

MOBILE STREAMS PLC

Financial Statements for the year ended 30 June 2015

MOBILE STREAMS PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2015

MOBILE STREAMS PLC

Financial Statements for the year ended 30 June 2015

Company registration number: 03696108

Registered office: 125 Wood Street
London, EC2V 7AW

Directors: E Benasso
S D Buckingham
M Carleton
T Maunder
R G Parry
P Tomlinson

Chairman: R G Parry

Secretary: Pennsec Limited

Bankers: National Westminster Bank plc
PO Box 13
30 Market Place
Newbury
RG14 1AS

Auditor: Grant Thornton UK LLP
Chartered Accountants and Statutory Auditor
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

Nominated Adviser & Broker N Plus 1 Singer Advisory LLP
One Bartholomew Lane
London
EC2N 2AX

Corporate web site: www.mobilestreams.com

MOBILE STREAMS PLC

Financial Statements for the year ended 30 June 2015

Contents	PAGE
Chairman's statement	2
Strategic Report	3
Directors' report	9
Report of the independent auditor	13
Accounting policies	15
Consolidated income statement	23
Consolidated statement of comprehensive income	24
Consolidated statement of financial position	25
Consolidated statement of changes in equity	26
Consolidated cash flow statement	27
Notes to the consolidated financial statements	28
Report of the independent auditor	48
Company accounting policies	50
Company balance sheet	52
Notes to the Company financial statements	53

13 October 2015

Chairman's Statement:

The Board of Mobile Streams plc presents its audited accounts for the financial year ended 30 June 2015.

The past twelve months has seen Mobile Streams plc (the "Group" or the "Company") continue with its strategy to develop a content offering across a wide range of mobile devices in a number of large emerging markets direct to consumers. This is in addition to our original business of providing content to mobile network operators and other business partners. The operating performance of the business reflects our substantial positioning in Argentina and Latin America. It also reflects the cost of working with Argentinian currency control rules.

Group revenue for the year ended 30 June 2015 was £29.1m (2014: £48.6m). Trading EBITDA* was £1.1m for year (2014: £0.7m). Profit before tax was £0.8m (2014: £0.2m). Much of the reduction in revenues is attributable to Argentina. Revenue in Argentina (which equates to 87% of our revenue) on a constant currency basis decreased by 22% from AR\$440m to AR\$343m. Challenges in Argentina spurred the Company to develop new premium content products, and funded products, and to diversify into new emerging markets.

Our operations outside Europe represent more than 99% of the overall revenues for the period. Latin America represents 99% (see note 21) of the total revenues for the year. Of this some 87% was in Argentina.

During 2012, Argentina modified its regulations regarding the international transfer of funds which restricted the Group's ability to transfer cash out of the country. As of 30 June 2013, more than 73% of the Group's cash was in Argentina. Following a strategic decision to mitigate capital risk and diversify our sources of cash generation (principally to countries with more flexible capital controls such as Mexico and Colombia), Mobile Streams has reduced the proportion of its cash within Argentina to 4% as of 30 June 2015.

Mobile Streams enters the new financial year with a clear focus on continuing to expand its operating base in Latin America and in open mobile internet services for apps and games in new large emerging markets including India and Nigeria. The Directors do not propose a payment of a dividend (2014: £Nil). In the new financial year, the majority of revenues are once again expected to be generated in Latin America.

Despite the challenges in Argentina, the Board believes that the Group is well positioned to deliver growth in shareholder returns with established and newly developed ad funded and premium products and strong trading relationships, complemented by broader market growth in developing markets, which represent our key targets for future growth. We are long established experts in mobile content.

Roger Parry
Chairman

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

STRATEGIC REPORT

Mobile Streams PLC (AIM: MOS), the global mobile media company, is pleased to provide an update to its shareholders on its performance for the 12 months ended 30 June 2015.

BUSINESS REVIEW

Operating Review

Mobile Streams' performance during the financial year ended 30 June 2015 was driven primarily from Mobile Internet sales in Latin America.

Group revenue for the year ended 30 June 2015 was £29.1m. The gross profit was £7.7m and decreased by 46% during the year (year ended 30 June 2014: £14.2m). The gross profit margin decreased from 29.3% to 26.4% due to increased marketing (Direct to Consumer) costs related to Mobile Internet.

Selling, marketing and administrative expenses were £6.9m, a 51% decrease on the year ended 30 June 2014. 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.

The Argentine peso suffered a modest devaluation against the British Pound during the year (3.66% for the 12 months ended on 30 June 2015). The financial results and balances of all group entities that have a functional currency different from the presentation currency are translated into the presentation currency, and these exchange differences are recognised as a separate component of equity (cumulative translation reserve). On disposal of a subsidiary the corresponding cumulative exchange differences will be charged or credited to the income statement as a separate component of equity (cumulative translation reserve).

Mobile Internet Sales

The Group anticipated the shift to the open Mobile Internet business model several years ago and added new products at new price points in new markets.

The group had experienced growth and then stabilization in 2013-2014 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 2014 market in Argentina during the 2014 to 2015 financial year, resulting in a fall in sales.

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

STRATEGIC REPORT

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 40% year on year partially due to the fact that consumers prefer to use the open mobile internet services on their smartphones and partly because of our own increased focus on mobile internet services.

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 2015 was £29.1m, a 40% decrease on the previous year (2014: £48.6m).

Gross profit was £7.7m, a decrease of 46% during the year (2014: £14.2m). The gross profit margin decreased from 29% to 26% due to increased marketing (Direct to Consumer) costs related to Mobile Internet.

Selling, marketing and administrative expenses were £6.9m, a 51% decrease on the year ended 30 June 2014 (2014: £14.2m).

The Group recorded a profit after tax of £337k for the year ended 30 June 2015 (2014: loss £0.5m). Basic earnings per share improved to a profit of 0.908 pence per share (2014: loss of 1.479 pence per share). Adjusted earnings per share (excluding interest, depreciation, amortisation, impairments and share compensation expense) increased to 1.560 pence per share (2014: 0.515 pence per share).

Financial Statements for the year ended 30 June 2015

The Group had cash of £2.1m at 30 June 2015, with no debt (£3.0m of cash with no debt as at 30 June 2014). Argentina cash was £80k at 30 June 2015 (2014: £453k)

Financial performance

	Year to 30 June 2015	Year to 30 June 2014 (re-stated)	Year to 30 June 2013
	£000's	£000's	£000's
Revenue	29,063	48,573	53,936
Gross profit	7,673	14,229	17,586
Selling and Marketing Costs	(3,405)	(7,872)	(7,843)
Administrative Expenses	(3,215)	(5,617)	(4,565)
Trading EBITDA*	1,053	740	5,178
Depreciation and Amortisation	(59)	(36)	(25)
Impairments	-	(380)	(334)
Share Based Compensation	(219)	(328)	(18)
Operating profit	775	(4)	4,801
Finance Income	65	170	-
Finance Expense	(8)	(13)	(13)
Profit before tax	832	153	4,788

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

STRATEGIC REPORT

Key performance indicators (“KPI’s”)

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 £1.1m for the year ended on June 2015, and it was £0.7m for the year ended in June 2014.

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 we are building our business. Our goal is to achieve year-on-year growth. Although revenue decreased 40% during the year, like for like revenue on a constant currency basis actually decreased by 22%.

Gross profit as a percentage of revenue is a measure of our profitability. Gross profit was £7.7m for the year ended in June 2015, a decrease of 46 %. (2014: £14.2m).

Strategy

Our business model is generating revenues through relationships with mobile operators and content aggregators and retailing directly to the consumer. Mobile Streams have developed expertise in selling content to consumers in developing markets. We enjoyed great success in gaining market share in Argentina but our results have suffered from the currency issues described.

In addition to expanding its mobile internet subscription services from Latin America into India and Nigeria, the Company has launched some ad funded mobile services. These services include its mobile social network <http://www.terrenal.com> in Latin America. Moreover, Mobile Streams has launched a mobile games store globally at <http://www.mobilegaming.com> that is entirely ad-supported and free to use for consumers. Consumers can play each and any game an unlimited number of times as long as they watch a pre-roll ad each time they play a game. Mobile Streams developed a proprietary games wrapper that allows consumers to play games for free in this way. Mobile Streams has signed up several hundred games for the launch of the service.

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.

As the Group grows, management are using geographic and product diversity to counter this risk.

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

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 on page 7 "Financial risk management objectives and policies".

The Group has operations in Europe, Asia Pacific, North America and Latin America and recently in Africa and 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.

STRATEGIC REPORT

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.

A principal responsibility of management is to manage liquidity risk, as detailed in Note 25 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.

Argentina's Government imposed currency controls at the beginning of 2012 which continue to inhibit the repatriation of funds to the parent company. Management made the appropriate actions to mitigate this risk and has moved its finance operations to Argentina to help ensure stability and continuity.

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 aforementioned capital flow restrictions imposed by the Argentinian government severely restrict the Argentina subsidiary from transferring funds to the Group's parent company for the payment of dividends or for services rendered. This risk is being mitigated by the launch of similar businesses to Argentina in Colombia and Mexico where the cross border transfer of funds is not restricted. Vendor related payments can be made from Argentina on behalf of other subsidiaries.

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 Division				
12 months to 30 June	2015	2014	2015	2014
	ARS'000	ARS'000	£'000	£'000
Revenue	342,846	440,435	25,293	40,500

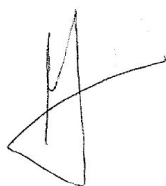
The Argentina Division delivered a decreased revenue performance in line with the market expectations. The division represented 87% of the revenues of the Group.

Argentina revenue decreased 22% in Argentine Pesos terms; from AR\$440 Million to AR\$342 Million; but the reported British Pound figures shows a 38% decrease in revenue; from £40.5M to £25.3M.

Future Developments

In addition to expanding its mobile internet subscription services from Latin America into India and Nigeria, the Company has launched some ad funded mobile services. These services include its mobile social network <http://www.terrenal.com> in Latin America. Moreover, Mobile Streams has launched a mobile games store globally at <http://www.mobilegaming.com> that is entirely ad-supported and free to use for consumers. Consumers can play each and any game an unlimited number of times as long as they watch a pre-roll ad each time they play a game. Mobile Streams developed a proprietary games wrapper that allows consumers to play games for free in this way. Mobile Streams has signed up several hundred games for the launch of the service.

The Strategic Report, encompassing pages 3 to 8, was approved by the Board and signed on its behalf by:



Enrique Benasso
Chief Financial Officer
13 October 2015

DIRECTORS' REPORT

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 2015 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 (2014: £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.

Shares held or controlled by Directors

	Ordinary shares of £0.002 each 30 June 2015	Ordinary shares of £0.002 each 30 June 2014
S D Buckingham	10,382,500	10,382,500
M Carleton	-	-
P Tomlinson	40,000	40,000
R G Parry	181,183	181,183
T Maunder	5,000	5,000
E Benasso	-	-

DIRECTORS' REPORT

Options

The table below summarises the exercise terms of the various options over ordinary shares of £0.002 (year ended 30 June 2014: £0.002) which have been granted and were still outstanding at 30 June 2015.

	Options Held at 01 July 2014	Options Granted During the period	Options exercised During the period	Options Held at 30 June 2015	Exercise price £	Earliest date from which exercisable	Latest expiry date
	Number	Number	Number	Number			
R G Parry	689,655	-	-	689,655	0.870	15 February 2007	14 February 2016
R G Parry	250,000	-	-	250,000	0.343	23 March 2012	22 March 2021
E Benasso	250,000	-	-	250,000	0.198	13 June 2015	12 June 2024

The remuneration of each of the Directors for the period ended 30 June 2015 is set out below:

				Year to 30 June 2015	Year to 30 June 2014
	Salary	Fees	Benefits	Total	Total
	£'000	£'000	£'000	£'000	£'000
S D Buckingham	191	-	1	192	188
T Maunder	20	-	-	20	20
R G Parry	16	14	-	30	30
P Tomlinson	-	20	-	20	20
G Cerf	-	-	-	-	44
E Benasso	67	-	-	67	5
Total	294	34	1	329	307

Benefits comprise medical health insurance.

Post balance sheet events

There have been no significant post balance sheet events.

Going Concern

The Group had cash balances of £2.1m at the year end (2014:£3.0m) and no borrowings. Having reviewed cash flow forecasts and budgets for the year ahead the Directors have a reasonable expectation that the Group has sufficient resources to continue in operational existence for the foreseeable future. During the year ended 30 June 2012, Argentina modified its laws on the cross border intercompany transfer of funds. Management have made the proper changes to mitigate this risk and have moved the finance operations to Argentina to help ensure stability and continuity. The risk is also mitigated by the launch of similar businesses in markets such as Colombia and Mexico where the cross border transfer of funds is not restricted. For these reasons, 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' Responsibilities Statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs) and have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP). 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 accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards / UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

The Directors confirm that:

- in so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each Director has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

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

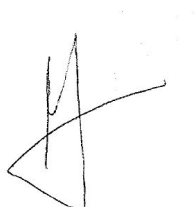
MOBILE STREAMS PLC

Financial Statements for the year ended 30 June 2015

Auditor

Grant Thornton UK LLP has indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the annual general meeting.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'Enrique Benasso', written over a faint, illegible stamp or background.

Enrique Benasso
Chief Financial Officer
13 October 2015

Financial Statements for the year ended 30 June 2015

We have audited the consolidated financial statements of Mobile Streams Plc for the year ended 30 June 2015 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 the related notes. 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.

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

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the consolidated financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the consolidated financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the consolidated financial statements:

- give a true and fair view of the state of the group's affairs as at 30 June 2015 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the group financial statements are prepared is consistent with the group financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

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

- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

MOBILE STREAMS PLC

Financial Statements for the year ended 30 June 2015

Other matter

We have reported separately on the parent company financial statements of Mobile Streams Plc for the year ended 30 June 2015.

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

13 October 2015

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 2015. 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.

Disclosure of prior year restatement

The group's 2014 tax charge, tax payable and retained earnings have been restated to correct the overstatement of income tax payable in Argentina for 2014 and earlier periods. The restatement has resulted in a reduction of £14,000 in the group's tax charge for the year ended 30 June 2014, an increase of £783,000 in the group's retained earnings brought forward at 1 July 2013 and a reduction of £797,000 in the group's tax payable at 30 June 2014. As a consequence the group's loss per share and diluted loss per share for the year ended 30 June 2014 have both reduced by 0.038 pence per share and have been restated as 1.479 pence per share.

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 49-54, which are prepared in accordance with UK GAAP.

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 balance sheet 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.

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 balance sheet are translated at the closing exchange rate at the date of the balance sheet
- 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 balance sheet 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.

ACCOUNTING POLICIES

Going Concern

The Group had cash balances of £2.1m at the year ended (2014: £3.0m) and no borrowings (2014: no borrowings). Having reviewed cash flow forecasts and budgets for the year ahead the Directors have a reasonable expectation that the Group has sufficient resources to continue its operations for the foreseeable future. During the year ended 30 June 2012 Argentina modified its laws on the cross border intercompany transfer of funds. Management have made changes to mitigate this risk including the launch of similar businesses in Colombia and Mexico where cross border transfers of funds are not restricted. For these reasons, 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.

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
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.

ACCOUNTING POLICIES

(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.

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 balance sheet 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.

ACCOUNTING POLICIES

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 balance sheet 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 balance sheet. 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.

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 2015, 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).

ACCOUNTING POLICIES

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 (Amended) 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 balance sheet 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 balance sheet 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.

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.

ACCOUNTING POLICIES

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.

Standards and Interpretations

There are no new standards or interpretations which have been adopted by the European Union that have a material impact on the current period or are expected to have a material impact on future periods.

CONSOLIDATED INCOME STATEMENT

		Year ended 30 June 2015 £000's	Year ended 30 June 2014 (re-stated) £000's
Revenue	21	29,063	48,573
Cost of sales	21	(21,390)	(34,344)
Gross profit	21	7,673	14,229
Selling and marketing costs	21	(3,405)	(7,872)
Administrative expenses *	21	(3,493)	(6,361)
Operating Profit (Loss)		775	(4)
Finance income	5	65	170
Finance expense	6	(8)	(13)
Profit before tax		832	153
Tax expense	10	(495)	(699)
Profit/(Loss) for the year		337	(546)
Attributable to:			
Attributable to equity shareholders of Mobile Streams plc		337	(546)
Earnings/ (loss) per share		Pence per share	Pence per share (re-stated)
Basic earnings/ (loss) per share	9	0.908	(1.479)
Diluted earnings/ (loss) per share	9	0.855	(1.479)

* Administrative expenses include Depreciation, Amortisation and Impairment £59k (ended 30 June 2014: £416k); Share Based Compensation £219k (ended 30 June 2014: £327k). Other administrative expenses £3.2m (ended 30 June 2014: £5.2m).

MOBILE STREAMS PLC

Financial Statements for the year ended 30 June 2015

	Year ended 30 June 2015	Year ended 30 June 2014 (re-stated)
	£000's	£000's
Profit/(Loss) for the year	337	(546)
Amounts which may be reclassified to profit & loss		
Exchange differences on translating foreign operations	(92)	(1,347)
Total comprehensive income/(loss) for the year	245	(1,893)
Total comprehensive income/(loss) for the year attributable to:		
Equity shareholders of Mobile Streams plc	245	(1,893)

		2015	2014	2013
			(re-stated)	(re-stated)
		£000's	£000's	£000's
As sets				
Non- Current				
Goodwill	13	-	-	380
Intangible assets	13	-	-	-
Property, plant and equipment	12	94	107	30
Deferred tax asset	17	285	260	194
		379	367	604
Current				
Trade and other receivables	14	4,016	6,494	8,420
Cash and cash equivalents	15	2,098	2,964	2,851
		6,114	9,458	11,271
Total as sets		6,493	9,825	11,875
Equity				
Equity attributable to equity holders of Mobile Streams plc				
Called up share capital	18	74	74	73
Share premium		10,579	10,579	10,357
Translation reserve		(2,133)	(2,041)	(695)
Merger reserve		-	-	153
Retained earnings		(4,782)	(5,338)	(5,272)
Total equity		3,738	3,274	4,616
Current				
Trade and other payables	16	2,090	5,340	5,390
Current tax liabilities		665	871	1,749
Provisions	23	-	340	120
		2,755	6,551	7,259
Total liabilities		2,755	6,551	7,259
Total equity and liabilities		6,493	9,825	11,875

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



Enrique Benasso
Chief Financial Officer

Company registration number: 03696108

13 October 2015

Equity attributable to equity holders of Mobile Streams Plc						
	Called up share capital	Share premium	Translation reserve (re-stated)	Retained earnings (re-stated)	Merger reserve	Total Equity (re-stated)
	£000's	£000's	£000's	£000's	£000's	£000's
Balance at 30 June 2013	73	10,357	(695)	(5,272)	153	4,616
Balance at 1 July 2013	73	10,357	(695)	(5,272)	153	4,616
Exercise of share options	1	222	-	-	-	223
Credit for share based payments	-	-	-	328	-	328
Disposal of subsidiary	-	-	-	153	(153)	-
Transactions with owners	1	222	-	481	(153)	551
Disposal of subsidiary	-	-	1	(1)	-	-
Loss for the 12 months ended 30 June 2014	-	-	-	(560)	-	(560)
Restatement prior year	-	-	-	14	-	14
Exchange differences on translating foreign operations	-	-	(1,347)	-	-	(1,347)
Total comprehensive loss for the year	-	-	(1,346)	(547)	-	(1,893)
Balance at 30 June 2014	74	10,579	(2,041)	(5,338)	-	3,274
Balance at 1 July 2014	74	10,579	(2,041)	(5,338)	-	3,274
Credit for share based payments	-	-	-	219	-	219
Transactions with owners	-	-	-	219	-	219
Profit for the 12 months ended 30 June 2015	-	-	-	337	-	337
Exchange differences on translating foreign operations	-	-	(92)	-	-	(92)
Total comprehensive loss for the year	-	-	(92)	337	-	245
Balance at 30 June 2015	74	10,579	(2,133)	(4,782)	-	3,738

		Year ended 30 June 2015 £000's	Year ended 30 June 2014 (re-stated) £000's
Operating activities			
Profit before taxation		832	153
Adjustments:			
Share based payments		219	327
Depreciation	4	59	36
Impairments	4	-	380
Interest received	5	(65)	(170)
Changes in trade and other receivables		1,983	1,926
Changes in trade and other payables		(3,250)	(50)
Disposal of subsidiary		-	(15)
Provision		(340)	-
Tax paid		-	(479)
Total cash generated in operating activities		(562)	2,108
Investing activities			
Additions to property, plant and equipment	12	(49)	(118)
Interest received	5	65	170
Net Cash used in investing activities		16	52
Financing activities			
Issue of share capital (net of expenses paid)		39	110
Net Cash used in investing activities		39	110
Net change in cash and cash equivalents		(507)	2,271
Cash and cash equivalents at beginning of year		2,964	2,851
Exchange (losses) on cash and cash equivalents		(359)	(2,158)
Cash and cash equivalents, end of year	15	2,098	2,964

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 125 Wood Street, London, EC2V 7AW.

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 October 13, 2015.

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) Risk of currency

As mentioned before, the Argentinian government has imposed restrictions on certain cross border transactions, including the remitting of cash back to the Group's parent company in the UK. While the Argentinian subsidiary is currently unable to freely transfer cash back to its parent company, there are mechanisms by which cash can be transferred indirectly, albeit at a discount on the official exchange rate. Restrictions on currency controls haven't changed during the year, although the Government has allowed some derivative transactions that can be used to remit cash out of the country.

The results and financial position of the Argentinian subsidiary are translated into Sterling at official exchange rates for inclusion in the Group's consolidated financial statements. The directors have considered whether dual exchange rates might exist, with a second 'effective' exchange rate arising from the mechanism through which cash can be remitted, and whether the results and position of the Argentinian subsidiary should be translated at this second rate on consolidation. The directors are of the opinion that using the official exchange rate is most appropriate because:

- the Group has no requirement to transfer cash from Argentina to the UK and is not projected to have any such requirement for the foreseeable future;
- the directors do not expect the currency restrictions to remain in place indefinitely and it is unlikely that the Group would remit cash to its parent unless this could be achieved at the official exchange rate; and
- the Group is currently able to utilise the cash held in Argentina to support the trading activities of certain other companies within the Group without restriction (see note 15).

(c) 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.

(d) 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 (see note 17).

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

During the year ended 30 June 2015 the Group (including its overseas subsidiaries) obtained the following services from the Group's auditor and network firms:

	Year ended 2015	Year ended 2014
	£000's	£000's
Fees payable to the Company's auditor and its associates for the audit of the parent company and consolidated accounts	56	53
Non-Audit services:		
Fees payable to the Company's auditor and its associates for other services:		
Interim statement review	10	10
Tax compliance and advisory services	18	9
	<u>84</u>	<u>72</u>

4. OPERATING PROFIT

Operating profit is stated after charging the following items:

		Year ended 2015	Year ended 2014
	Notes	£000's	£000's
Depreciation	12	59	36
Reversal of provision	23	(340)	-
Impairment of goodwill	13	-	380
Loss on foreign currency		38	989
		<u>(243)</u>	<u>1,405</u>

5. FINANCE INCOME

	2015 £000's	2014 £000's
Interest receivable	<u>65</u>	<u>170</u>

6. FINANCE EXPENSE

	2015 £000's	2014 £000's
Interest expense	<u>(8)</u>	<u>(13)</u>

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 2015 are as follows:

KEY MANAGEMENT REMUNERATION		
	2015 £000's	2014 £000's
Short- term employee benefits		
- benefits	1	5
- salaries/remuneration	<u>328</u>	<u>302</u>
	<u>329</u>	<u>307</u>

8. DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2015 £000's	2014 £000's
Wages and salaries	2,107	2,363
Social security costs	<u>260</u>	<u>249</u>
	<u>2,367</u>	<u>2,612</u>

CURRENT YEAR**BENEFITS**

	Europe	Asia Pacific	North America	Latin America	Group
Benefits	(3)	(23)	(1)	(42)	(69)
	(3)	(23)	(1)	(42)	(69)

PRIOR YEAR**BENEFITS**

	Europe	Asia Pacific	North America	Latin America	Group
Benefits	(172)	(22)	(1)	(42)	(237)
	(172)	(22)	(1)	(42)	(237)

The average number of employees during the year to June 2015 was as follows:

	Year ended 2015 Number	Year ended 2014 Number
Management	7	7
Administration	48	48
	55	55

9. EARNINGS/ (LOSS) PER SHARE

Basic earnings 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.

	Year ended 2015 Pence per share	Year ended 2014 (re-stated) Pence per share
Basic earnings/ (loss) per share	0.908	(1.479)
Diluted earnings/ (loss) per share	0.855	(1.479)

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

	2015	2014
	£000's	(re-stated)
		£000's
Profit/ (loss) for the year	<u>337</u>	<u>(546)</u>
For adjusted earnings per share	£000's	£000's
Profit/(loss) for the year	337	(546)
Add back: share compensation expense	219	328
Add back: depreciation and amortisation	59	36
Add back: impairment	-	380
Adjusted profit for the year	<u>615</u>	<u>198</u>
Weighted average number of shares		
	Number of	Number of
	shares	shares
For basic earnings per share	37,100,536	36,908,888
Exercisable share options	<u>2,330,961</u>	<u>1,502,963</u>
For diluted earnings per share	<u>39,431,497</u>	<u>38,411,851</u>
	Pence per	Pence per
	share	share
		(re-stated)
Adjusted earnings per share	1.658	0.536
Adjusted diluted earnings per share	1.560	0.515

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:

	2015	2014
	£'000	(re-stated) £'000
Foreign tax on profits of the period	521	779
<i>Total current tax</i>	521	779
<i>Deferred tax:</i>		
Origination & reversal of timing differences: (Deferred tax charge/(credit) (Note 17)	(26)	(80)
<i>Tax on profit on ordinary activities</i>	495	699
Factors affecting the tax charge for the period		
Profit on ordinary activities before tax	495	153
Profit multiplied by standard rate		
of corporation tax in the United Kingdom of 20.75%/24%	103	37
<i>Effects of:</i>		
Adjustment for tax-rate differences	207	172
Expenses not deductible for tax purposes	350	325
Expenses not deductible others subsidiaries	19	175
Tax losses utilised	-	-
Prior year tax adjustments	-	-
Other	(158)	70
<i>Current tax charge for the period</i>	521	779
Comprising		
Current tax expense	521	779
Deferred tax (expense), income, resulting from the origination and reversal of temporary differences	(26)	(80)
	495	699
Provision for deferred tax (Deferred tax asset)		
Provision brought forward	260	194
Current Year	26	66
Translation adjustment	(1)	-
<i>Deferred tax provision/(asset) carried forward</i>	285	260
Relating to		
Expenses deducted in Argentina on a paid basis	285	260
<i>Provision for deferred tax</i>	285	260

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 2014	517
Additions	49
Translation adjustments	2
At 30 June 2015	<u>568</u>
Depreciation	
At 1 July 2014	410
Provided in the year	59
Translation adjustments	5
At 30 June 2015	<u>474</u>
Net book value at 30 June 2015	<u>94</u>

	Office furniture, plant and equipment £000's
Cost	
At 1 July 2013	439
Additions	118
Translation adjustments	(40)
At 30 June 2014	<u>517</u>
Depreciation	
At 1 July 2013	409
Provided in the year	36
Translation adjustments	(35)
At 30 June 2014	<u>410</u>
Net book value at 30 June 2014	<u>107</u>

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 2014	2,348	332	337	2,364	5,381	2,670	8,051
At 30 June 2015	2,348	332	337	2,364	5,381	2,670	8,051
Accumulated amortisation and impairment							
At 1 July 2014	2,348	332	337	2,364	5,381	2,670	8,051
At 30 June 2015	2,348	332	337	2,364	5,381	2,670	8,051
Net book value at 30 June 2015	-	-	-	-	-	-	-

	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 2013	2,348	332	337	2,364	5,381	2,670	8,051
At 30 June 2014	2,348	332	337	2,364	5,381	2,670	8,051
Accumulated amortisation and impairment							
At 1 July 2013	2,348	332	337	2,364	5,381	2,290	7,671
Impairment	-	-	-	-	-	380	380
At 30 June 2014	2,348	332	337	2,364	5,381	2,670	8,051
Net book value at 30 June 2014	-	-	-	-	-	-	-

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

	2015	2014
	£000's	£000's
Trade receivables	1,010	4,341
Accrued receivables	758	1,223
Other debtors	2,248	930
	<u>4,016</u>	<u>6,494</u>

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:

	2015	2014
	£000's	£000's
Within terms		
Not more than 30 days	308	3,824
Overdue		
Not more than 3 months	365	668
More than 3 months but not more than 6 months	361	3
More than 6 months but not more than 1 year	149	23
Provision for doubtful debts	(173)	(177)
	<u>1,010</u>	<u>4,341</u>

Provision for doubtful debts reconciliation

	2015	2014
	£000's	£000's
Opening provision for doubtful debts	177	136
Change in provision during the year	(4)	41
Closing provision for doubtful debts	<u>173</u>	<u>177</u>

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:

	2015 £000's	2014 £000's
Argentina's cash at bank and in hand	80	453
Other companies	2,018	2,511
Cash at bank and in hand	<u>2,098</u>	<u>2,964</u>

16. TRADE AND OTHER PAYABLES

	2015 £000's	2014 £000's
Trade payables	1,001	2,059
Other payables	74	452
Accruals and deferred income	<u>1,015</u>	<u>2,829</u>
	<u>2,090</u>	<u>5,340</u>

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 Jun 2013 £000's	Recognised in income statement £000's	Balance 30 June 2014 £000's	Recognised in income statement £000's	Traslation Adjustment £000's	Balance 30 June 2015 £000's
Deferred tax asset:						
- Expenses accrued	221	(170)	51	7	-	58
- Royalties	28	48	76	13	-	89
- Bonus provisions	-	-	-	-	-	-
- Others	(55)	188	133	6	(1)	138
Deferred tax asset	<u>194</u>	<u>66</u>	<u>260</u>	<u>26</u>	<u>(1)</u>	<u>285</u>
Deferred tax liability:						
- On intangible assets	-	-	-	-	-	-

18. SHARE CAPITAL

The Company only has one class of share. The total number of shares in issue as at 30 June 2015 is 37,114,283 (30 June 2014: 37,075,083) 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.

	2015	2014
	£000's	£000's
Authorised		
69,150,000 ordinary shares of £0.002 each (30 June 2014: 69,150,000)	138	138
Allotted, called up and fully paid:		
37,114,283 ordinary shares of £0.002 each (30 June 2014: 37,075,083)	74	74

Allotted, called up and fully paid

	Year ended	Year ended
	2015	2014
In issue at 1 July 2014	37,075,083	36,632,292
Issued	39,200	442,791

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 12 July 2013, 2,383,594 options were granted to Company personnel. Strike value was 0.70 per option.

Financial Statements for the year ended 30 June 2015

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.

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.

	2015		2014	
	Number (000's)	Weighted average exercise price	Number (000's)	Weighted average exercise price
Outstanding at 1 July	4,105	£0.62	2,196	£0.50
Granted	-	-	2,634	£0.65
Exercised	(39)	£0.03	(443)	£0.25
Forfeited	-	-	(282)	£0.70
Outstanding at 30 June	4,066	£0.62	4,105	£0.62
Exercisable at 30 June	2,331	£0.36	1,503	£0.56

Range of exercise prices	Weighted average exercise price (£)	2015		Weighted average exercise price (£)	2014	
		Number of Shares (000's)	Weighted average remaining life (years): Contractual		Number of Shares (000's)	Weighted average remaining life (years): Contractual
£0 - £0.50	0.282	1,014	1.6	0.272	1,054	7.0
£0.51 - £1.00	0.739	3,004	4.7	0.739	3,051	7.4

Share options exercised during the year ended 30 June 2015 were 39,200 (2014: 442,791).

The total charge for the year relating to employee share based payment plans was £219k (2014: £328k), all of which related to equity-settled share based payment transactions.

20. OPERATING LEASES

The Group has commitments under operating leases for land and buildings to pay the following amounts. The reduction is due to the reduction of the remaining period of the contract, by one year.

	Land and Buildings	
	2015	2014
	£000's	£000's
Future minimum lease payments under non-cancelable operating leases		
Within one year	75	154
In two-five years	-	59
In more than five years	-	-
	<u>75</u>	<u>213</u>

Lease payments recognised as an expense during the period amount to £199k (2014: £180k).

21. SEGMENT REPORTING

As at 30 June 2015, 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.

Financial Statements for the year ended 30 June 2015

The segmental results for the year ended 30 June 2015 are as follows:

£000's	Europe	Asia Pacific	North America	Latin America	Group
Mobile Operator Services	10	151	29	440	630
Mobile Internet Services	-	-	28	28,379	28,407
Other Service fees	10	-	2	14	26
Total Revenue	20	151	59	28,833	29,063
Cost of sales	(27)	95	(11)	(21,447)	(21,390)
Gross profit	(7)	246	48	7,386	7,673
Selling, marketing and administration expenses	397	(249)	42	(6,810)	(6,620)
Trading EBITDA*	390	(3)	90	576	1,053
Depreciation, amortisation and impairment	-	(1)	(1)	(57)	(59)
Share based compensation	(219)	-	-	-	(219)
Finance income/expense	3	-	1	53	57
Profit/(Loss) before tax	174	(4)	90	572	832
Taxation	-	-	(7)	(488)	(495)
Profit/(loss) after tax	174	(4)	83	84	337
Segmental assets	866	101	475	5,094	6,494
Segmental liabilities	163	(20)	249	2,365	2,756

MOBILE STREAMS PLC

Financial Statements for the year ended 30 June 2015

The segmental results for the year ended 30 June 2014 are as follows:

£000's	Europe	Asia Pacific	North America	Latin America (re-stated)	Group
Mobile Operator Services	66	368	230	1,258	1,922
Mobile Internet Services	5	-	250	46,353	46,608
Other Service fees	30	3	3	7	43
Total Revenue	101	371	483	47,618	48,573
Cost of sales	(28)	(223)	(236)	(33,857)	(34,344)
Gross profit	73	148	247	13,761	14,229
Selling, marketing and administration expenses	(185)	(303)	2	(13,003)	(13,489)
Trading EBITDA*	(112)	(155)	249	758	740
Depreciation, amortisation and impairment	(380)	(1)	(6)	(29)	(416)
Share based compensation	(328)	-	-	-	(328)
Finance income	-	-	-	157	157
Profit/(Loss) before tax	(820)	(156)	243	886	153
Taxation	-	-	-	(699)	(699)
Profit/(loss) after tax	(820)	(156)	243	187	(546)
Segmental assets	820	123	280	8,643	9,825
Segmental liabilities	474	266	331	5,480	6,551

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

Financial Statements for the year ended 30 June 2015

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:

	2015	2014
	£000's	(re-stated) £000's
Segment revenues		
Total segment revenues	<u>29,063</u>	<u>48,573</u>
Group's revenues	<u>29,063</u>	<u>48,573</u>
Segment results		
Total segment Profit after tax	<u>337</u>	<u>(546)</u>
Group's Profit after tax	<u>337</u>	<u>(546)</u>
Segment assets		
Total segment assets	<u>6,493</u>	<u>9,865</u>
Consolidation eliminations	<u>-</u>	<u>(40)</u>
Group's assets	<u>6,493</u>	<u>9,825</u>
Segment liabilities		
Total segment liabilities	<u>2,755</u>	<u>6,551</u>
Consolidation eliminations	<u>-</u>	<u>-</u>
Groups's liabilities	<u>2,755</u>	<u>6,551</u>

Revenue in Argentina represents 87% of the total revenue of the Group; then Mexico 10%, and finally the rest of the companies 3%.

INTEREST REVENUE

Interest Revenue for the year ended 30 June 2015 was £64k (2014: £170k)

DEFERRED TAX

Year ended 30 June 2015					
DEFERRED TAX	Europe	Asia Pacific	North America	Latin America	Group
Deferred Tax	-	-	-	285	285
	-	-	-	285	285

Year ended 30 June 2014					
DEFERRED TAX	Europe	Asia Pacific	North America	Latin America	Group
Deferred Tax	-	-	-	260	260
	-	-	-	260	260

22. CAPITAL COMMITMENTS

The Group has no capital commitments as at 30 June 2015 (30 June 2014: £Nil).

23. PROVISIONS

	2015
	£000's
Carrying amount at July 2014	340
Reversal of provision	(340)
Carrying amount at end of June 2015	-

The company's German subsidiary was placed into liquidation during 2013 and a potential claim against the Group exists in the sum of £340,000.

The group is advised by its lawyers that this amount is now unlikely to be payable and so the provision of £340,000 has been released.

24. 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.

25. 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 prevent companies from acquiring US Dollars. 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.

	2015				2014		
	000's				000's		
	USD	AUS	ARS	Other	USD	AUS	ARS
Nominal amounts	£	£	£	£	£	£	£
Financial assets	428	71	3,963	1,092	236	93	6,286
Financial liabilities	(247)	(62)	(1,681)	(305)	(330)	(307)	(5,594)
Short-term exposure	181	9	2,282	787	(94)	(214)	692

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.

	2015	2014
US Dollar	-8%	12%
Australian Dollar	14%	8%
Argentine Peso	4%	68%

Effect of possible changes in currency rates

Currency: GBP	Effect on Profit	Effect on Equity
Effect of a 10% US Dollar devaluation (against the GBP)	(318)	(318)
Effect of a 10% US Dollar Appreciation (against the GBP)	318	318
Effect of a 10% Australian Dollar devaluation (against the GBP)	25	25
Effect of a 10% Australian Dollar appreciation (against the GBP)	(25)	(25)
Effect of a 20% Peso devaluation (against the GBP)	(179)	(325)

Foreign exchange currency Gain/ (loss) charged to the income statement

	Year ended 2015 £000's	Year ended 2014 £000's
Foreign currency	<u>(38)</u>	<u>(989)</u>

Financial Statements for the year ended 30 June 2015

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 2015, the Group's financial liabilities were all current and have contractual maturities as follows:

30 June 2015	Within 6 months £000's	6 to 12 months £000's
Trade and other payables	1,075	-

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

30 June 2014	Within 6 months £000's	6 to 12 months £000's
Trade and other payables	2,511	-

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:

	2015 £000's	2014 £000's
Ordinary Share capital	74	74
Share premium	10,579	10,579
Translation reserve	(2,133)	(2,041)
Retained earnings	(4,782)	(5,338)
	3,738	3,274

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

We have audited the parent company financial statements of Mobile Streams Plc for the year ended 30 June 2015 which comprise the parent company accounting policies, the parent company balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the parent company financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the parent company financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON FINANCIAL STATEMENTS

In our opinion the parent company financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2015
- 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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the parent company financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept 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.

MOBILE STREAMS PLC

Financial Statements for the year ended 30 June 2015

OTHER MATTER

We have reported separately on the consolidated financial statements of Mobile Streams Plc for the period ended 30 June 2015

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

13 October 2015

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

As used in the financial statements and related notes, the term ‘Company’ refers to Mobile Streams Plc. The separate financial statements of the Company are presented as required by the Companies Act 2006. As permitted by the Act, the separate financial statements have been prepared in accordance with the UK Generally Accepted Accounting Principles (“UK GAAP”).

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. The profit for the parent company for the year ended 30 June 2015 was £640,000 (year ended 30 June 2014 a loss of £450,000).

The following paragraphs describe the main accounting policies. The policies have been consistently applied to all periods presented.

Revenue recognition

Revenues are from external customers only and generated from three principal business activities: the sale of mobile content through mobile network operators (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 goods and services sold, net of value-added tax, rebates and discounts. Revenue is recognised as follows:

a) Mobile Operator Sales & Mobile Internet Sales

Sales of goods are recognised when the Company 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 services

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 suspended 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 balance sheet under accruals and deferred income and released to the income statement when the conditions are met.

INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated in the Company’s balance sheet 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 balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered.

Financial Statements for the year ended 30 June 2015

Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are not discounted.

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 balance sheet 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 Financial Reporting Standard 20 "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 balance sheet 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 balance sheet 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.

		30 June 2015	30 June 2014
		£000's	£000's
Fixed assets			
Investments in subsidiaries	1	20	20
Total fixed assets		20	20
Current assets			
Debtors	2	1,175	903
Cash and cash equivalents		795	698
Others assets		6	46
Total current assets		1,976	1,647
Creditors: amounts falling due within one year	3	(163)	(473)
Net current assets		1,813	1,174
Net assets		1,833	1,194
Capital and reserves			
Called up share capital	4	74	74
Share premium	5	10,579	10,579
Profit and loss account	5	(8,819)	(9,459)
Shareholders funds		1,834	1,194

The financial statements were approved by the Board of Directors on 13 October 2015.



Enrique Benasso
Chief Financial Officer

Company registration number: 03696108

13 October 2015

1. INVESTMENT IN SUBSIDIARY COMPANIES

	30 June 2015	30 June 2014
	£000's	£000's
Cost	3,636	3,636
Accumulated impairment	(3,616)	(3,616)
Net Book Value after impairment	<u>20</u>	<u>20</u>

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

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

2. Debtors

	2015 £000's	2014 £000's
Trade debtors	45	56
Amounts owed by Group undertaking	<u>1,130</u>	<u>847</u>
	<u>1,175</u>	<u>903</u>

3. Creditors: amounts falling due within one year

	2015 £000's	2014 £000's
Trade creditors	61	26
Accruals and deferred income	<u>102</u>	<u>447</u>
	<u>163</u>	<u>473</u>

4. SHARE CAPITAL

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

5. RESERVES

	Share Premium £000's	Profit and loss Account £000's
At 1 July 2014	10,579	(9,459)
Premium on shares issued in year	-	-
Profit for the year	-	640
At 30 June 2015	<u>10,579</u>	<u>(8,819)</u>

6. CAPITAL COMMITMENTS

The Company has no capital commitments at 30 June 2015 (2014: Nil).

7. CONTINGENT LIABILITIES

As at 30 June 2015 there were no contingent liabilities (2014: Nil).

8. RELATED PARTY TRANSACTIONS

During the year the Company remunerated senior management personnel as disclosed in note 7 in the consolidated financial statements.

The company is taking advantage of the exemption per FRS 8 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.