Company Registration No. 03212199

Wireless Information Network Limited

Report and Financial Statements

31 March 2012

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Officers and professional advisers

Directors

Mr Jayesh Patel
Mr Michael Jefferies
Mr Tim Newmarch

Registered Office

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Lancaster Road
Cressex Business Park
High Wycombe
Buckinghamshire
HP12 3YZ

Bankers

Barclays Bank Plc
Barclays Corporate
180 Oxford Street
London
W1D 1EA

Auditor

Deloitte LLP
Chartered Accountants
London

Wireless Information Network Limited

Directors' report

The dırectors present theır annual report and the audıted financıal statements for the year ended 31 March 2012

Principal actıvıtıes

Durıng the year the company's prıncıpal actıvıty was the enablement of mobıle and wıreless data servıces to corporate customers ıncludıng the sendıng and receıvıng of text messages, as well as delıvery of content, such as rıng tones and ıcons, to and from large numbers of mobıle phone users Whıle text messagıng accounts for the substantıal proportıon of the company's current revenues, ıt also provıdes other wıreless data servıces to busıness customers, ıncludıng pıcture messagıng and the desıgn, management and packagıng of ınformatıon servıces to users of wıreless devıces, ıncludıng mobıle phones

Busıness revıew

Wıreless Informatıon Network Lımıted ıs a wholly owned subsıdıary of WIN Lımıted whıch was acquıred by IMImobıle Europe Lımıted ın the prıor year Detaıls of the acquısıtıon can be found wıth the financıal statements of IMImobıle Europe Lımıted

The combıned group has been actıvely ıntegratıng the two busınesses sınce acquısıtıon The final stage of the actıvıty was to transfer the trade and assets of the company to IMImobıle Europe Lımıted whıch was completed on 1 March 2012 Total assets of £3,725,497 were transferred at NBV as part of the agreement, whıch ıncluded all assets and lıabılıtıes on the balance sheet of the company, wıth the exceptıon of cash and a proportıon of the deferred tax asset beıng held Although for the foreseeable future the entıty ıs expected to ıncur payroll costs on behalf of other group companıes ıt has ceased to trade and therefore the dırectors have prepared the financıal statements on the basıs that the company ıs no longer a goıng concern Full detaıls can be found wıthın the financıal statements of the acquırıng company No trade has gone through the company from 1 March 2012

The company made a profit of £334,753 (2011 loss of £1,809,033) ın the year The full tradıng performance for the year ıs shown on page 7

There have been no sıgnıficant events sınce the balance sheet date

Future prospects

As the trade and assets of the company have been transferred to IMImobıle Europe Lımıted the future prospects of the busıness have been dısclosed ın the accounts of IMImobıle Europe Lımıted

Fınancıal ınstruments

Detaıls of the company's financıal rısk management objectıves and polıcıes are set out ın note 19 of the financıal statements

Prıncıpal risks and uncertaintıes

As the trade and assets of the company have been transferred to IMImobıle Europe Lımıted the prıncıpal rısks and uncertaıntıes of thıs busıness movıng forward have been dısclosed ın the accounts of IMImobıle Europe Lımıted

Dırectors

The followıng dırectors held office durıng the perıod and to the date of thıs report

Mr Jayesh Patel
Mr Mıchael Jefferıes
Mr Tımothy Newmarch (appoınted 6 December 2011)
Mr Lance Moır (resıgned 15 March 2012)

Directors' report (continued)

Proposed dividend

The directors have paid an interim ordinary dividend in respect of the current financial year of £nil per ordinary share (2011 £0 16)

The directors have proposed a final ordinary dividend in respect of the current financial year of £nil per ordinary share (2011 £nil)

Auditor

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors
and signed on behalf of the Board

M Jefferies
Finance Director
16 August 2012

Wireless Information Network Limited

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) 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 estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed

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

Independent auditor's report to the members of Wireless Information Network Limited

We have audited the financial statements of Wireless Information Network Limited for the year ended 31 March 2012 of the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 21 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 an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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 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 In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 2012 and of its profit for the year then ended, and
- 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

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern

Opinion on other matter prescribed in the Companies Act 2006

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

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

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

Other Matter

The financial statements of Wireless Information Network Limited for the period ended 31 March 2011 were audited by another auditor who expressed an unmodified opinion on those statements on 8 September 2011

Robert Matthews
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London
16 August 2012

Profit and loss account

Year ended 31 March 2012

		2012			2011		
	Notes	Underlying profit £	Exceptionals £	Total £	Underlying profit £	Exceptionals £	Total £
Turnover	2	15,558,384	-	15,558,384	19,281,836	-	19,281,836
Cost of sales		(8,259,919)	-	(8,259,919)	(9,235,653)	-	(9,235,653)
Gross profit		7,298,465	-	7,298,465	10,046,183	-	10,046,183
Administrative expenses	3,4	(6,710,527)	-	(6,710,527)	(9,285,464)	(3,418,912)	(12,704,376)
Share based payment charge		-	-	-	-	(55,830)	(55,830)
Operating profit/(loss)		587,938	-	587,938	760,719	(3,474,742)	(2,714,023)
Interest receivable and similar income	7	17,159	-	17,159	40,621	-	40,621
Interest payable and similar charges	8	-	-	-	(30,583)	-	(30,583)
Profit/(loss) on ordinary activities before taxation		605,097	-	605,097	770,757	(3,474,742)	(2,703,985)
Tax on profit on ordinary activities	9	(270,344)	-	(270,344)	894,952	-	894,952
Profit/(loss) for the financial year		334,753	-	334,753	1,665,709	(3,474,742)	(1,809,033)

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

Wireless Information Network Limited

Balance sheet
at 31 March 2012

	Notes	2012 £	2011 £
Fixed assets			
Tangible assets	10	-	1,221,182
		-	1,221,182
Current assets			
Debtors	11	3,891,346	9,025,856
Cash at bank		170,034	68,648
		4,061,380	9,094,504
Creditors: amounts falling due within one year	12	(62,830)	(6,651,889)
Net current assets		3,998,550	2,442,615
Total assets less current liabilities		3,998,550	3,663,797
Net assets		3,998,550	3,663,797
Capital and reserves			
Called up share capital	13	71,859	71,859
Share premium account	14	5,578,558	5,578,558
Profit and loss account	14	(1,651,867)	(1,986,620)
Shareholder's funds	15	3,998,550	3,663,797

The financial statements of Wireless Information Network Limited, registered number 03212199 were approved by the Board of Directors on 16 August 2012

Signed on behalf of the Board of Directors

M Jefferies
Finance Director

Notes to the financial statements

Year ended 31 March 2012

1. Accountıng polıcıes

The followıng accountıng polıcıes have been applıed consıstently ın dealıng wıth ıtems whıch are consıdered materıal ın relatıon to the financıal statements

Basis of preparation

The financıal statements have been prepared ın accordance wıth applıcable Unıted Kıngdom accountıng standards and under the hıstorıcal cost accountıng rules

Under FRS 1 the company ıs exempt from the requırement to prepare a cash flow statement on the grounds that a parent undertakıng ıncludes the company ın ıts own publıshed consolıdated financıal statements

As the company ıs a wholly owned subsıdıary of WIN Lımıted, the company has taken advantage of the exemptıon contaıned ın FRS 8 and has therefore not dısclosed transactıons or balances wıth entıtıes whıch form part of the group The consolıdated financıal statements of IMImobıle Pvt Ltd, wıthın whıch thıs company ıs ıncluded, can be obtaıned from the address gıven ın note 21

Goıng concern

The company has net current assets of £3,998,550 and made a profit ın the year of £334,753, however due to the current economıc condıtıons there are ınherent future uncertaıntıes that may ımpact the busıness

As explaıned ın the Report of the Dırectors the company transferred ıts trade, assets and lıabılıtıes, wıth the exceptıon of cash and a proportıon of the deferred tax asset held, to IMImobıle Europe Lımıted durıng the year Accordıngly ıt ceased to trade as a separate entıty although certaın payroll servıces wıll contınue to be provıded wıthın the company for the foreseeable future on behalf of the group Therefore, as requıred by Fınancıal Reportıng Standard 18 "Accountıng Polıcıes", the dırectors have prepared the financıal statements on the basıs that the company ıs no longer a goıng concern No materıal adjustments arose as a result of ceasıng to apply the goıng concern basıs

Tangıble fixed assets and depreciatıon

Tangıble assets are stated at cost or valuatıon, net of depreciatıon and any provısıon for ımpaırment Depreciatıon ıs calculated to wrıte off the cost less the estımated resıdual value of tangıble fixed assets by equal ınstalments over theır estımated useful economıc lıfe as follows

Leasehold ımprovements	-	3 years
Plant and equıpment	-	3 years
Computer equıpment	-	3 years
Furnıture and equıpment	-	3 years

Assets ın the course of constructıon wıll not be depreciated untıl such assets are brought ınto use by the company

Foreıgn currencıes

Transactıons ın foreıgn currencıes are translated at the exchange rate rulıng at the date of the transactıon Monetary assets and lıabılıtıes denomınated ın foreıgn currencıes are translated at the rate of exchange rulıng at the balance sheet date and the gaıns or losses on translatıon are ıncluded ın the profit and loss account

Leases

Operatıng lease rentals are charged to the profit and loss account on a straıght lıne basıs over the perıod of the lease

1. **Accounting policies (continued)**

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

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

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

1. Accountıng policies (contınued)

Exceptional ıtems

Exceptıonal ıtems are materıal ıtems whıch derıve from events or transactıons that do not fall wıthın the ordınary actıvıtıes of the company and FRS 3 and whıch ındıvıdually or, ıf of a sımılar type, ın aggregate, need to be dısclosed by vırtue of theır sıze of ıncıdence ıf the financıal statements are to gıve a true and faır vıew and to ensure the presentatıon ıs relevant to an entıty's financıal performance

Turnover

Turnover represents the amounts (excludıng value added tax) derıved from the provısıon of servıces to customers

Informatıon servıces

Turnover from the provısıon of ınformatıon ıs accrued on the basıs of recorded transactıons wıth the ultımate end user

Development

Turnover for development work ıs recognısed at the poınt of delıvery of servıces to the customer

Premıum rate

Premıum rate turnover recognısed wıthın turnover relate only to the commıssıon earned on hostıng each servıce and ıs recognısed at the poınt of delıvery to the customer

2. Turnover

The turnover was derıved from the company's prıncıpal actıvıtıes Gross profit recognısed ın the year ended 31 March 2012 does not ınclude revenues, or costs, where the Company has acted as an agent Pass though revenues totallıng £18,553,935 (2011 £19,917,017) were receıved by the company but not recognısed wıthın turnover

3. Profit on ordınary actıvıtıes before taxatıon

	2012 £	2011 £
Profit on ordinary activities before taxation is stated after chargıng:		
Depreciatıon on tangıble fixed assets - owned	353,079	459,031
Exchange loss	4,019	1,723
Hıre of plant and machınery – rentals payable under operatıng leases	204,746	419,504
Hıre of other assets – rentals payable under operatıng leases	3,810	4,156
Auditor's remuneratıon		
Audıt of these financıal statements	19,000	14,500

Audıt fees for the year are borne by fellow group undertakıng, IMImobıle Europe Lımıted

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4. Exceptional items

	2012 £	2011 £
Loss on disposal of fixed assets	-	2,289,418
Impairment charges	-	36,850
Restructuring	-	1,092,644
	-	3,418,912

Exceptional costs, the major constituents being the disposal of fixed assets and restructuring of the group, arose due to the acquisition of the group by IMImobile 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

5. 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 2012	2011
Management	1	3
Sales and marketing	13	17
Administration	12	11
Operations and development	35	61
	61	92

The aggregate payroll costs of these persons were as follows

	2012 £	2011 £
Wages and salaries	2,702,631	4,934,878
Social security costs	315,115	506,651
Other pension costs	63,023	104,043
	3,080,769	5,545,572

6. **Directors' remuneration**

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

	2012 £	2011 £
Emoluments	97,811	39,583
Pension contributions	10,358	1,188
	108,169	40,771

The number of directors accruing benefits under money purchase pension schemes in the period was 1 (2011 1)

The highest paid director accrued benefits totalling £108,169 (2011 £40,771)

A total of £nil (2011 50,000) share options were granted to the directors in the period

7. **Interest receivable and similar income**

	2012 £	2011 £
Early settlement discounts	17,159	40,621

8. **Interest payable and similar charges**

	2012 £	2011 £
Interest on group amounts	-	30,583

9. **Taxation**

	2012	2011
	£	£
UK corporation tax		
Current tax on income for the period	62,821	(75,000)
Adjustment in respect of prior year	75,000	(63,702)
Total current tax	137,821	(138,702)
Deferred tax		
Origination and reversal of timing differences	132,523	(691,273)
Adjustment in respect of previous years	-	(64,977)
Total deferred tax	132,523	(756,250)
Tax on profit on ordinary activities	270,344	(894,952)

Factors affecting the tax charge for the current period

The differences between the current tax charge for the year and the standard rate of corporation tax in the UK 26% (2011 28%) have been explained below

Current tax reconciliation

	2012	2011
	£	£
Profit on ordinary activities before tax	605,097	(2,703,985)
Current tax at 26% (2011 28%)	157,325	(757,116)
Effects of		
Expenses not deductible for tax purposes	(14,132)	856,762
Depreciation in excess of (less than) capital allowances	(61,614)	128,529
R&D tax credit	-	(75,000)
Group relief	(13,412)	(194,660)
Other short term timing differences	(5,346)	(33,515)
Adjustment in respect of prior year	75,000	(63,702)
Total current tax credit	137,821	(138,702)

9. Taxation (continued)

	2012	2011
	£	£
Movement on deferred tax		
Opening balance	919,269	163,019
Intercompany transfer	(780,484)	-
Charge to the profit and loss account	(132,523)	761,109
Closing deferred tax asset (see note 11)	6,262	919,269

	2012	2011
	£	£
Analysis of deferred tax asset		
Accelerated capital allowance	-	907,139
Losses	6,262	6,784
Short term timing differences	-	5,346
	6,262	919,269

10. Tangible fixed assets

	Leasehold improvements	Plant and equipment	Computer equipment	Furniture and equipment	Total
	£	£	£	£	£
Cost					
At 1 April 2011	370,778	209,309	3,546,944	159,382	4,286,413
Additions	-	-	298,468	-	298,468
Disposal	(370,778)	(209,309)	(3,845,412)	(159,382)	(4,584,881)
At 31 March 2012	-	-	-	-	-
Depreciation					
At 1 April 2011	370,340	209,309	2,327,545	158,037	3,065,231
Charge for the year	438	-	351,852	789	353,079
Disposals	(370,778)	(209,309)	(2,679,397)	(158,826)	(3,418,310)
At 31 March 2012	-	-	-	-	-
Net book value					
At 31 March 2012	-	-	-	-	-
At 31 March 2011	438	-	1,219,399	1,345	1,221,182

On the 1 March 2012 assets with a net book value of £1,166,571 were transferred from Wireless Information Network Limited as part of the asset sale agreement to fellow group undertaking IMImobile Europe Limited

Included within computer assets are assets under construction amounting to £nil (2011 £592,920), these assets will not be depreciated till they come into use

11. Debtors

	2012 £	2011 £
Trade debtors	-	3,335,875
Amounts owed by group undertakings	3,885,084	1,275,221
Other debtors	-	169,756
Deferred tax asset (see note 9)	6,262	919,269
Corporation tax receivable	-	75,000
Prepayments and accrued income	-	3,250,735
	3,891,346	9,025,856

Amounts owed by group undertakings amounting to £3,725,497 (2011 £nil) are due after more than one year, other debtors includes £nil (2011 £146,266) due after more than one year Total debtors due after more than one year are £3,725,497 (2011 £146,266)

12. Creditors amounts falling due within one year

	2012 £	2011 £
Trade creditors	-	2,948,144
Amounts owed from group undertakings	9	-
Corporation tax	62,821	-
Taxation and social security	-	21,382
Other creditors	-	433,126
Accruals and deferred income	-	3,249,237
	62,830	6,651,889

13. Called up share capital

	2012 £	2011 £
Allotted, called up and fully paid		
7,185,894 ordinary shares of 1p each	71,859	71,859

14. Reserves and share premium

	Share premium account £	Profit and loss account £
At beginning of year	5,578,558	(1,986,620)
Profit for the year	-	334,753
At end of year	5,578,558	(1,651,867)

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15 Reconciliation of movement in shareholder's funds

	2012 £	2011 £
Profit / (Loss) for the financial year	334,753	(1,809,033)
Dividends on shares classified in shareholder's funds	-	(1,150,000)
Share based payment charge	-	55,830
Net increase / (decrease) in shareholder's funds	334,753	(2,903,203)
Opening shareholder's funds	3,663,797	6,567,000
Closing shareholder's funds	3,998,550	3,663,797

16. Commitments

Annual commitments under non-cancellable operating leases are as follows

	2012		2011	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire				
Within one year	-	-	118,387	-
2 to 5 years	-	-	104,000	-
	-	-	222,387	-

17. 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 £63,023 (2011 £104,043)

Contributions amounting to £nil (2011 £20,565) were payable to the scheme at the year end

Wireless Information Network Limited

18. Employee share schemes

Share based payments

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

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 2012 the outstanding share options, including those under the long term incentive plan of the parent company, represented 0% (2011 0%) of the issued share capital of WIN Limited

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 2012 was £nil (2011 charge of £55,830) 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	**2 May 2006**	**2 July 2007**	**Granted 11 March 2008**	**16 September 2009**	**15 January 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%

The number of shares options that were in existence at 31 March 2012 was

Date of grant	At beginning of period	Granted	Exercised	Surrendered	At end of period	Exercise price £	Exercisable at 31/3/12	Date first exercisable	Remaining life - years
30 Sept 2003	-	-	-	-	-	£1 262	-	30 Sept 2003	0
6 Oct 2004	-	-	-	-	-	£2 020	-	6 Oct 2005	0
23 Dec 2004	-	-	-	-	-	£1 890	-	23 Dec 2004	0
22 Dec 2005	-	-	-	-	-	£2 735	-	22 Dec 2006	0
2 Jul 2007	-	-	-	-	-	£2 300	-	2 July 2008	0
11 Mar 2008	-	-	-	-	-	£1 500	-	11 Dec 2009	0
16 Sept 2009	-	-	-	-	-	£0 675	-	16 Sept 2010	0
15 Jan 2010	-	-	-	-	-	£1 080	-	15 Jan 2011	0
	-	-	-	-	-		-		

18. Employee share schemes (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)	-		-		

All outstanding options were exercised in September 2010 upon acquisition of the group by IMImobile Europe Limited No options were in existence at 31 March 2012 or 31 March 2011

19. 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 £170,034 (2011 £68,648) for which the applicable interest rate is 0 1% (2011 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 creditors (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 113,992 EUR (2011 48,270 EUR) for which the UK pound equivalent was £95,366 (2011 £42,859), and 61,927 Australian Dollars (2009 53,798 Australian Dollars) for which the UK pound equivalent was £40,878 (2011 £34,436)

Financial assets

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

20. 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 21 of the financial statements

During the year amounts totalling £333,333 (2011 £84,996) were paid to Spark Ventures plc, a shareholder in the ultimate parent company IMImobile Pvt Limited, in respect of director fees and rental charges

21. Ultimate parent company and parent undertaking

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