MOBILE STREAMS PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2017

Company registration number: 03696108

Company registration number:	03696108
Registered office:	14 Cleveland Grove Newbury, Berkshire, RG14 1XF
Directors:	E Benasso S Buckingham T Maunder R Parry P Tomlinson
Chairman:	R Parry
Secretary:	Pennsec Limited
Bankers:	National Westminster Bank plc 30 Market Place Newbury RG14 5AG http://www.bank-opening-times.co.uk/natwest/natwest-newbury.html
Auditor:	Grant Thornton UK LLP Chartered Accountants and Statutory Auditor 30 Finsbury Square London EC2P 2YU http://www.grantthornton.co.uk/en/office-locations/
Nominated Adviser & Broker	N + 1 Singer Advisory LLP One Bartholomew Lane London EC2N 2AX
Corporate web site:	www.mobilestreams.com

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Chairman's Statement:

The Board of Mobile Streams is pleased to present its audited accounts for the financial year ended 30 June 2017.

The past twelve months has seen Mobile Streams continue with its strategy to develop a content offering direct to consumers across a wide range of mobile devices in a number of large emerging markets. This is in addition to our original business of providing content to mobile network operators and other business partners.

Group revenue for the year ended 30 June 2017 was £5.7m (2016: £12.8m). Trading EBITDA (calculated as profit before tax, interest, amortisation, depreciation, share compensation expense and impairment of assets) was, as anticipated, negative £1.5m for year (2016: negative £0.6m). Loss before tax was £1.5m (2016: £0.7m loss). Much of the reduction in revenues is attributable to Argentina. Revenue in Argentina (which equated to 83.7% of our revenue) on a constant currency basis decreased by 51% from AR$188m to AR$92m.

During the second half of the financial year the Company continued to invest in India to build a strong position in the country and grow the number of our active subscribers. The second half of the financial year was particularly busy in India, with several launches, including the three largest telecom operators covering over 700m mobile customers. In the new financial year, the team will focus on growing the Group's subscriber base and access to mobile customers further, as well as exploring other strategic business alliances with key Indian mobile companies.

The Directors do not propose a payment of a dividend (2016: £Nil). In the new financial year, the majority of revenues are once again expected to be generated in Latin America and the majority of the investment will be in India. The Group ended the year with a net cash balance of £2.3m, with no debt, at 30 June 2017 (2016: £1.4m).

The Board believes that India remains the largest opportunity for the Company to deliver growth in shareholder returns with established and newly developed products using its strong trading relationships in developing markets.

R Parry
Chairman

Operating review

Mobile Streams’ performance during the financial year ended 30 June 2017 was driven primarily from its Mobile Internet sales in Latin America. The past twelve months has seen Mobile Streams continue with its strategy to develop a content offering direct to consumers across a wide range of mobile devices in a number of large emerging markets. This is in addition to the Company’s business of providing content to mobile network operators and other business partners.

Group revenue for the year ended 30 June 2017 was £5.7m. The gross profit was £1.8m and decreased by 50% during the year (year ended 30 June 2016: £3.5m). The gross profit margin increased from 27.6% to 30.8% as a result of decreased marketing (direct to consumer) costs related to its Mobile Internet division.

Selling and marketing expenses were £0.8m, a 42.3% decrease on the year ended 30 June 2016. Revenues are generated from two principal business activities: the sale of mobile content through mobile operators (Mobile Operator Sales); and the sale of mobile content over the internet (Mobile Internet Sales). Additionally, the Group is engaged in the provision of consulting and technical services (Other Service Fees).

During the period, both the Group's Mobile Internet revenues and its Mobile Operator revenues decreased. As consumers steadily update their phones from legacy feature and flip phone models to smartphones, they have generally used the operator content portals less. Consumers generally use independent portals, as well as the open mobile internet, more actively.

Mobile Internet sales

The Group experienced growth and then stabilisation in 2013 to 2014 in Mobile Internet sales as consumers used their mobile devices to purchase mobile content subscriptions. After that, the business model (based on Mobile Internet) shifted to a model based on the operator platforms and the revenue based on internet decreased. This was mostly the result of the devaluation of the Argentine peso during the 2014 to 2017 financial years, resulting in a fall in sales.

Latin America, primarily Argentina, accounted for the majority of revenues.

Mobile Operator sales

The Group has several contracts with mobile operators that allow the distribution of content through their mobile portals, although the revenue has been reduced by more than 55% year on year partially because of consumer preferences.

There was a reduction in the number of consumer visitors to these portals, which has been a continuing trend for several years. The Group’s teams share and implement the best retailing practices in order to increase the conversion of visitors into customers to mitigate the natural decline in this revenue stream as the market changes.

Sales by Territory

Operations in Argentina were extremely challenging in the year under review as a result of general market conditions and regulation in the local market for mobile content subscriptions. Further reduction in revenues in this region are seen as manageable on account of the Company’s strong relationship with its carrier billing partner and their commitment to the business. However, this also presents the Group with an opportunity as it looks to refocus its business and continue to develop its ad-funded games service and subscription services in India. These opportunities are potentially transformational for the Group’s business.

In India, revenues have been steadily growing quarter after quarter. The Directors are continuously looking to improve the Group’s gross margins by reducing its subscriber acquisition costs and increasing average revenue per subscriber. However, trading has been more challenging than anticipated because of policy changes at one of the Group’s key partners and lower revenue from another.

In the past financial year in India, the focus has been very much on growing the active paying weekly subscriber base on our download and online games services. The marketing team responsible for the success The Group has had in Latin America have had to be very flexible with their investment strategy over the period as the mobile market in India is ever evolving. The demonetisation in India in November 2016, policy changes from selected carriers and zero rate prepaid balances have been challenging but, on a positive note, the Group has direct carrier billing agreements with two new mobile networks and launched its online HTML5 games service.

The Indian mobile market is developing quickly, the entrance of Reliance Jio 4G network (breaking world records in subscriber growth) into the market has improved network connections throughout the country, lowered prices for data and had a substantial impact on the financial results of other carriers. A GSMA Intelligence consumer survey report in October 2016 forecast that over the next 5 years India will be responsible for over a quarter of all new mobile subscribers and that smartphone adoption increase from under 30% to nearly 50%.

During the second half of the financial year the Company continued to invest in India to build a strong position in the country and grow the number of our active subscribers. Active subscribers had quadrupled year on year to over 200,000 members at the end of the financial year. The second half of the financial year was particularly busy in India, with several launches, including the 3 largest telecom operators covering over 700m mobile customers. In the new financial year, the team will focus on growing the Group's subscriber base and access to mobile customers further, as well as exploring other strategic business alliances with key Indian mobile companies.

The Group has several contracts with mobile operators that allow the distribution of content through their mobile portals, although the revenue has been reduced by more than 55% year on year partially because of consumer preferences on products of other portals and a higher competition. There was a reduction in the number of consumer visitors to these portals, which has been a continuing trend for several years. Our teams share and implement the best retailing practices in order to increase the conversion of visitors into customers to mitigate the natural decline in this revenue stream as the market changes.

Financial review

Group revenue for the year ended 30 June 2017 was £5.7m, a 55.5% decrease on the previous year (2016: £12.8m).

Gross profit was £1.8m, a decrease of 50.3% during the year (2016: £3.5m). The gross profit margin increased from 27.6% to 30.8% on account of decreased marketing (Direct to Consumer) costs related to Mobile Internet.

Selling, marketing and administrative expenses were £3.4m, a 23.1% decrease on the year ended 30 June 2017 (2016: £4.4m).

The Group recorded a loss after tax of £1.7m. for the year ended 30 June 2017 (2016 loss: £1.3m). Basic earnings per share increased to a loss of 2.62 pence per share (2016: loss of 3.52 pence per share). Adjusted earnings per share (excluding interest, depreciation, amortisation, impairments and share compensation expense) increased to a loss of 2.41 pence per share (2016: loss of 2.97 pence per share).

The Group had cash of £2.3m at 30 June 2017, with no debt (£1.4m of cash with no debt as at 30 June 2016). Argentina office cash was £0.8m at 30 June 2017 (2016: £1.2m).

Headcount reduction

During the first half of the fiscal year, a significant cost savings initiative was implemented. The Global headcount was reduced by a 53% (from 47 to 22 people). The Hong Kong office was shut down in December 2016 (5 people). 22 people were dismissed in Argentina and 1 person in United Kingdom. After 30 June 2017 another 3 people were dismissed from the Argentina office. The operations and marketing activities were re-organized in order to continue with normal activities.

Financial performance

	Year to 30 June 2017 £000's	Year to 30 June 2016 £000's
Revenue	**5.695**	12.786
Gross profit	**1.753**	3.530
Selling and Marketing Costs	**(769)**	(1.333)
Administrative Expenses*	**(2.461)**	(2.843)
Trading EBITDA**	**(1.477)**	(646)
Depreciation and Amortisation	**(19)**	(59)
Impairments	**-**	-
Share Based Compensation	**(118)**	(146)
Operating loss	**(1.614)**	(851)
Finance Income	**98**	118
Finance Expense	**(2)**	(4)
Loss before tax	**(1.518)**	(737)

*Administrative expenses don't include amortisation, depreciation and share compensation expense.

**Calculated as profit before tax, interest, amortisation, depreciation, share compensation expense and impairment of assets.

Key performance indicators ("KPI's")

Gross profit as a percentage of revenue is a measure of our profitability. Gross profit was £1.8m. for the year ended on 30 June 2017. The KPIs used by the Group are Trading EBITDA*, variance in revenue and gross profit. Management review these on a regular basis, largely by reference to budgets and reforecasts. Trading EBITDA was a loss of £1.5m for the year ended on June 2017, and it was a loss of £0.6m for the year ended in June 2016.

Earnings before tax, interest, amortisation, depreciation, share compensation expense and impairment of assets (Trading EBITDA) measured exactly as stated. All tax, interest, amortisation, depreciation, share compensation expense and impairment of assets entries in the income statement are added back to profit after tax in calculating this measure.

Growth in revenue is a measure of how the Group is building its business. The Company's goal is to achieve year-on-year growth. Although revenue decreased 55% during the year, like-for-like revenue on a constant currency basis actually decreased by 51%.

Gross profit as a percentage of revenue is a measure of our profitability. Gross profit margin was 30.8% for the year ended in June 2017, an increase of 3.1% (2016: 27.6%).

Strategy

The Group's business model is generating revenues though relationships with mobile operators and content aggregators and retailing directly to the consumer. Mobile Streams has developed expertise in selling content to consumers in developing markets.

Mobile Streams has focused on three main objectives in its recent business trading: expansion into India; stabilisation of our Latin American business primarily in Argentina; and seeking to minimise net cash outflow. Generally, we have sought to invest the gross profits from our Argentine operations into developing the India business whilst seeking to maintain cash balances around the current levels. Argentina revenues in the last financial year were impacted by the slowdown in the mobile subscription business in the local market.

In India, we formed Mobile Streams India Private Limited in October 2015 to enable Mobile Streams to sign agreements with Indian mobile network operators (MNOs), device manufacturers (OEM) and other third parties. As per the strategy in Latin America, the focus is very much on the recurrent revenue generating subscription service in India, with daily and weekly packages both being trialled. Our Mobilegaming.com service was launched in February 2016 with the top three Indian mobile operators with marketing campaigns coordinated by the same team responsible for the success we have had in the Latin America region over the past several years. Active subscribers are measured as consumers who have made a purchase from the Company in the country in the past 60 days. For like-for-like comparability, this is the same methodology the Group uses to measure subscribers in its other markets such as Argentina.

Share Issue

In December 2016 the Group issued 54,479,250 shares at a par value of £0.002 per share. The Group's source of capital is the parent company's equity shares. The funds obtained are dedicated to fund the expansion of the India subsidiary through the increase of the marketing initiatives. The Group has not raised debt financing in the past and expects not to do so in the future.

The Company only has one class of share. The total number of shares in issue as at 30 June 2017 is 91,593,533 (30 June 2016: 37,114,283) with a par value of £0.002 per share. All issued shares are fully paid.

Principal risks and uncertainties

The nature of the Group's business and strategy makes it subject to a number of risks.

The Directors have set out below the principal risks facing the business.

Contracts with Mobile Network Operators (MNOs)

While Mobile Streams maintains relationships with numerous MNOs in the various territories, a small number of operators account for a high portion of the Group's business.

Contracts with rights holders

The majority of content provided by Mobile Streams is licensed from rights holders. While Mobile Streams is not dependent on any single rights holder for its entertainment content, termination, non-renewal or significant renegotiation of a contract could result in lower revenue.

The Group continues to enter into new content licensing arrangements to mitigate these risks.

Competition

Competition from alternative providers could adversely affect operating results through either price pressures, or lost custom. Products and pricing of competitors are continuously monitored to ensure the Group is able to react quickly to changes in the market.

Fluctuations in currency exchange rates

Approximately 99% of the Group's revenue relates to operations outside the UK. The Group is therefore exposed to foreign currency fluctuations and the financial condition of the Group may be adversely impacted by foreign currency fluctuations. See note 24 on page 47 "Foreign currency risk".

The Group has operations in Europe, Asia Pacific, North America and Latin America and recently in India. As a result, it faces both translation and transaction currency risks.

Currency exposure is not currently hedged, though the Board continuously reviews its foreign currency risk exposure and potential means of combating this risk.

Dependencies on key executives and personnel

The success of the business is substantially dependent on the Executive Directors and senior management team.

The Group has incentivised all key and senior personnel with share options and has taken out a Key Man insurance policy on its Chief Executive Officer, Simon Buckingham.

Intellectual property rights

The protracted and costly nature of litigation may make it difficult to take a swift or decisive action to prevent infringement of the Group's intellectual property rights.

Although the Directors believe that the Group's content and technology platform and other intellectual property rights do not infringe the IP rights of others, third-parties may assert claims of infringement which could be expensive to defend or settle. The Group holds suitable insurance to reduce the risk and extent of financial loss.

Technology risk

A significant portion of the future revenues are dependent on the Group's technology platforms. Instability or interruption of availability for an extended period could have an adverse impact on the Group's financial position.

Mobile Streams has invested in resilient hardware architecture and continues to maintain software control processes to minimise this risk.

Management controls and reporting procedures and execution

The ability of the Group to implement its strategy in a competitive market requires effective planning and management control systems. The Group's future growth will depend upon its ability to expand whilst improving exposure to operational, financial and management risk.

Going concern risk

The current uncertain economic climate and changing market place may impact the Group's cash flows and thereby its ability to pay its creditors as they fall due.

In the past financial year in India, the focus has been very much on growing the active paying weekly subscriber base on our download and online games services. The marketing team responsible for the success we have had in Latin America have had to be very flexible with their investment strategy over the period as the mobile market in India is ever evolving.

The Group had cash balances of £2.3m at the year-end (2015: £1.4m) and no borrowings. Marketing spend in India can be managed with flexibility depending on the cash balances. Management can also implement cost savings initiatives in order to reduce the cash burn.

A principal responsibility of management is to manage liquidity risk, as detailed in note 24 to the financial statements. The Group uses annual budgeting, forecasting and regular performance reviews to assess the longer term profitability of the Group and make strategic and commercial changes as required ensuring cash resources are maintained. Although there was a significant fall in revenues and a loss for the year ending 30 June 2017, the Group actively manages its use of cash, particularly marketing and other expenditure, and having reviewed the resulting cash flow forecasts for the 12-month period from date of approval of these Financial Statements, the Directors have a reasonable expectation that the Group has sufficient resources to continue in operational existence for the foreseeable future. The Board consider Mobile Streams to be a going concern. No material uncertainties or events that may cast significant doubt about the ability of the Group to continue as a going concern have been identified by the Directors.

Financial risk management objectives and policies

The Group uses various financial instruments. These include cash and various items, such as trade receivables and trade payables that arise directly from its operations. The numerical disclosures relating to these policies are set out in notes to the financial statements.

The existence of these financial instruments exposes the Group to a number of financial risks, which are described in more detail below. The Group does not currently use derivative products to manage foreign currency or interest rate risks.

The main risks arising from the Group's financial instruments are market risk, currency risk, liquidity risk and credit risk. The Directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous periods.

Market risk

Market risk encompasses three types of risk, being currency risk, fair value interest rate risk and price risk. In this review interest rate and price risk have been ignored as they are not considered material risks to the business.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The Group currently has no borrowing arrangements in place and prepares cash flow forecasts which are reviewed at Board meetings to monitor liquidity.

Credit risk

The Group's principal financial assets are bank deposits, cash and trade receivables. The credit risk associated with the bank deposits and cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises therefore from the Group's trade receivables. Most of the Group's trade receivables are large mobile network operators or media groups. Whilst historically credit risk has been low management continuously monitors its financial assets and performs credit checks on prospective partners.

Argentina

12 months to June 30	**2017**	2016	**2017**	2016
	AR$'000	AR$'000	**£'000**	£'000
Revenue	**91.648**	187.634	**4.681**	**11.198**

The Argentina Division delivered a decreased revenue performance according to the projections. The division represented 83.7% of the revenues of the Group.

Argentina revenue decreased 51.1% in Argentine Pesos terms; from AR$188 Million to AR$92 Million; but the reported British Pound figures shows a 58.1% decrease in revenue; from £11.2m to £4.6m.

Future developments

Looking ahead to the remainder of 2017 and beyond, our primary objectives are to secure mobile billing with the leading seven or eight mobile operators in India, progressively increase marketing spend to grow the subscriber base, enhance our content and service offer by partnering with local Indian companies and launching our browser based (utilising HTML5) games service to become the leading destination for games in India. Mobile Streams has recently gone live with a fourth carrier billing connection in India, extending our addressable audience to around 700 million potential mobile users. The Indian mobile market is growing rapidly, the entrance of Reliance Jio 4G network into the market this year and the upcoming spectrum auction means the primary obstacle of poor data connectivity is being addressed.

The Company sees potential for browser based gaming in both Latin America and India. This HTML5 content works well across all devices including Android, Apple, Tizen and Windows Phone. Devices in emerging markets often have limited memory capable to store downloadable applications so browser based gaming is attractive in the region. Browser based content is not available from Google Play and the App Store, providing differentiation from these competing offerings.

Potential impact of Brexit

The outcome of the UK’s vote to leave the European Union and trigger article 50 is unlikely to materially impact the Group at an operational level with almost all of the Group’s revenues derived from customers based outside of the EU.

The Strategic Report, encompassing pages 4 to 10, was approved by the Board and signed on its behalf by:

E Benasso
Chief Financial Officer

Items dealt with in the Strategic report

• Business review
• Principal risks and uncertainties
• Future developments

The principal activity of the Group is the sale of content for distribution on mobile devices. The Company is registered in England and Wales under company number 03696108.

Results and dividends

The trading results and the Group's financial position for the year ended 30 June 2017 are shown in the attached financial statements, and are discussed further in the Strategic Report.

The Directors have not proposed a dividend for this year (2016: £nil).

Directors and their interests

The present membership of the Directors of the Company (the “Board” or the “Directors”), together with their beneficial interests in the ordinary shares of the Group, is set out below. All Directors served on the Board throughout the year, except for M Carleton who resigned on 20 January 2017.

Shares held or controlled by Directors

	Ordinary shares of £0.002 each 30 June 2017	Ordinary shares of £0.002 each 30 June 2016
S Buckingham	**12.385.500**	10,382,500
M Carleton (resigned 20 January 2017).	**-**	-
P Tomlinson	**40.000**	40.000
R Parry	**181.183**	181.183
T Maunder	**5.000**	5.000
E Benasso	-	-

Options

The table below summarises the exercise terms of the various options over ordinary shares of £0.002 (year ended 30 June 2016: £0.002) which have been granted and were still outstanding at 30 June 2017.

	Options Held at 01 July 2016	Options Granted During the period	Options exercised During the period	Options Held at 30 June 2017	Exercise price	Earliest date from which exercisable	Latest expiry date
	Number	Number	Number	Number	£		
R G Parry	250.000	-	-	250.000	0,343	23 March 2012	22 March 2021
E Benasso	250.000	35.000	-	285.000	0,180	13 June 2015	12 June 2024

The remuneration of the Directors for the year amounted to £ 329,000 (2016: £ 328,000). The remuneration of the highest paid Director was £ 242,000 (2016: £ 202,000).
The remuneration of each of the Directors for the period ended 30 June 2017 is set out below:

	Salary	Fees	Benefits	Year to 30 June 2017 Total	Year to 30 June 2016 Total
	£'000	£'000	£'000	£'000	£'000
S D Buckingham	236	-	6	242	202
T Maunder	20	-	-	20	20
R G Parry	16	14	-	30	30
P Tomlinson	-	20	-	20	20
E Benasso	51	-	-	51	56
Total	**323**	**34**	**6**	**363**	**328**

Benefits comprise medical health insurance.

Going Concern

The current uncertain economic climate and changing market place may impact the Group’s cash flows and thereby its ability to pay its creditors as they fall due.

In the past financial year in India, the focus has been very much on growing the active paying weekly subscriber base on our download and online games services. The marketing team responsible for the success we have had in Latin America have had to be very flexible with their investment strategy over the period as the mobile market in India is ever evolving.

The Group had cash balances of £2.3m at the year-end (2015: £1.4m) and no borrowings. Marketing spend in India can be managed with flexibility depending on the cash balances. Management can also implement cost savings initiatives in order to reduce the cash burn.

A principal responsibility of management is to manage liquidity risk, as detailed in note 24 to the financial statements. The Group uses annual budgeting, forecasting and regular performance reviews to assess the longer term profitability of the Group and make strategic and commercial changes as required ensuring cash resources are maintained. Although there was a significant fall in revenues and a loss for the year ending 30 June 2017, the Group actively manages its use of cash, particularly marketing and other expenditure, and having reviewed the resulting cash flow forecasts for the 12-month period from date of approval of these Financial Statements, the Directors have a reasonable expectation that the Group has sufficient resources to continue in operational existence for the foreseeable future. The Board consider Mobile Streams to be a going concern. No material uncertainties or events that may cast significant doubt about the ability of the Group to continue as a going concern have been identified by the Directors.

DIRECTORS REPORT

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Director's Report and the Financial Statements in accordance with applicable laws 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 parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws) including FRS 101 Reduced disclosure Framework, and the consolidated accounts in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). 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 and profit or loss of the Company and Group 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 and lFRSs 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 Group and the parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the parent 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 both the Group and the parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that

- So far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and

- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given pursuant to section 418 of the Companies Act 2006 and should be interpreted in accordance with and subject to those provisions.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Auditor

Grant Thornton UK LLP has indicated their willingness to continue in office.

On behalf of the Board

E Benasso
Chief Financial Officer

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF MOBILE STREAMS PLC

Opinion

Our opinion on the group financial statements is unmodified.

We have audited the group financial statements of Mobile Streams Plc for the year ended 30 June 2017 which comprise the Accounting policies, the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated statement of financial position, the Consolidated statement of changes in equity, the Consolidated cash flow statement and notes to the consolidated financial statements. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the group financial statements:

- give a true and fair view of the state of the group's affairs as at 30 June 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the group financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the group financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Overview of our audit approach

- Overall materiality: £28,000, which represents 0.5% of the group's revenue
- Key audit matter identified as revenue cut-off

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF MOBILE STREAMS PLC

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
Revenue cut-off Growth in revenue is a key performance indicator for the group, being a key measure of how the group is growing its business. We identified revenue cut-off as one of the most significant assessed risks of material misstatement (whether or not due to fraud) that required special audit attention.	Our audit work included, but was not restricted to: • Obtaining an understanding of the group's process for recognising revenue in accordance with the stated accounting policy • Assessing whether the group's accounting policy for revenue recognition is in accordance with IFRSs as adopted by the European Union; and • Substantively testing a sample of accrued revenue balances, tracing them to post year-end invoices and receipt of payment, to assess whether they were recognised in accordance with the policy. The group's accounting policy on revenue is shown on page 24 and related disclosures are included in notes to the financial statements 2.1 and 21. **Key observations** No material reportable matters were noted as a result of our audit procedures.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

We determined materiality for the audit of the group financial statements as a whole to be £28,000, which was 0.5% of group revenue. This benchmark is considered the most appropriate because whilst revenue has declined it continues to be a key performance indicator for the group.

Materiality for the current year is lower than the level that we determined for the year ended 30 June 2016 to reflect the reduction in revenue.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality for the audit of the group financial statements.

We also determine a lower level of specific materiality for directors' remuneration and related party transactions.

We determined the threshold at which we will communicate misstatements to the audit committee to be £1,550. In addition, we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the group's business, its environment and risk profile and in particular included:

- evaluation by the group audit team of identified components to assess the significance of that component and to determine the planned audit response based on a measure of materiality. For example, significance as a percentage of the group's total assets, revenues and profit before taxation or significance based on qualitative factors;

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF MOBILE STREAMS PLC

- the two significant components identified were Mobile Streams Plc (as the parent company) and Mobile Streams de Argentina SRL which represented 83% of group revenues. A combination of targeted procedures and analytical review procedures were performed on all other components – including targeted procedures performed on Indian revenue as it represented a further 7% of group revenues ; and
- performing substantive procedures on significant transactions which included journal entries, individual material balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment and our evaluation of the design and implementation of controls around significant risk.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report† set out on pages 3 to 14, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the group financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the group financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the group financial statements are prepared is consistent with the group financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

- 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.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 13, the Directors are responsible for the preparation of the group financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of group financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF MOBILE STREAMS PLC

Auditor's responsibilities for the audit of the group financial statements

Our objectives are to obtain reasonable assurance about whether the group financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these group financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matter

We have reported separately on the parent company financial statements of Mobile Streams Plc for the year ended 30 June 2017. That report includes how we applied the concept of materiality in planning and performing our audit of the parent company.

Grant Thornton UK LLP

Christopher Smith
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
22/11/17

GROUP ACCOUNTING POLICIES

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The Group financial statements consolidate those of the parent company and all of its subsidiary undertakings drawn up to 30 June 2017. They have been prepared in accordance with applicable International Financial Reporting Standards as adopted by the EU and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. All references to IFRS in these statements refer to IFRS as adopted by the EU.

The historical cost convention has been applied as set out in the accounting policies.

Consolidation

Subsidiaries are all entities over which the Group has the power to govern the operating and financial policies generally accompanying a shareholding of more than half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control is lost.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated in full. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Subsidiaries' accounting policies have been changed where necessary to ensure consistency with the policies adopted by the Group.

The separate financial statements and related notes of the Company are presented on pages 54-61, which are prepared in accordance with FRS 101.

Foreign currency translation

(a) Presentational currency

The consolidated and parent company financial statements are presented in British pounds. The functional currency of the parent entity is also British pounds.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date the transaction occurs. Any exchange gains or losses resulting from these transactions and the translation of monetary assets and liabilities at the consolidated statement of financial position date are recognised in the income statement, except to the extent that a monetary asset or liability represents a net investment in a subsidiary when exchange differences arising on translation are recognised in equity within the translation reserve. Amount due from or to subsidiaries are treated as part of net investment in the subsidiary when settlement is neither planned nor likely to occur in the foreseeable future.

Foreign currency balances are translated at the year-end using exchange rate prevailing at the year-end.

GROUP ACCOUNTING POLICIES

(c) Group companies

The financial results and position of all group entities that have a functional currency different from the presentation currency of the Group are translated into the presentation currency as follows:

i assets and liabilities for each consolidated statement of financial position are translated at the closing exchange rate at the date of the consolidated statement of financial position.

ii income and expenses for each income statement are translated at average exchange rates (unless it is not a reasonable approximation to the exchange rate at the date of transaction)

iii all resulting exchange differences are recognised as a separate component of equity (cumulative translation reserve)

Property, plant and equipment

All property, plant and equipment (PPE) is stated at cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the purchase of the items.

Depreciation is calculated to write off the cost of property, plant and equipment less estimated residual value on a straight line basis over its estimated useful life. The following rates and methods have been applied:

Plant and equipment	33% straight line
Office furniture	Between 10% and 33% straight line

Each asset's residual value and useful life is reviewed, and adjusted if required, at each consolidated statement of financial position date. The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount.

Gains/losses on disposal of assets are determined by comparing proceeds received to the carrying amount. Any gain/loss is recognised in the income statement.

GROUP ACCOUNTING POLICIES

Going Concern

The current uncertain economic climate and changing market place may impact the Group's cash flows and thereby its ability to pay its creditors as they fall due.

In the past financial year in India, the focus has been very much on growing the active paying weekly subscriber base on our download and online games services. The marketing team responsible for the success we have had in Latin America have had to be very flexible with their investment strategy over the period as the mobile market in India is ever evolving.

The Group had cash balances of £2.3m at the year-end (2015: £1.4m) and no borrowings. Marketing spend in India can be managed with flexibility depending on the cash balances. Management can also implement cost savings initiatives in order to reduce the cash burn.

A principal responsibility of management is to manage liquidity risk, as detailed in note 24 to the financial statements. The Group uses annual budgeting, forecasting and regular performance reviews to assess the longer term profitability of the Group and make strategic and commercial changes as required ensuring cash resources are maintained. Although there was a significant fall in revenues and a loss for the year ending 30 June 2017, the Group actively manages its use of cash, particularly marketing and other expenditure, and having reviewed the resulting cash flow forecasts for the 12-month period from date of approval of these Financial Statements, the Directors have a reasonable expectation that the Group has sufficient resources to continue in operational existence for the foreseeable future. The Board consider Mobile Streams to be a going concern. No material uncertainties or events that may cast significant doubt about the ability of the Group to continue as a going concern have been identified by the Directors.

Standards and Amendments to existing standards effective 1 January 2016

New standards effective for accounting periods commencing on 1 January 2016 are:

	Applicable for financial years beginning on/after
Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Annual Improvements to IFRSs 2012-2014 Cycle	1 January 2016
Amendments to IAS 16 and IAS 41: Bearer Plants	1 January 2016
Amendments to IAS 27: Equity Method in Separate Financial Statements	1 January 2016
Disclosure Initiative: Amendments to IAS 1 Presentation of Financial Statements	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28: Applying the consolidation exception for investing entities.	1 January 2016

GROUP ACCOUNTING POLICIES

Standards, interpretations and amendments to published standards that are not yet effective and have not been adopted early by the Group

A number of the new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2017, and have not been applied in preparing these consolidated financial statements. Those which are/may be relevant to the Group and expected to have significant effect on the consolidated financial statements of the Group are set out below The Group is yet to assess the full impact of these changes.

• IFRS 9 Financial Instruments addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments The standard is effective for accounting periods beginning on or after 1 January 2018 Early adoption is permitted subject to EU endorsement.

• IFRS 15 Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements. The standard replaces IAS 18 Revenue and 1AS 11 Construction contracts and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted subject to EU endorsement.

• IAS12 Income Taxes - amendments regarding the recognition of deferred tax assets for unrealised losses. The standard is effective for annual periods beginning on or after 1 January 2017.

• IFRS 2 Share-based payments ("SBP") provides clarification concerning the treatment of vesting and non-vesting conditions. It also clarifies the treatment when tax laws oblige an entity to withhold an amount for an employee's tax obligation associated with a SBP and to transfer that amount to the tax authority on the employee's behalf. Finally the amendment provides further guidance on accounting for modifications of options. The standard is effective for accounting periods beginning on or after 1 January 2018.

With the exception of IFRS 15, the Directors do not expect that the adoption of the Standards and amendments listed above will have a material impact on the financial statements of the Group in the future periods

The impact that IFRS 15 will have on the financial statements is yet to be quantified. The Group has different contractual arrangements with each of its clients which will require detailed review in order to assess the changes the Group will need to make to its revenue recognition policies once the standard is implemented. The Management will review and analyse the impact before the next fiscal year close (30 June 2018). The impact will be disclosed in the next financial statements.

Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of net identifiable assets of the acquired entity at the date of acquisition. This goodwill for subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for impairment testing.

(b) Assets acquired through business combinations

These consist of customer relationships, technology based assets and non-compete agreements acquired through business combinations. To meet this definition, the intangibles must be identifiable either by being separable, or by arising from contractual or other legal rights. Intangibles acquired through business combinations are recognised at fair value. Where a reliable estimate of useful life of the intangible can be obtained, the intangible asset is to be amortised using the straight line basis, over the useful life. Where there is an indication of impairment of intangibles, the intangible will be tested for impairment. The estimated useful lives of these assets are:

Customer relationships	3 years
Technology based assets	3 years

GROUP ACCOUNTING POLICIES

Non-compete agreements	3.5 years

(c) Media content and Media platform development

Media content and Media platform development represent intangible assets that have been acquired from third parties and also that are internally generated, including capitalised direct staff costs. Content and platform expenditure is charged against income in the year in which it is incurred unless it meets the recognition criteria of IAS 38 Intangible Assets. To meet the criteria of an intangible asset the Group must demonstrate the following criteria:

- the technical feasibility of completing the asset so that it will be available for use,
- its intention to complete the intangible (or sell it),
- its ability to use or sell the intangible,
- that the intangible will generate future economic benefit,
- that adequate resources are available to complete the intangible, and
- the expenditure can be reliably measured.

Intangible assets, if capitalised, are amortised on a straight-line basis over the period of the expected benefit. Amortisation commences when the asset is ready for use.

(d) Appitalism

Appitalism development represents intangible assets that have been internally generated, including capitalised direct staff costs. To meet the intangible asset criteria the group must demonstrate the technical feasibility of completing the asset so that it will be available for use, its intention to complete the intangible (or sell it), its ability to use or sell the intangible, that the intangible will generate future economic benefit, adequate resources to complete the intangible and the expenditure can be reliably measured. Intangible assets, if capitalised, are amortised on a straight line basis, and reviewed annually for indicators of impairment.

(e) Software

Software represents assets that have been acquired from third parties. To meet the criteria for recognition the intangible asset must be both identifiable and either separable, or arise from contractual or other legal rights. Intangible assets acquired from third parties are stated at cost less accumulated amortisation and impairment losses. Where a reliable estimate of useful life of the intangible can be obtained, the intangible asset is to be amortised using the straight line basis, over the useful life. Where there is an indication of impairment of intangible assets with a definite life, the intangible will be tested for impairment. The estimated useful life of acquired software is 2 years.

Amortisation is included in “Administrative expenses” in the income statement.

Impairment of assets

Assets that have an indefinite useful life, such as goodwill, are not subject to amortisation, but are instead tested annually for impairment and also tested whenever an event or change in situation indicates that the carrying amount may not be recoverable. Assets that are subject to amortisation are also tested for impairment whenever an event or change in situation indicates that the carrying amount may not be recoverable. An impairment loss is recognised in the income statement as the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is determined by the higher of the fair value of an asset less costs to sell and the value in use. In order to assess impairment, assets are grouped at the lowest levels for which separate cash flows can be identified (cash generating units).

Impairment charges are included in the “Administrative expenses” in the income statement.

Taxation

Current tax is the tax currently payable based on taxable profit for the year.

GROUP ACCOUNTING POLICIES

Deferred income tax is provided, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred income tax is determined using tax rates known by the consolidated statement of financial position date and that are expected to apply when the deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred tax liabilities are provided in full. There is no discounting of assets or liabilities.

Changes in deferred tax assets or liabilities are recognised as a component of the tax expense in the income statements, except where they relate to items that are charged or credited directly to equity or other comprehensive income, in which case the related deferred tax is also charged or credited directly to equity or other comprehensive income.

Provisions

Provisions, including those for legal claims, are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the consolidated statement of financial position date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

Financial Assets

a) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits held with financial institutions and other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

b) Trade and other receivables

Trade receivables are included in trade and other receivables in the consolidated statement of financial position. Trade receivables are recognised initially at fair value and later measured at amortised cost using the effective interest method, less any provision for impairment. An impairment provision for trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the terms of the receivables. The provision is calculated as the difference between the receivable's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited in the income statement

Financial Liabilities

Financial liabilities are obligations to pay cash or deliver other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument. All financial liabilities are recorded initially at fair value, net of direct issue costs.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires.

GROUP ACCOUNTING POLICIES

The Group's financial liabilities consist of trade and other payables, which are measured subsequent to initial recognition at amortised cost using the effective interest rate method.

All interest-related charges are reported in the income statement as finance costs.

Revenue recognition

As at 30 June 2017, the Group was organised into four geographical segments: Europe, North America, Latin America, and Asia Pacific. Revenues are from external customers only and are generated from three principal business activities: the sale of mobile content through Mobile Operator Services (Mobile Operator Sales), the sale of mobile content over the internet (Mobile Internet Sales) and the provision of consulting and technical services (Other Service Fees).
Revenue includes the fair value of sale of goods and services, net of value added tax, rebates and discounts and after eliminating intercompany sales within the Group. Revenue is recognised as follows:

a) Mobile Operator Sales & Mobile Internet Sales

Revenue from the sale of goods is recognised when a Group entity has delivered media content to the end consumer, who has accepted the product and collectability of the related receivable is reasonably assured from the customer.

b) Other Service Fees

Revenue is recognised in the accounting period in which the services are rendered, by reference to the stage of completion of the specific transaction, on the basis of the actual service provided as a proportion of the total services to be provided.

c) Interest Income

Interest receivable is recognised in the income statement using the effective interest method. If the collection of interest is considered doubtful, it is deferred and excluded from interest income in the income statement.

d) Deferred Income

Revenue that has been collected from customers but where the above conditions are not met is recorded in the Statement of Financial Position under accruals and deferred income and released to the income statement when the conditions are met.

Share based payments

Employees (including Directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (‘equity-settled transactions’).

The Group has applied the requirements of IFRS 2 Share-based Payments to all grants of equity instruments.

The cost of equity settled transactions with employees is measured by reference to the fair value at the grant date of the equity instruments granted. The fair value is determined by using the Black-Scholes model.

The cost of equity-settled transactions is recognised in the income statement, together with a corresponding increase in retained earnings, over the periods in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (‘vesting date’). At each consolidated statement of financial position date before vesting the cumulative expense is calculated, representing the extent to which the vesting period has expired and management’s best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest. Market conditions are taken into account in determining the fair value of the options granted, at grant date, and are subsequently not adjusted for. The movement in cumulative expense since the previous consolidated statement of financial position date is recognised in the income statement, with a corresponding entry in equity.

GROUP ACCOUNTING POLICIES

No expense or increase in equity is recognised for awards that do not ultimately vest. Awards where vesting is conditional upon a market condition are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are charged to the share premium account.

Leased assets

In accordance with IAS 17, all the Group's leases are determined to be operating leases and the payments made under them are charged to the income statement on a straight line basis over the lease term. Lease incentives are spread over the term of the lease.

Operating leases are leases in which the risks and rewards of ownership are not transferred to the lessee.

Equity balances

a) Called up share capital

Called up share capital represents the aggregate nominal value of ordinary shares in issue.

b) Share premium

The share premium account represents the incremental paid up capital above the nominal value of ordinary shares issued.

c) Translation Reserve

The translation reserve represents the cumulative translation adjustments on translation of foreign operations.

CONSOLIDATED INCOME STATEMENT

		Year ended 30 June 2017 £000's	Year ended 30 June 2016 £000's
Revenue	21	**5.695**	12.786
Cost of sales	21	**(3.942)**	(9.256)
Gross profit	21	**1.753**	3.530
Selling and marketing costs	21	**(769)**	(1.333)
Administrative expenses *	21	**(2.598)**	(3.048)
Operating Loss		**(1.614)**	(851)
Finance income	5	**98**	118
Finance expense	6	**(2)**	(4)
Loss before tax		**(1.518)**	(737)
Tax expense	10	**(209)**	(569)
Loss for the year		**(1.727)**	(1.306)
Attributable to:			
Attributable to equity shareholders of Mobile Streams plc		**(1.727)**	**(1.306)**

Loss per share

		Pence per share	Pence per share
Basic loss per share	9	**(2,620)**	(3,519)
Diluted loss per share	9	**(2,620)**	(3,519)

* Administrative expenses include Depreciation, Amortisation and Impairment £19k (ended 30 June 2016: £59k); Share Based Compensation £118k (ended 30 June 2016: £146k). Other administrative expenses £2.4m (ended 30 June 2016: £2.9m).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 30 June 2017 £000's	Year ended 30 June 2016 £000's
Loss for the year	**(1.728)**	(1.306)
Amounts which may be reclassified to profit & loss		
Exchange differences on translating foreign operations	**(103)**	(1.017)
Total comprehensive loss for the year	**(1.831)**	**(2.323)**
Total comprehensive loss for the year attributable to:		
Equity shareholders of Mobile Streams plc	**(1.831)**	**(2.323)**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2017 £000's	2016 £000's
Assets			
Non- Current			
Property, plant and equipment	12	**16**	20
Deferred tax asset	17	**155**	189
		171	**209**
Current			
Trade and other receivables	14	**1.571**	2.576
Cash and cash equivalents	15	**2.260**	1.367
		3.831	**3.943**
Total assets		**4.002**	**4.152**
Equity			
Equity attributable to equity holders of Mobile Streams plc			
Called up share capital	18	**182**	74
Share premium		**12.463**	10.579
Translation reserve		**(3.253)**	(3.150)
Retained earnings		**(7.553)**	(5.943)
Total equity		**1.839**	**1.560**
Current			
Trade and other payables	16	**1.649**	1.595
Current tax liabilities		**514**	997
		2.163	**2.592**
Total liabilities		**2.163**	**2.592**
Total equity and liabilities		**4.002**	**4.152**

The financial statements were approved by the Board of Directors on 22 November 2017 and are signed on its behalf by:

E Benasso
Chief Financial Officer

Company registration number: 03696108

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity holders of Mobile Streams Plc				
	Called up share capital	**Share premium**	**Translation reserve**	**Retained earnings**	**Total Equity**
	£000's	£000's	£000's	£000's	**£000's**
Balance at 30 June 2015	**74**	**10.579**	**(2.133)**	**(4.782)**	**3.738**
Balance at 1 July 2015	74	10.579	(2.133)	(4.782)	3.738
Credit for share based payments	-	-	-	145	145
Transactions with owners	-	-	-	145	**145**
Loss for the 12 months ended 30 June 2016	-	-	-	(1.306)	(1.306)
Exchange differences on translating foreign operations	-	-	(1.017)	-	(1.017)
Total comprehensive loss for the year	-	-	(1.017)	(1.306)	(2.323)
Balance at 30 June 2016	**74**	**10.579**	**(3.150)**	**(5.943)**	**1.560**
Balance at 1 July 2016	74	10.579	(3.150)	(5.943)	1.560
Credit for share based payments	-	-	-	118	118
New Capitalization	108	1.884	-	-	1.992
Transactions with owners	108	1.884	-	118	2.110
Loss for the 12 months ended 30 June 2017	-	-	-	(1.728)	(1.728)
Exchange differences on translating foreign operations	-	-	(103)	-	(103)
Total comprehensive loss for the year	-	-	(103)	(1.728)	(1.831)
Balance at 30 June 2017	**182**	**12.463**	**(3.253)**	**(7.553)**	**1.839**

CONSOLIDATED CASH FLOW STATEMENT

		Year ended 30 June 2017 £000's	Year ended 30 June 2016 £000's
Operating activities			
Loss before taxation		**(1.518)**	(737)
Adjustments:			
Share based payments		**118**	146
Depreciation	4	**19**	59
Impairments	4	**-**	-
Interest received	5	**(98)**	(118)
Interest paid	6	**2**	
Changes in trade and other receivables		**1.005**	304
Changes in trade and other payables		**54**	13
Tax paid		**(692)**	(237)
Total cash generated in operating activities		**(1.110)**	**(570)**
Investing activities			
Additions to property, plant and equipment	12	**(15)**	(8)
Interest received	5	**98**	118
Interest paid	6	**(2)**	
Net Cash generated from investing activities		**81**	**110**
Financing activities			
Issue of share capital (net of expenses paid)		**1.969**	-
Net Cash generated from financing activities		**1.969**	-
Net change in cash and cash equivalents		**940**	(460)
Cash and cash equivalents at beginning of year		**1.367**	2.098
Exchange (losses) on cash and cash equivalents		**(47)**	(271)
Cash and cash equivalents, end of year	15	**2.260**	**1.367**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Mobile Streams Plc (the Company) and its subsidiaries (together 'the Group') sell digital content, primarily for distribution on wireless devices. The Group has subsidiaries in Europe, Asia, North America and Latin America. The Group has made various strategic acquisitions to build its market share in these regions.

The Company is a public limited company incorporated and domiciled in the United Kingdom. The address of its registered office is 14 Cleveland Grove, Newbury, Berkshire, RG14 1XF

The Company is listed on the London Stock Exchange's Alternative Investment Market.

These consolidated financial statements have been approved for issue by the Board of Directors on 22 November 2017.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are evaluated on a regular basis and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances.

2.1 CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The Group makes estimates and assumptions concerning the future. These estimates, by definition, will rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates

(a) Accrued revenue and accrued content costs

Estimation is required by management to determine the value of accrued revenue and accrued content cost liability which is based on the content delivery to its customers. Due to the timing of confirmation of delivery of content to its customers from the service providers, management estimation is applied to determine the level of accrued revenue and accrued content liability to be recognised within the financial statements until confirmation is received.

Judgement

(b) Income taxes

The Group is subject to income taxes in various jurisdictions. Judgement is required in determining the worldwide provision for income taxes. There are many transactions/calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome is different to what is initially recorded, such differences will impact the income tax and deferred tax provisions.

(c) Deferred taxation

Judgement is required by management in determining whether the Group should recognise a deferred tax asset. Management consider whether there is sufficient certainty its tax losses available to carry forward will ultimately be offset against future earnings, this judgement impacts on the degree to which deferred tax assets are recognised. The deferred tax credit is produced by the Argentina subsidiary, which has been profitable and paid income tax return along the years.

3. SERVICES PROVIDED BY THE GROUP'S AUDITOR AND NETWORK FIRMS

During the year ended 30 June 2017 the Group (including its overseas subsidiaries) obtained the following services from the Group's auditor and network firms:

	Year ended 2017 £000's	Year ended 2016 £000's
Fees payable to the Company’s auditor and its associates for the audit of the parent company and consolidated accounts	**51**	69
Non-Audit services:		
Fees payable to the Company's auditor and its associates for other services:		
Interim statement review	**9**	11
Tax compliance and advisory services	**6**	12
	66	92

4. OPERATING LOSS/ (PROFIT)

Operating (loss)/profit is stated after charging the following items:	Notes	Year ended 2017 £000's	Year ended 2016 £000's
Depreciation	12	**19**	59
Loss on foreign currency		**3**	(402)
		22	**(343)**

5. FINANCE INCOME

	2017 £000's	2016 £000's
Interest receivable	**98**	**118**

6. FINANCE EXPENSE

	2017 £000's	2016 £000's
Interest expense	**(2)**	**(4)**

7. DIRECTORS' AND OFFICERS' REMUNERATION

The Directors are regarded as the key management personnel of Mobile Streams Plc.

Charges in relation to remuneration received by key management personnel for services in all capacities during the year ended 30 June 2017 are as follows:

KEY MANAGEMENT REMUNERATION

	2017 £000's	2016 £000's
Short- term employee benefits		
- benefits	**6**	-
- salaries/remuneration	**357**	328
	363	**328**

8. DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2017 £000's	2016 £000's
Wages and salaries	**1.520**	2.012
Social security costs	**137**	225
	1.657	**2.237**

BENEFITS

	Europe	Asia Pacific	North America	Latin America	Group
Benefits	(5)	(5)	(4)	(53)	**(67)**

PRIOR YEAR

BENEFITS

	Europe	Asia Pacific	North America	Latin America	Group
Benefits	(2)	(4)	(17)	(67)	**(90)**

The average number of employees during the year to 30 June 2017 was as follows:

	Year ended 2017 Number	Year ended 2016 Number
Management	**6**	7
Administration	**16**	40
	22	**47**

9. LOSS PER SHARE

Basic loss per share is calculated by dividing the loss or profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the period. The options this year are not-dilutive as loss-making.

	Year ended 2017 Pence per share	Year ended 2016 Pence per share
Basic loss per share	**(2,620)**	(3,519)
Diluted loss per share	**(2,620)**	(3,519)

Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below.

	2017	2016
	£000's	£000's
Loss for the year	(1.727)	(1.306)
For adjusted earnings per share	£000's	£000's
Loss for the year	(1.727)	(1.306)
Add back: share compensation expense	118	146
Add back: depreciation and amortisation	19	59
Adjusted loss for the year	(1.590)	(1.101)

Weighted average number of shares

	Number of shares	Number of shares
For basic earnings per share	65.910.376	37.114.283
Exercisable share options	-	-
For diluted earnings per share	65.910.376	37.114.283
	Pence per share	**Pence per share**
Adjusted Loss per share	(2,414)	(2,967)
Adjusted diluted Loss per share	(2,414)	(2,967)

For year ended 30 June 2017, 4m (2016: 3.17m) potential ordinary shares has been excluded from the calculations of earnings per share as they are anti-dilutive.

The adjusted EPS has been calculated to reflect the underlying profitability of the business by excluding non-cash charges for depreciation, amortisation, impairments and share compensation charges.

10. INCOME TAX EXPENSE

The tax charge is based on the profit before tax for the year and represents:

	2017	2016
	£'000	£'000
Foreign tax on profits of the period	176	473
Total current tax	176	473
Deferred tax:		
Origination & reversal of timing differences: (Deferred tax charge/(credit) (Note 17)	33	96
Tax on (loss)/profit on ordinary activities	209	569
Factors affecting the tax charge for the period		
Loss on ordinary activities before tax	(1.518)	(737)
Loss multiplied by standard rate		
of corporation tax in the United Kingdom of 20.75%/24%	(315)	(153)
Effects of:		
Adjustment for tax-rate differences	(39)	177
Expenses not deductible for tax purposes	(33)	(96)
Expenses not deductible others subsidiaries	402	217
Other	(120)	271
Current tax charge for the period	209	569
Comprising		
Current tax expense	176	473
Deferred tax (expense), income, resulting from the origination and reversal of temporary differences	33	96
	209	569
Provision for deferred tax (Deferred tax asset)		
Provision brought forward	189	285
Current Year	(33)	(96)
Traslation adjustment	(1)	-
Deferred tax provision/(asset) carried forward	155	189
Relating to		
Expenses deducted in Argentina on a paid basis	155	189
Provision for deferred tax	155	189

11. DIVIDENDS

No dividends were paid or proposed during the current year or prior year.

12. PROPERTY, PLANT AND EQUIPMENT

	Office furniture, plant and equipment £000's
Cost	
At 1 July 2016	556
Additions	15
Translation adjustments	(0)
At 30 June 2017	**571**
Depreciation	
At 1 July 2016	536
Provided in the year	19
Translation adjustments	-
At 30 June 2017	**555**
Net book value at 30 June 2017	**16**

	Office furniture, plant and equipment £000's
Cost	
At 1 July 2015	568
Additions	8
Translation adjustments	(20)
At 30 June 2016	**556**
Depreciation	
At 1 July 2015	474
Provided in the year	59
Translation adjustments	3
At 30 June 2016	**536**
Net book value at 30 June 2016	**20**

13. GOODWILL AND INTANGIBLE ASSETS

The Group impaired in full the remaining value of goodwill attributable to Mobile Streams (Hong Kong) Limited and its subsidiaries in Singapore and Australia which make up the Asia Pacific operating segment at June 2014.

	Media platform development and software £000's	Media content £000's	Appitalism £000's	Other intangibles £000's	Subtotal £000's	Goodwill £000's	Total £000's
Cost							
At 1 July 2016	2.348	332	337	2.364	5.381	2.670	**8.051**
At 30 June 2017	**2.348**	**332**	**337**	**2.364**	**5.381**	**2.670**	**8.051**
Accumulated amortisation and impairment							
At 1 July 2016	2.348	332	337	2.364	5.381	2.670	**8.051**
At 30 June 2017	**2.348**	**332**	**337**	**2.364**	**5.381**	**2.670**	**8.051**
Net book value at 30 June 2017	-	-	-	-	-	-	-

	Media platform development and software £000's	Media content £000's	Appitalism £000's	Other intangibles £000's	Subtotal £000's	Goodwill £000's	**Total £000's**
Cost							
At 1 July 2015	2.348	332	337	2.364	5.381	2.670	**8.051**
At 30 June 2016	**2.348**	**332**	**337**	**2.364**	**5.381**	**2.670**	**8.051**
Accumulated amortisation and impairment							
At 1 July 2015	2.348	332	337	2.364	5.381	2.290	**7.671**
Impairment	-	-	-	-	-	380	**380**
At 30 June 2016	**2.348**	**332**	**337**	**2.364**	**5.381**	**2.670**	**8.051**
Net book value at 30 June 2016	-	-	-	-	-	-	-

Other intangible assets

Mobile Streams' other intangible assets comprised acquired customer relationships, technology based assets and non-compete agreements. These assets are fully amortised.

14. TRADE AND OTHER RECEIVABLES

	2017 £000's	2016 £000's
Trade receivables	**297**	555
Accrued receivables	**146**	434
Other debtors	**1.128**	1.587
	1.571	**2.576**

The carrying value of receivables is considered a reasonable approximation of fair value.

In addition, some of the unimpaired trade receivables are past due as at the reporting date. The age profile of trade receivables is as follows:

	2017 £000's	2016 £000's
Within terms		
Not more than 30 days	**212**	238
Overdue		
Not more than 3 months	**6**	97
More than 3 months but not more than 6 months	**6**	2
More than 6 months but not more than 1 year	**24**	154
More than 1 year	**200**	256
Provision for doubtful debts	**(151)**	(192)
	297	**555**

Provision for doubtful debts reconciliation

	2017 £000's	2016 £000's
Opening provision for doubtful debts	**192**	173
Change in provision during the year	**(41)**	19
Closing provision for doubtful debts	**151**	**192**

Trade and other receivables that are not past due or impaired are considered to be collectible within the Group's normal payment terms.

15. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	2017 £000's	2016 £000's
Argentina´s cash at bank and in hand	**654**	**1178**
Other companies	**1.606**	**189**
Cash at bank and in hand	**2.260**	**1.367**

16. TRADE AND OTHER PAYABLES

	2017 £000's	2016 £000's
Trade payables	**368**	349
Other payables	**150**	161
Accruals and deferred income	**1.131**	1.085
	1.649	**1.595**

All amounts are current. The carrying values are considered to be a reasonable approximation of fair value.

17. DEFERRED TAX ASSETS AND LIABILITIES

	Balance 30 June 2015 £000's	Recognised in income statement £000's	Balance 30 June 2016 £000's	Recognised in income statement £000's	Traslation Adjustment £000's	Balance 30 June 2017 £000's
Deferred tax asset:						
- Expenses accrued	58	(35)	23	(9)	-	14
- Royalties	89	(36)	53	(5)	-	48
- Bonus provisions	-	-	-	-	-	-
- Others	138	(26)	112	(19)	-	93
Deferred tax asset	**285**	**(96)**	**189**	**(33)**	**-**	**155**
Deferred tax liability:						
- On intangible assets	-	-	-	-	-	-

The majority of the deferred tax asset credit was produced from unpaid intercompany balances in Argentina. This temporary difference is expected to be reversed once the balances are repaid. No deferred tax asset has been recognised in respect of surplus tax losses available for carry forward due to uncertainty over the timing of future taxable profits. There are gross losses available within the Group for carry forward of £2.3m.

18. SHARE CAPITAL

The Company only has one class of share. The total number of shares in issue as at 30 June 2017 is 91,593,533 (30 June 2016: 37,114,283) with a par value of £0.002 per share. All issued shares are fully paid.

The Group's main source of capital is the parent company's equity shares. The policy which is met by the Group is to retain sufficient authorised share capital so as to be able to issue further shares to fund acquisitions, settle share based transactions and raise new funds. Share based payments relate to employee share options schemes. The schemes have restrictions on headroom so as not to dilute the value of issued shares of the Company. The Group has not raised debt financing in the past and expects not to do so in the future.

	2017	2016
	£000's	£000's
Authorised		
149,082,791 ordinary shares of £0.002 each (30 June 2016: 69,150,000)	**298**	138
Allotted, called up and fully paid:		
91,593,533 ordinary shares of £0.002 each (30 June 2016: 37,114,283)	**183**	74

Allotted, called up and fully paid

	Year ended 2017	**Year ended 2016**
In issue at 1 July 2016	37.114.283	37.114.283
Issued	54.479.250	-
In issue at 30 June 2017	91.593.533	37.114.283

Other Reserves

Share Premium Account
The balance in the share premium account represents the proceeds received above the nominal value on the issue of the Company's equity share capital.

Translation Reserve
The Translation reserve contains the exchange differences arising on translating foreign operations.

19. SHARE BASED PAYMENTS

The Group operates three share option incentive plans – an Enterprise Management Incentive Scheme, a Global Share Option Plan and an ISO Sub Plan - in order to attract and retain key staff. The remuneration committee can grant options over shares in the Company to employees of the Group. Options are granted with a fixed exercise price equal to the market price of the shares under option at the date of grant and are equity settled, the contractual life of an option is 10 years. Exercise of an option is subject to continued employment. Options are valued at date of grant using the Black-Scholes option pricing model.

On 31 December 2016, 500,000 options were granted to Company personnel. Strike value was £0.05 per option.

The volatility of the Company's share price on the date of grant was calculated as the average of volatilities of share prices of companies in the Peer Group on the corresponding date. The volatility of share price of each company in the Peer Group was calculated as the average of annualised standard deviations of daily continuously compounded returns on the Company's stock, calculated over 1, 2, 3, 4 and 5 years back from the date of grant, where applicable. The risk-free rate is the yield to maturity on the date of grant of a UK Gilt Strip, with term to maturity equal to the life of the option. The expected life of an employee share option is 5 years.
The calculation model includes these variables:

Expected volatility: 86.7%

Expected dividends: 0 (Nil)

Risk free interest rate: 1.99%

Share options in issue at the year-end under the various schemes are:

1. Personal to the Option Holder and are not transferable, or assignable.

2. Shall not be exercisable on or after the tenth anniversary of the grant date.

3. Subject to the rules of the Plans, the Options shall Vest as follows – Options vest at 33.3% per year:

    - 33.3% vest on the First Anniversary of the grant of option;
    - A second 33.3% vest on the Second Anniversary of the grant of option; and
    - The last 33.33% vest on the Third Anniversary of the grant of option.

	2017			2016		
Range of exercise prices	**Weighted average exercise price (£)**	**Number of Shares (000's)**	**Weighted average remaining life (years): Contractual**	Weighted average exercise price (£)	Number of Shares (000's)	Weighted average remaining life (years): Contractual
£0 - £0.50	**0,282**	**1014**	**4,3**	0,28	1.014	5,30
£0.51 - £1.00	**0,640**	**3487**	**3,1**	0,740	2.987	4,00

No share options were exercised during the year ended on 30 June 2017. (2016: Nil).

The total charge for the year relating to employee share based payment plans was £118k (2016: £147k), all of which related to equity-settled share based payment transactions.

20. OPERATING LEASES

The Group operating leases for land and buildings were cancelled before the end of the year.year.

	Land and Buildings	
	2017	**2016**
	£000's	**£000's**
Future minumum lease payments under non-cancelabble operating leases		
Within one year	-	11
In two-five years	-	-
In more than five years	-	-
	-	**11**

The Hong Kong office was closed in December 2016 and the lease agreement was terminated. The Argentina office lease contract expired on May 31 2016 and it was replaced by a shared office space with monthly fee, with a contract cancelabble with a 30 days notice, so no future minimum lease payments are applicable.

Lease payments recognised as an expense during the period amount to £108k (2016: £222k).

21. SEGMENT REPORTING

As at 30 June 2017, the Group was organised into 4 geographical segments: Europe, North America, Latin American, and Asia Pacific. The operating segments are organised, managed and reported to the Chief Operating Decision Maker based on their geographical location. Revenues are from external customers only and generated from three principal business activities: the sale of mobile content through Multi-National Organisation's (Mobile Operator Services), the sale of mobile content over the internet (Mobile Internet Services) and the provision of consulting and technical services (Other Service Fees).

All operations are continuing and all inter-segment transactions are priced and carried out at arm's length.

The segmental results for the year ended 30 June 2017 are as follows:

£000's	Europe	Asia Pacific	North America	Latin America	Group
Mobile Operator Services	34	2	48	-	84
Mobile Internet Services	-	398	4	5.195	5.597
Other Service fees	10	-	3	1	14
Total Revenue	44	400	55	5.196	5.695
Cost of sales	(8)	(260)	(12)	(3.662)	(3.942)
Gross profit	36	140	43	1.534	1.753
Selling, marketing and administration expenses	(596)	(442)	(120)	(2.072)	(3.230)
Trading EBITDA*	(560)	(302)	(77)	(538)	(1.477)
Depreciation, amortisation and impairment	-	-	(19)	-	(19)
Share based compensation	(118)	-	-	-	(118)
Finance income	-	-	-	98	98
Finance expense	(2)	-	1	(1)	(2)
Loss before tax	(680)	(302)	(95)	(441)	(1.518)
Taxation	(84)	-	-	(125)	(209)
Loss after tax	(764)	(302)	(95)	(566)	(1.727)
Segmental assets	1.370	314	175	2.143	4.002

The segmental results for the year ended 30 June 2016 are as follows:

£000's	**Europe**	**Asia Pacific**	**North America**	**Latin America**	**Group**
Mobile Operator Services	**31**	**6**	**58**	**80**	**175**
Mobile Internet Services	**-**	**21**	**11**	**12.552**	**12.583**
Other Service fees	**23**	**-**	**-**	**5**	**28**
Total Revenue	**54**	**27**	**69**	**12.637**	**12.786**
Cost of sales	**(33)**	**(29)**	**(30)**	**(9.165)**	**(9.256)**
Gross profit	**21**	**(2)**	**39**	**3.472**	**3.530**
Selling, marketing and administration expenses	**(557)**	**(317)**	**(113)**	**(3.189)**	**(4.176)**
Trading EBITDA*	**(536)**	**(318)**	**(74)**	**283**	**(646)**
Depreciation, amortisation and impairment	**-**	**(1)**	**(0)**	**(57)**	**(58)**
Share based compensation	**(146)**	**-**	**-**	**-**	**(146)**
Finance income/expense	**-**	**-**	**-**	**113**	**113**
Loss before tax	**(682)**	**(319)**	**(74)**	**338**	**(737)**
Taxation	**-**	**-**	**-**	**(569)**	**(569)**
Loss after tax	**(682)**	**(319)**	**(74)**	**(231)**	**(1.306)**
Segmental assets	84	117	179	3.772	4.152
Segmental liabilities	161	(34)	296	2.168	2.592

* Earnings before interest, tax, depreciation, amortization, impairments of assets and share compensation

The totals presented in the Group's operating region segments reconcile to the Group's key financial figures as presented in its financial statements as follows:

	2017	2016
	£000's	£000's
Segment revenues		
Total segment revenues	**5.695**	12.786
Group's revenues	**5.695**	**12.786**
Segment results		
Total segment Loss after tax	**(1.727)**	(1.306)
Group's Loss after tax	**(1.727)**	**(1.306)**
Segment assets		
Total segment assets	**4.002**	4.152
Consolidation eliminations	-	-
Group's assets	**4.002**	**4.152**
Segment liabilities		
Total segment liabilities	**2.163**	2.592
Consolidation eliminations	-	-
Groups's liabilities	**2.163**	**2.592**

Revenue in Argentina represents 83.7% of the total revenue of the Group; then Mexico 8.6%, India 7.1% and the rest of the companies 0.5%. One main customer in Argentina comprises the 56.9% of the total Group revenue.

INTEREST REVENUE

Interest Revenue for the year ended 30 June 2017 was £98k (2016: £118k)

DEFERRED TAX

Year ended 30 June 2017

DEFERRED TAX	Europe	Asia Pacific	North America	Latin America	Group
Deferred Tax	-	-	-	155	**155**

Year ended 30 June 2016

DEFERRED TAX	Europe	Asia Pacific	North America	Latin America	Group
Deferred Tax	-	-	-	189	**189**

The deferred tax credit was produced by the Argentina subsidiary, which was profitable along the years.

22. CAPITAL COMMITMENTS

The Group has no capital commitments as at 30 June 2017 (30 June 2016: £Nil).

23. RELATED PARTY TRANSACTIONS

Key Management

The only related party transactions that occurred during the year were the remuneration of senior management disclosed in note 7.

24. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to currency and liquidity risk, which result from both its operating and investing activities. The Group's risk management is coordinated in close co-operation with the Board and focuses on actively securing the Group's short to medium term cash flows by minimising the exposure to financial markets. The most significant financial risks to which the Group is exposed are described below. Also refer to the accounting policies.

Foreign currency risk

The Group is exposed to transaction foreign exchange risk. The currencies where the Group is most exposed to volatility are US Dollars, Australian Dollars, Argentine Peso, Mexican Peso and Colombian Peso.

Currently, there is generally an alignment of assets and liabilities in a particular market and no hedging instruments are used. In Latin American markets cash in excess of working capital is converted into a hard currency such as US Dollars, except in Argentina, where domestic regulations prevented companies from acquiring US Dollars until December 2015. Given this situation, the Argentine subsidiary is considering other alternatives to hedge a possible devaluation of local currency. The Company will continue to review its currency risk position as the overall business profile changes.

Foreign currency denominated financial assets and liabilities, which are all short-term in nature and translated into local currency at the closing rate, are as follows.

	2017				**2016**			
	000's				**000's**			
	USD	AUS	ARS	Other	USD	AUS	ARS	Other
Nominal amounts	£	£	£	£	£	£	£	£
Financial assets	129	60	1.437	389	126	59	2.672	336
Financial liabilities	(297)	(50)	(943)	(606)	(295)	(46)	(1.477)	(612)
Short-term exposure	(168)	10	494	(217)	(169)	13	1.195	(276)

Percentage movements for the period in regards to the British Pound to US Dollar, Australian Dollar and Argentine Peso exchange rates are as follows. These percentages have been determined based on the average market volatility in exchange rates during the period.

	2017	2016
US Dollar	3%	17%
Australian Dollar	6%	14%
Argentine Peso	-6%	-28%

Effect of possible changes in currency rates

	£'000	**£'000**
Currency: GBP	**Effect on Profit**	**Effect on Equity**
Effect of a 10% US Dollar devaluation (against the GBP)	(128)	(128)
Effect of a 10% US Dollar Appreciation (against the GBP)	128	128
Effect of a 10% Australian Dollar devaluation (against the GBP)	75	75
Effect of a 10% Australian Dollar appreciation (against the GBP)	(75)	(75)
Effect of a 20% Peso devaluation (against the GBP)	(179)	(179)

	Year ended 2017 £000's	Year ended 2016 £000's
Foreign currency	(3)	402

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Management prepares cash flow forecasts which are reviewed at Board meetings to ensure liquidity. The Group has no borrowing arrangements.

As at 30 June 2017, the Group's financial liabilities were all current and have contractual maturities as follows:

30 June 2017	Within 6 months £000's	6 to 12 months £000's
Trade and other payables	518	-

The maturity of the Group's financial liabilities, which were all current at the previous year end, was as follows:

30 June 2016	Within 6 months £000's	6 to 12 months £000's
Trade and other payables	510	-

Capital Management Disclosures

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group could return capital to shareholders or issue new shares.

The Group considers its capital to comprise the following:

	2017 £000's	2016 £000's
Ordiary Share capital	183	74
Share premium	12.463	10.579
translation reserve	(3.253)	(3.150)
Retained earnings	(7.553)	(5.943)
	1.840	**1.560**

25. FINANCIAL RISK MANAGEMENT

The Group's financial assets and financial liabilities, as defined by IAS 32, are categorised as follows:

	2017	2016
	£000's	£000's
Financial Assets		
Accrued Receivables	146	434
Trade receivables	297	554
Cash and Cash equivalents	2.260	1.367
Group's revenues	**2.703**	**2.355**
Financial Liabilities		
Trade Creditors	(368)	(349)
Accrued content costs	(630)	(676)
Other Accrued liabilities	(501)	(409)
Group's assets	**(1.499)**	**(1.434)**

Management have assessed that the fair value of cash and short term deposits, trade receivables, accrued receivables, trade payables and accrued payables approximate to their carrying amounts as those items have short term maturities.

26. EVENTS AFTER THE REPORTING PERIOD

Directors resignation

Tim Maunder presented his resignation to the Board of Directors, to be effective after the Annual General Meeting. Roger Parry communicated he would be leaving the board after the AGM as well. Mark Carleton resigned from the Board of Directors on 20 January 2017.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF MOBILE STREAMS PLC

Opinion

Our opinion on the parent company financial statements is unmodified.

We have audited the parent company financial statements of Mobile Streams Plc for the year ended 30 June 2017 which comprise the parent company accounting policies, the Company statement of financial position, the Company Statement of Changes in Equity and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the parent company financial statements:
- give a true and fair view of the state of the parent company's affairs as at 30 June 2017;
- 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the parent company financial statements section of our report. We are independent of the parent company in accordance with the ethical requirements that are relevant to our audit of the parent company financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the directors' use of the going concern basis of accounting in the preparation of the parent company financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Overview of our audit approach

- Overall materiality: £25,000, which represents 1% of the company's net assets capped at 90% of group materiality
- The parent company is a holding company: and
- No key audit matters were identified.

Key audit matters

We identified no key audit matters in relation to the audit of the parent company financial statements.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our work and in evaluating the results of that work.

We determined materiality for the audit of the parent company financial statements as a whole to be £25,000, which is 1% of net assets capped at 90% of group materiality. This benchmark is considered the most appropriate because the company is a holding company.

Materiality for the current year is lower than the level that we determined for the year ended 30 June 2016 to reflect the lower group audit materiality.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality.

We also determine a lower level of specific materiality for as appropriate, for example, directors' remuneration and related party transactions.

We determined the threshold at which we will communicate misstatements to the audit committee to be £1,550. In addition, we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the company's business, its environment and risk profile.

Our audit report on the group financial statements includes details regarding the overview of the scope of our audit.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report set out on pages 3 to 14, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the parent company financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the parent company financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement of the parent company financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the parent company financial statements are prepared is consistent with the parent company financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the parent company financial statements

Our objectives are to obtain reasonable assurance about whether the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company financial statements.

A further description of our responsibilities for the audit of the parent company financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matter

We have reported separately on the group financial statements of Mobile Streams Plc for the year ended 30 June 2017. That report includes details of the group key audit matters; how we applied the concept of materiality in planning and performing our audit; and an overview of the scope of our audit.

Grant Thornton UK LLP

Christopher Smith
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
22/11/17

COMPANY ACCOUNTING POLICIES

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 – "Reduced Disclosure Framework" (FRS 101) The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have all been applied consistently throughout the year unless otherwise stated.

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Sterling (£) and have been presented in round thousands (£'000).

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore these financial statements do not include:

1. A statement of cash flows and related notes
2. The requirements of IAS 24 related party disclosures to disclose related party transactions entered in to between two or more members of the group as they are wholly owned within the group.
3. The effect of future accounting standards not adopted.
4. Certain share based payment disclosures.
5. Disclosures in relation to impairment of assets.
6. Disclosures in respect of financial instruments (other than disclosures required as a result of recording financial instruments at fair value).

Additionally, the consolidated Group prepares accounts under IFRS which should be read in conjunction with these statements.

Basis of preparation

The financial statements have been prepared on the historical cost basis. The principal accounting policies are set out below. The company has applied the exemption under section 408 of the Companies Act 2006 and has not included the individual profit and loss account statement in the financial statements.

INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated in the Company's consolidated statement of financial position at cost less provisions for impairment.

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the consolidated statement of financial position date. Deferred tax assets are recognised when it is more likely than not that they will be recovered.

Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the b consolidated statement of financial position date. Deferred tax assets and liabilities are not discounted.

COMPANY ACCOUNTING POLICIES

FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the consolidated statement of financial position date. All exchange differences are dealt with through the profit and loss account.

OPERATING LEASES

Rentals in respect of leases are charged to the profit and loss account in equal amounts over the lease term.

SHARE BASED PAYMENTS

Employees (including Directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ('equity-settled transactions').

Equity settled transactions

The Group has applied the requirements of IFRS 2 "Share Based Payments" to all grants of equity instruments.

The cost of equity settled transactions with employees is measured by reference to the fair value at the grant date of the equity instruments granted. The fair value is determined by using the Black-Scholes model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in retained earnings, over the periods in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('vesting date'). At each consolidated statement of financial position date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest. Market conditions are taken into account in determining the fair value of options granted, at grant date, and are not subsequently adjusted for. The movement in cumulative expense since the previous consolidated statement of financial position date is recognised in the income statement, with a corresponding entry in equity.

No expense or increase in equity is recognised for awards that do not ultimately vest. Awards where vesting is conditional upon a market condition are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Financial Assets

a) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits held with financial institutions and other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

b) Trade and other receivables

Trade receivables are included in trade and other receivables in the company statement of financial position. Trade receivables are recognised initially at fair value and later measured at amortised cost using the effective interest method, less any provision for impairment. An impairment provision for trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the terms of the receivables. The provision is calculated as the difference between the receivable's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. Subsequent recoveries of amounts previously written off are credited in the income statement

COMPANY ACCOUNTING POLICIES

Financial Liabilities

Financial liabilities are obligations to pay cash or deliver other financial assets and are recognised when the company becomes a party to the contractual provisions of the instrument. All financial liabilities are recorded initially at fair value, net of direct issue costs.

A financial liability is derecognised only when the obligation is extinguished, that is, when the obligation is discharged or cancelled or expires.

The company's financial liabilities consist of trade and other payables, which are measured subsequent to initial recognition at amortised cost using the effective interest rate method.

All interest-related charges are reported in the income statement as finance costs.

COMPANY PROFIT AND LOSS ACCOUNT

The parent Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The parent Company's recognized loss for the year ended June 30 2017 was £ 1,768,711.

MOBILE STREAMS PLC

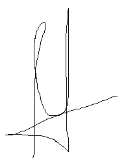
Financial Statements for the year ended 30 June 2017

COMPANY STATEMENT OF CHANGES IN EQUITY

		30 June 2017	30 June 2016
		£000's	**£000's**
Fixed assets			
Investments in subsidiaries	1	20	20
Total fixed assets		20	20
Current assets			
Debtors	2	1.016	1.903
Cash and cash equivalents		1.364	29
Others assets		7	7
Total current assets		2.387	1.939
Creditors: amounts falling due within one year	3	(267)	(161)
Net current assets		2.120	1.778
Net assets		**2.140**	**1.798**
Capital and reserves			
Called up share capital	4	183	74
Share premium	5	12.463	10.579
Profit and loss account	5	(10.506)	(8.855)
Shareholders funds		**2.140**	**1.798**

The parent Company has taken advantage of Section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The parent Company's recognized loss for the year ended 30 June 2017 was £ 1,768,711.

The financial statements were approved by the Board of Directors on 22 November 2017.



E Benasso
Chief Financial Officer
Company registration number: 03696108

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

	Share capital account £000	Share premium account £000	Share based payment reserve £000	Profit and loss account £000	Total £000
At 1 July1 2014	74	10.579	393	(9.852)	1.194
Gain/(loss) for the year				421	421
Share based payments - share options			219		219
At 30 June 2015	**74**	**10.579**	**612**	**(9.431)**	**1.834**
At 1 July1 2015	74	10.579	612	(9.431)	1.834
Loss for the year				(182)	(182)
Share based payments - share options			146		146
At 30 June 2016	**74**	**10.579**	**758**	**(9.613)**	**1.798**
At 1 July1 2016	74	10.579	758	(9.613)	1.798
New capitalizazion	109	1.884			1.993
Loss for the year				(1.769)	(1.769)
Share based payments - share options			118		118
At 30 June 2017	**183**	**12.463**	**876**	**(11.382)**	**2.140**

NOTES TO COMPANY FINANCIAL STATEMENTS

1. INVESTMENT IN SUBSIDIARY COMPANIES

	30 June 2017 £000's	30 June 2016 £000's
Cost	3.636	3.636
Accumulated impairment	(3.616)	(3.616)
Net Book Value after impairment	20	20

Investments in subsidiaries are reviewed for impairment when events indicate the carrying amount may not be recoverable and are accounted for in the Company's financial statements at cost less accumulated impairment losses.

Investments in Subsidiary undertakings comprise:

	Proportion held		
	Directly by Mobile Streams Plc	By other Group companies	Total held by Group
Mobile Streams Inc.	100%	-	100%
Appitalism, Inc.	100%	-	100%
Mobile Streams de Argentina SRL	50%	50%	100%
Mobile Streams Chile Ltda.	50%	50%	100%
Mobile Streams de Colombia Ltda.	50%	50%	100%
Mobile Streams of Mexico S De RL De CV	50%	50%	100%
The Nickels Group Inc.	-	100%	100%
Mobile Streams Venezuela SA	100%	-	100%
Mobile Streams Australia Pty Limited	-	100%	100%
Mobile Streams (Hong Kong) Limited	100%	-	100%
Mobile Streams Singapore Limited	-	100%	100%
Mobile Streams India Private Limited	99,99%	-	99,99%

All the subsidiaries' issued shares were ordinary shares and their principal activities were the distribution of licensed mobile phone content.

NOTES TO COMPANY FINANCIAL STATEMENTS (CONTINUED)

2. Debtors

	2017 £000's	2016 £000's
Trade debtors	**25**	29
Amounts owed by Group undertaking	**991**	1.874
	1.016	**1.903**

We estimate these receivables are fully recoverable during the next year.

3. Creditors: amounts falling due within one year

	2017 £000's	2016 £000's
Trade creditors	**184**	69
Accruals and deferred income	**83**	92
	267	**161**

4. SHARE CAPITAL

For details of share capital refer to note 18 to the Group financial statements.

5. SHARE PREMIUM ACCOUNT

	Share Premium £000's
At 1 July 2015	**10.579**
Premium on shares issued in year	
At 30 June 2016	**10.579**
At 1 July 2016	
Premium on shares issued in year	**1.884**
At 30 June 2017	**12.463**

6. CAPITAL COMMITMENTS

The Company has no capital commitments at 30 June 2017 (2016: Nil).

7. CONTINGENT LIABILITIES

As at 30 June 2017 there were no contingent liabilities (2016: Nil).

NOTES TO COMPANY FINANCIAL STATEMENTS (CONTINUED)

8. RELATED PARTY TRANSACTIONS

During the year the Company remunerated the Directors and Officers as disclosed in note 7 in the consolidated financial statements.

The company is taking advantage of the exemption per IAS 24 which does not require disclosure of transactions entered into between members of a group when one of the transacting parties is a wholly owned subsidiary.

9. DIRECTORS AND EMPLOYEES

The average number of employees during the year to 30 June 2017 was as follows:

	Year ended 2017 Number	**Year ended 2016 Number**
Management	**2**	3
Administration	**-**	-
	2	**3**