ended 31 March 2011

| | Note | 2011 Underlying Profit | 2011 Adjustments | 2011 Total | 2009 Underlying Profit Restated | 2009 Adjustments Restated | 2009 Total Restated |
|---|------|---------------------------|---------------------|---------------------------|---------------------------------------|---------------------------------|---------------------------|
| | | £ | £ | £ | £ | £ | £ |
| Turnover | | | | | | | |
| Cost of sales | 3 | 19,281,836 (9,235,653) | - - | 19,281,836 (9,235,653) | 13,063,373 (4,941,805) | - - | 13,063,373 (4,941,805) |
| Gross profit | | | | | | | |
| Administrative expenses | | 10,046,183 (9,285,464) | - - | 10,046,183 (9,285,464) | 8,121,568 (6,904,059) | - - | 8,121,568 (6,904,059) |
| Share based payment charge | | - | (55,830) | (55,830) | - | (3,772) | (3,772) |
| Operating profit (loss) before exceptional items | | | | | | | |
| Administrative expenses | 5 | 760,719 | (55,830) | 704,889 | 1,217,509 | (3,772) | 1,213,737 |
| Loss on disposal of fixed assets | 5 | - | (1,129,494) | (1,129,494) | - | (60,506) | (60,506) |
| | | | (2,289,418) | (2,289,418) | - | - | - |
| Operating profit (loss) after exceptional items | | | | | | | |
| Interest receivable and similar income | 8 | 760,719 | (3,474,742) | (2,714,023) | 1,217,509 | (64,278) | 1,153,231 |
| Interest payable and similar charges | 9 | 40,621 (30,583) | - - | 40,621 (30,583) | 13,504 (26,091) | - - | 13,504 (26,091) |
| Profit (loss) on ordinary activities before taxation | | | | | | | |
| Tax credit on profit on ordinary activities | 10 | 770,757 894,952 | (3,474,742) | (2,703,985) 894,952 | 1,204,922 117,643 | (64,278) | 1,140,644 117,643 |
| Profit (loss) for the financial year | 16 | 1,665,709 | (3,474,742) | (1,809,033) | 1,322,565 | (64,278) | 1,258,287 |

A statement of recognised gains and losses has not been included as part of these financial statements as the company made no gains or losses in the period other than as disclosed in the profit and loss account

The results stated above are all derived from continuing operations

Balance sheet
at 31 March 2011

| | <i>Note</i> | 2011 | | 2009 | |
|--|-------------|--------------------------|-------------|---------------------------|-----------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 11 | | 1,221,182 | | 2,116,762 |
| | | | <hr/> | | <hr/> |
| | | | 1,221,182 | | 2,116,762 |
| Current assets | | | | | |
| Debtors | 12 | 9,025,856 | | 9,764,433 | |
| Cash at bank | | 68,648 | | 1,856,505 | |
| | | <hr/> | | <hr/> | |
| Creditors amounts falling due within one year | 13 | 9,094,504 (6,651,889) | | 11,620,938 (7,132,368) | |
| | | <hr/> | | <hr/> | |
| Net current assets | | | 2,442,615 | | 4,488,570 |
| | | | <hr/> | | <hr/> |
| Total assets less current liabilities | | | 3,663,797 | | 6,605,332 |
| Provisions for liabilities | 14 | | - | | (38,334) |
| | | | <hr/> | | <hr/> |
| Net assets | | | 3,663,797 | | 6,566,998 |
| | | | <hr/> | | <hr/> |
| Capital and reserves | | | | | |
| Called up share capital | 15 | | 71,859 | | 71,859 |
| Share premium account | 16 | | 5,578,558 | | 5,578,558 |
| Profit and loss account | 16 | | (1,986,620) | | 916,581 |
| | | | <hr/> | | <hr/> |
| Shareholder's funds | 17 | | 3,663,797 | | 6,566,998 |
| | | | <hr/> | | <hr/> |

These financial statements were approved by the board of directors on 8 September 2011 and were signed on its behalf by



M Jefferies
Director

Registered Number 03212199

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of WIN Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of IMImobile Pvt Ltd, within which this company is included, can be obtained from the address given in note 24.

Going concern

The Directors of WIN have a reasonable expectation that the company has adequate resources to continue in operational existence for a period of no less than twelve months from the date of approval of these financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Tangible fixed assets and depreciation

Depreciation is calculated to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic life as follows:

| | | |
|-------------------------|---|---------|
| Leasehold improvements | - | 3 years |
| Plant and equipment | - | 3 years |
| Computer equipment | - | 3 years |
| Furniture and equipment | - | 3 years |

Assets in the course of construction will not be depreciated until such assets are brought into use by the company.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Post-retirement benefits

The company operates a defined contribution stakeholder pension scheme. The assets of the scheme were held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represented the contributions payable to employees' private pension schemes in respect of the accounting period.

Notes (continued)

1 Accounting policies (continued)

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Dividends on shares presented within shareholder's funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Classification of financial instruments issued by the company

Financial instruments issued by the company are treated as equity (i.e. forming part of shareholder's funds) only to the extent that they meet the following two conditions:

- 1 they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company, and
- 2 where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholder's funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholder's funds.

Share based payments

The share option programme allows employees to acquire shares of the parent company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

Following the acquisition of the group all options that were in the money were exercised. No options remain at the 31 March 2011.

Notes (continued)

1 Accounting policies (continued)

Revenue recognition

Turnover represents the amounts (excluding value added tax) derived from the provision of services to customers

Information services

Revenue from the provision of information is accrued on the basis of recorded transactions with the ultimate end user

Development revenue

Revenue for development work is recognised at the point of delivery of services to the customer

Premium rate pass through revenue

Premium rate revenues recognised within turnover relate only to the commission earned on hosting each service and is recognised at the point of delivery to the customer

2 Prior year adjustment

The 2009 turnover and cost of sales comparatives have been restated by equally reducing revenue and cost of sales by £20,300,941 and represents revenues that were collected on behalf of customers during the year. For each transaction the directors believe the Company acted as an agent as it did not bear the risk nor was responsible for carrying out the individual services offered.

This adjustment has had no impact on the reported profit, assets or liabilities of the company in 2009.

3 Turnover

The turnover was derived from the company's principal activities.

Gross profit recognised in the period ended 31 March 2011 does not include revenues, or costs, where the Company has acted as an agent. Pass through revenues totalling £19,917,017 (2009 £20,300,941) were received by the company but not recognised within turnover.

4 Profit on ordinary activities before taxation

| | 2011 £ | 2009 £ |
|--|-----------|-----------|
| <i>Profit on ordinary activities before taxation is stated after charging.</i> | | |
| Depreciation on tangible fixed assets - owned | 459,031 | 344,201 |
| Exchange loss | 1,723 | 9,019 |
| Hire of plant and machinery – rentals payable under operating leases | 419,504 | 295,032 |
| Hire of other assets – rentals payable under operating leases | 4,156 | 46,116 |
| <i>Auditors' remuneration</i> | | |
| Audit of these financial statements | 14,500 | 24,950 |

Notes (continued)

5 Exceptional Items

| | 2011 £ | 2009 £ |
|----------------------------------|------------------|---------------|
| Loss on disposal of fixed assets | 2,289,418 | - |
| Impairment charges | 36,850 | - |
| Restructuring | 1,092,644 | 60,506 |
| | <u>3,418,912</u> | <u>60,506</u> |

Exceptional costs, the major constituents being the disposal fixed assets and restructuring of the group, have arisen due to the acquisition of the group by IMI Mobile Europe Limited

The disposal primarily relates to capitalised software costs relating to the Next Generation Messaging Platform (NGMP)

Restructuring costs include legal fees associated with the acquisition, redundancy costs and the waiving of intercompany balances where there is no longer trade within the subsidiary

6 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

| | Number of employees | |
|----------------------------|---------------------|-----------|
| | 2011 | 2009 |
| Management | 3 | 1 |
| Sales and marketing | 17 | 14 |
| Administration | 11 | 9 |
| Operations and development | 61 | 35 |
| | <u>92</u> | <u>59</u> |

The aggregate payroll costs of these persons were as follows

| | 2011 £ | 2009 £ |
|-----------------------|------------------|------------------|
| Wages and salaries | 4,934,878 | 3,125,321 |
| Social security costs | 506,651 | 322,096 |
| Other pension costs | 104,043 | 67,852 |
| | <u>5,545,572</u> | <u>3,515,269</u> |

Notes (continued)

7 Directors Remuneration

Remuneration in respect of directors during their appointment, which were payable by the company, was as follows

| | 2011 £ | 2009 £ |
|-----------------------|---------------|-----------|
| Emoluments | 39,583 | - |
| Pension contributions | 1,188 | - |
| | <u>40,771</u> | <u>-</u> |

The number of directors accruing benefits under money purchase pension schemes in the period was 1 (2009 nil)

A total of 50,000 (2009 nil) share options were granted to the directors in the period. These were exercised in the year resulting in a gain of £21,000

8 Interest receivable and similar income

| | 2011 £ | 2009 £ |
|----------------------------|---------------|---------------|
| Early settlement discounts | 40,621 | 13,504 |
| | <u>40,621</u> | <u>13,504</u> |

9 Interest payable and similar charges

| | 2011 £ | 2009 £ |
|---------------------------|---------------|---------------|
| Interest on group amounts | 30,583 | 26,091 |
| | <u>30,583</u> | <u>26,091</u> |

Notes (continued)

10 Taxation

| | 2011 £ | 2009 £ |
|--|-----------|-----------|
| <i>UK corporation tax</i> | | |
| Current tax on income for the period | (75,000) | - |
| Adjustment in respect of prior year | (63,702) | (92,608) |
| Total current tax | (138,702) | (92,608) |
| <i>Deferred tax</i> | | |
| Origination and reversal of timing differences | (691,273) | (53,393) |
| Adjustment in respect of previous years | (64,977) | 28,358 |
| Total deferred tax | (756,250) | (25,035) |
| Tax on profit on ordinary activities | (894,952) | (117,643) |

Factors affecting the tax charge for the current period

The current tax charge for the period is lower (2009 lower) than the standard rate of corporation tax in the UK 28% (2009 28%). The differences are explained below

Current tax reconciliation

| | 2011 £ | 2009 £ |
|--|-------------|-----------|
| Profit on ordinary activities before tax | (2,703,986) | 1,140,644 |
| Current tax at 28% (2009 28%) | (757,116) | 319,380 |
| <i>Effects of:</i> | | |
| Expenses not deductible for tax purposes | 856,762 | 10,289 |
| Depreciation in excess of / (less than) capital allowances | 128,529 | 53,393 |
| Share based payments | - | (10,368) |
| R&D tax credit | (75,000) | (100,000) |
| Group relief | (194,660) | (272,694) |
| Other short term timing differences | (33,515) | - |
| Adjustment in respect of prior year | (63,702) | (92,608) |
| Total current tax credit | (138,702) | (92,608) |

Notes (continued)

11 Tangible fixed assets

| | Leasehold improvements £ | Plant and equipment £ | Computer equipment £ | Furniture and equipment £ | Total £ |
|-----------------------|--------------------------------|-----------------------------|----------------------------|---------------------------------|-------------|
| Cost | | | | | |
| At beginning of year | 370,778 | 209,309 | 3,984,609 | 158,266 | 4,722,962 |
| Additions | - | - | 1,852,677 | 1,116 | 1,853,793 |
| Disposals | - | - | (2,290,342) | - | (2,290,342) |
| At end of year | 370,778 | 209,309 | 3,546,944 | 159,382 | 4,286,413 |
| Depreciation | | | | | |
| At beginning of year | 364,339 | 209,309 | 1,879,233 | 153,319 | 2,606,200 |
| Charged in year | 6,001 | - | 448,312 | 4,718 | 459,031 |
| At end of year | 370,340 | 209,309 | 2,327,545 | 158,037 | 3,065,231 |
| Net book value | | | | | |
| At 31 December 2011 | 438 | - | 1,219,399 | 1,345 | 1,221,182 |
| At 31 December 2009 | 6,439 | - | 2,105,376 | 4,947 | 2,116,762 |

Included within computer assets are assets under construction amounting to £592,920 (2009 £1,531,939), these assets will not be depreciated till they come into use

12 Debtors

| | 2011 £ | 2009 £ |
|------------------------------------|-----------|-----------|
| Trade debtors | 3,335,875 | 3,863,713 |
| Amounts owed by group undertakings | 1,275,221 | 2,004,837 |
| Other debtors | 169,756 | 146,266 |
| Deferred tax asset (see note 14) | 919,269 | 158,160 |
| Corporation tax receivable | 75,000 | 193,239 |
| Prepayments and accrued income | 3,250,735 | 3,398,218 |
| | 9,025,856 | 9,764,433 |

Amounts owed by group undertakings amounting to £1,275,221 (2009 £Nil) are due after more than one year, other debtors includes £146,266 (2009 £146,266) due after more than one year Total debtors due after more than one year are £1,421,487 (2009 £146,266)

13 Creditors amounts falling due within one year

| | 2011 £ | 2009 £ |
|------------------------------|-----------|-----------|
| Trade creditors | 2,948,144 | 3,308,615 |
| Taxation and social security | 21,382 | 81,266 |
| Other creditors | 433,126 | 470,673 |
| Accruals and deferred income | 3,249,237 | 3,271,814 |
| | 6,651,889 | 7,132,368 |

Notes (continued)

14 Provisions for liabilities

| | Deferred taxation £ | Other provisions £ |
|------------------------|---------------------------|--------------------------|
| At beginning of period | 158,160 | (38,334) |
| Movement in the period | 761,109 | 38,334 |
| At end of year | 919,269 | - |

The above provision relates to an empty property leased by the business but no longer in use and is made in accordance with FRS 12. The company sub-let the property during the year. The lease has come to an end in the year and the provision fully released.

The elements of deferred taxation are as follows:

| | 2011 £ | 2009 £ |
|--|----------------|----------------|
| Difference between accumulated depreciation and capital allowances | 907,139 | 158,160 |
| Short term timing differences | 12,130 | - |
| Deferred tax asset (see note 12) | 919,269 | 158,160 |

15 Called up share capital

| | 2011 | | 2009 | |
|---|-----------|--------|-----------|--------|
| | Number | £ | Number | £ |
| <i>Allotted, called up and fully paid</i> | | | | |
| Ordinary shares of 1p each | 7,185,894 | 71,859 | 7,185,894 | 71,859 |

16 Reserves and share premium

| | Share premium account £ | Profit and loss account £ |
|---|----------------------------------|------------------------------------|
| At beginning of year | 5,578,558 | 916,581 |
| Loss for the year | - | (1,809,033) |
| Dividends on shares classified in shareholder's funds | - | (1,150,000) |
| Credit in relation to share based payments | - | 55,832 |
| At end of year | 5,578,558 | (1,986,620) |

Notes (continued)

17 Reconciliation of movements in shareholder's funds

| | 2011 £ | 2009 £ |
|---|-------------|-------------|
| Loss for the financial year | (1,809,033) | 1,258,287 |
| Dividends on shares classified in shareholder's funds | (1,150,000) | (2,425,000) |
| Share based payment charge | 55,832 | 3,772 |
| Net decrease in shareholder's funds | (2,903,201) | (1,162,941) |
| Opening shareholder's funds | 6,566,998 | 7,729,939 |
| Closing shareholder's funds | 3,663,797 | 6,566,998 |

18 Contingent liabilities

Wireless Information Network Limited has given an unlimited intercompany guarantee and fixed and floating charge over the undertaking and all property and assets present and future including goodwill, book debts, uncalled capital, buildings, fixtures, fixed plant and machinery to National Westminster Bank plc

The Company is in dispute with the supplier of the Next Generation Messaging Platform. The supplier is claiming for non payment. The Company alleges damages in return including loss of profit for failure to deliver the contracted software. The directors believe that adequate provision has been made in these accounts for any amount potentially due. Any claim and counter-claim may take some time to be resolved and could involve protracted litigation.

19 Commitments

Annual commitments under non-cancellable operating leases are as follows

| | 2011 | | 2009 | |
|-------------------------------|-------------------------|------------|-------------------------|--------------|
| | Land and Buildings £ | Other £ | Land and Buildings £ | Other £ |
| Operating leases which expire | | | | |
| Within one year | 118,387 | - | 194,274 | - |
| 2 to 5 years | 104,000 | - | 36,000 | 4,156 |
| | <u>222,387</u> | <u>-</u> | <u>230,274</u> | <u>4,156</u> |

20 Pension scheme

The company operates a defined contribution stakeholder pension scheme. The pension charge for the period represents contributions payable to employees' private pension schemes and amounted to £104,043 (2009 £67,852).

Contributions amounting to £20,565 (2009 £36) were payable to the scheme and are included in creditors at year end.

Notes (continued)

21 Employee share schemes

Share based payments

The company's parent company WIN Limited had, until its acquisition by IMImobile Europe Limited, share option schemes whereby directors and employees are able to subscribe for ordinary shares in WIN plc

Share options are granted on the recommendation of the Remuneration Committee of WIN Limited on a discretionary basis. The schemes are used to provide long-term incentives to the recipients to assist in creating and sustaining growth in share value. Share options granted are conditional on continued employment of up to four years after the grant of the option. These share options have been granted periodically, typically twice a year to eligible employees. At 31st March 2011 the outstanding share options, including those under the long term incentive plan of the parent company, represented 0% (2009 13%) of the issued share capital of WIN Ltd

All share incentives are over 10p ordinary shares of WIN Limited. WIN Limited grants share incentives to employees in the form of share options. Share options vest over a period of 0 to 4 years, whilst individuals are employed by the Group or by agreement by the remuneration committee. There are no market conditions associated with the share option grants.

The employee expense is recognised equally over the time from grant until vesting of the incentive. The employee charge in 2011 was £55,830 (2009 charge of £3,772). The fair value has been measured using a Black-Scholes model. The expected volatility is based on the historic volatility. The material inputs into the model have been

| Share Option | Granted 02/05/2006 | Granted 02/07/07 | Granted 11/03/2008 | Granted 16/09/2009 | Granted 15/01/2010 |
|--------------------------|-----------------------|---------------------|-----------------------|-----------------------|-----------------------|
| Average Fair Value | £0.912 | £0.678 | £ 0.418 | £ 0.205 | £ 0.362 |
| Share price at Grant | £3.200 | £2.300 | £ 1.500 | £ 0.675 | £ 1.080 |
| Exercise Price | £3.200 | £2.300 | £ 1.500 | £ 0.675 | £ 1.080 |
| Vesting Periods | 1-4 years | 1-4years | 1-4 years | 1-4 years | 1-4 years |
| Expected volatility | 40% | 40% | 40% | 50% | 50% |
| Expected life | 10 years | 10years | 10 years | 10 years | 10 years |
| Expected dividends | 0% | 0% | 0% | 0% | 0% |
| Risk-free rate of return | 4.67% | 5.59% | 4.04% | 4.00% | 4.50% |

Notes *(continued)*

20 Employee share schemes *(continued)*

Share based payments *(continued)*

The number of shares options that were in existence at 31 March 2011 was

| Date of grant | At beginning of period | Granted | Exercised | Surrendered | At end of period | Exercise price £ | Exercisable at 31/3/11 | Date first exercisable | Remaining life - years |
|---------------|------------------------|---------------|------------------|------------------|------------------|------------------|------------------------|------------------------|------------------------|
| 30 Sept 2003 | 63,250 | - | (42,375) | (20,875) | - | £1 262 | - | 30 Sept 2003 | 0 |
| 6 Oct 2004 | 67,000 | - | - | (67,000) | - | £2 020 | - | 6 Oct 2005 | 0 |
| 23 Dec 2004 | - | - | - | - | - | £1 890 | - | 23 Dec 2004 | 0 |
| 22 Dec 2005 | 1,500 | - | - | (1,500) | - | £2 735 | - | 22 Dec 2006 | 0 |
| 2 Jul 2007 | 30,000 | - | - | (30,000) | - | £2 300 | - | 2 July 2008 | 0 |
| 11 Mar 2008 | 15,000 | - | - | (15,000) | - | £1 500 | - | 11 Dec 2009 | 0 |
| 16 Sept 2009 | 226,625 | - | (196,625) | (30,000) | - | £0 675 | - | 16 Sept 2010 | 0 |
| 15 Jan 2010 | - | 50,000 | (50,000) | - | - | £1 080 | - | 15 Jan 2011 | 0 |
| | 403,375 | 50,000 | (289,000) | (164,375) | - | | - | | |

The number of shares options that were in existence at 31 December 2009 was

| Date of grant | At beginning of period | Granted | Exercised | Surrendered | At end of period | Exercise price £ | Exercisable at 31/12/09 | Date first exercisable | Remaining life - years |
|---------------|------------------------|----------------|-----------|-----------------|------------------|------------------|-------------------------|------------------------|------------------------|
| 30 Sept 2003 | 69,375 | - | - | (6 125) | 63,250 | £1 262 | 63,250 | 30 Sept 2003 | 4 |
| 6 Oct 2004 | 73,875 | - | - | (6,875) | 67,000 | £2 020 | 67,000 | 6 Oct 2005 | 5 |
| 23 Dec 2004 | 21,500 | - | - | (21,500) | - | £1 890 | - | 23 Dec 2004 | 5 |
| 22 Dec 2005 | 21,500 | - | - | (20,000) | 1,500 | £2 735 | 1,500 | 22 Dec 2006 | 6 |
| 2 Jul 2007 | 60,000 | - | - | (30,000) | 30,000 | £2 300 | 15,000 | 2 July 2008 | 8 |
| 11 Mar 2008 | 15,000 | - | - | - | 15,000 | £1 500 | 3,750 | 11 Dec 2009 | 9 |
| 16 Sept 2009 | - | 239,125 | - | (12,500) | 226,625 | £0 675 | - | 16 Sept 2010 | 10 |
| | 261,250 | 239,125 | - | (97,000) | 403,375 | | 150,500 | | |

All outstanding options were exercised in September 2010 upon acquisition of the group by IMImobile Europe Limited. No options were in existence at the 31 March 2011.

Notes (continued)

22 Related party disclosures

The company is a wholly owned subsidiary of WIN Limited (formerly WIN plc) which is the immediate parent company. The directors consider IMImobile Pvt Limited to be the ultimate controlling party. Details of this company can be found in note 24 of the financial statements.

23 Financial instruments

Policies

The company's financial instruments, comprise borrowings, some cash and liquid resources, and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The company's financial instruments comprise trade debtors, trade creditors, cash, long term creditors and equity shares.

Interest risk

The company has financed its operations through equity.

The company at the year end held cash at bank amounts of £68,648 (2009 £1,856,505) for which the applicable interest rate is 0.1% (2009 0.1%).

Liquidity risk

As regards liquidity, the company's policy has throughout the year been to ensure continuity of funding. The company has not entered into any derivative transactions in either year. All trade payables (note 12) are due to be paid within six months of the balance sheet date.

Currency risk

The company has a small amount of trading with overseas customers which are settled in foreign currencies. The majority of the sales however are denominated and settled in sterling.

The company at the year end held cash at bank amounts of 48,270 EUR (2009 4,616 EUR) for which the UK pound equivalent was £42,859 (2009 £4,092), and 53,798 Australian Dollars (2009 57,932 Australian Dollars) for which the UK pound equivalent was £34,436 (2009 £32,167).

Financial assets

The company has no financial assets, other than short-term debtors and cash at bank balances.

24 Ultimate parent company and parent undertaking of a larger group of which the company is a member

The company is a subsidiary undertaking of WIN Limited which is considered by the directors to be the immediate parent company. The ultimate parent company of the group is IMImobile Pvt Limited, incorporated in India.

The group in which the results of the company are consolidated is that headed by IMImobile Pvt Limited. The consolidated accounts of the group may be obtained by request from IMImobile Pvt Limited, Plot No. 770, Road No. 44, Jubilee Hills, Hyderabad – 500 033.