Regulatory Story

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MobilityOne Limited - MBO Half Yearly Report
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MobilityOne Limited
29 September 2015

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MobilityOne Limited
("**MobilityOne**", the "**Company**" or the "**Group**")

Unaudited interim results for the six months ended 30 June 2015

MobilityOne (AIM: MBO), the e-commerce infrastructure payment solutions and platform provider with its main operations in Malaysia, announces its unaudited interim results for the six months ended 30th June 2015.

Highlights:

- revenue increased by 33.3% to £31.3 million (H1 2014: £23.5 million) mainly contributed by the Group's mobile phone prepaid airtime reload and bill payment business in Malaysia;
- operating profit of £0.22 million (H1 2014: operating profit of £0.04 million);
- profit after tax of £0.11 million (H1 2014: loss after tax of £0.03 million); and
- the Board of MobilityOne expects the trading performance in the second half of 2015 to continue to be favourable, as the Group expands its e-payment solutions and services in Malaysia.

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About the Group:

MobilityOne provides e-commerce infrastructure payment solutions and platforms through its proprietary technology solutions, marketed under the brands MoCS and ABOSSE.

The Group has developed an end-to-end e-commerce solution which connects various service providers across several industries such as banking, telecommunication and transportation through multiple distribution devices including EDC terminals, mobile devices, automated teller machines ("**ATM**") and internet banking.

The Group's technology platform is flexible, scalable and designed to facilitate cash, debit card and credit card transactions from multiple devices while controlling and monitoring the distribution of different products and services.

For more information, refer to our website at www.mobilityone.com.my

Chairman's statement

The revenue of the Group increased by 33.3% to £31.3 million in the first six months of 2015, which was mainly contributed by growth in the mobile phone prepaid airtime reload and bill payment business via the Group's existing banking channels (such as mobile banking, internet banking and ATMs) and payment terminal base in Malaysia. The increase in revenue was also contributed by more than 1,000 new agent banking points being introduced by one of the Group's banking partners in Malaysia and the introduction of a Goods and Services Tax (GST) of 6% in Malaysia, effective 1 April 2015. In view of the increased revenue, the Group reported a profit after tax of approximately £0.11 million in the first six months of 2015, as compared to a loss after tax of £0.03 million in the first six months of 2014.

The contribution from the Group's operations in the Philippines remained insignificant with a small revenue contribution through the provision of an e-payment solution that allows a licensed betting company in the Philippines to collect bets using the Group's mobile payment terminals.

The Group's international remittance services, in which the Group had only 6 outlets in Malaysia, did not perform as expected and continued to incur losses. The Group discontinued its outlet-based international remittance services in the period under review.

Financial performance

In the six months ended 30 June 2015, the revenue of the Group increased by 33.3% to £31.3 million (H1 2014: £23.5 million) and the Group recorded an operating profit of £0.22 million (H1 2014: operating profit of £0.04 million). The higher revenue was mainly due to the improvement in the Group's existing mobile phone prepaid airtime reload and bill payment business in Malaysia. The Group recorded a net profit of £0.11 million (H1 2014: net loss of £0.03 million).

As at 30 June 2015, the Group had cash and cash equivalents of £1.71 million (30 June 2014: cash and cash equivalents of £1.46 million) and the secured loans and borrowings from financial institutions were £2.43 million (30 June 2014: £1.89 million) mainly due to a property loan to purchase the Group's new office in Kuala Lumpur, Malaysia.

Current trading and outlook

The Directors expect that the trading performance in the second half of 2015 will continue to be favourable, notwithstanding a cautious economic outlook in Malaysia.

Besides the Group's mobile phone prepaid airtime reload and bill payment business via its existing business channels, the Group expects to grow the current agent banking points introduced by one of the Group's banking partners in Malaysia and to provide additional value added services via the Group's banking partners' existing credit card terminals which would further provide additional touch points. The additional physical touch points would complement the Group's existing business channels and strengthen the physical retail reach. Furthermore, the Group plans to expand its e-payment solutions and services to capitalise on the efforts of the Malaysian central bank to encourage switching from paper-based payments to e-payments.

Abu Bakar bin Mohd Taib
Chairman

29 September 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015

CONTINUING OPERATIONS	Six months Ended 30 June 2015 Unaudited £	Six months Ended 30 June 2014 Unaudited £	Financial year Ended 31 Dec 2014 Audited £
Revenue	31,317,005	23,498,231	52,957,761
Cost of sales	(29,424,516)	(22,012,162)	(49,338,665)
GROSS PROFIT	1,892,489	1,486,069	3,619,096
Other operating income	63,354	387,644	56,580
Administration expenses	(1,500,002)	(1,678,680)	(2,967,943)
Other operating expenses	(237,177)	(153,896)	(286,908)
OPERATING PROFIT	218,664	41,137	420,825
Finance costs	(88,479)	(70,663)	(180,826)
PROFIT/(LOSS) BEFORE TAX	130,185	(29,526)	239,999
Discontinued operations, net of tax	-	-	(186,171)
Tax	(18,651)	-	(9,356)
PROFIT/(LOSS) FOR THE PERIOD/YEAR	111,534	(29,526)	44,472
Attributable to:			
Owners of the parent	113,165	(27,592)	47,561
Non-controlling interest	(1,631)	(1,934)	(3,089)
	111,534	(29,526)	44,472
EARNINGS/(LOSS) PER SHARE			
Basic earnings/(loss) per share (pence)			
- Continuing operations	0.106	(0.026)	0.220
- Discontinued operations	-	-	(0.175)
	0.106	(0.026)	0.045
Diluted earnings/(loss) per share (pence)			
- Continuing operations	0.097	(0.026)	0.220
- Discontinued operations	-	-	(0.175)
	0.097	(0.026)	0.045
PROFIT/(LOSS) FOR THE PERIOD	111,534	(29,526)	44,472
OTHER COMPREHENSIVE LOSS			
Foreign currency translation	(144,135)	(48,169)	(74,155)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(32,601)	(77,695)	(29,683)
Total comprehensive loss attributable to:			
Owners of the parent	(31,324)	(76,188)	(26,594)
Non-controlling interest	(1,277)	(1,507)	(3,089)
	(32,601)	(77,695)	(29,683)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	At 30 June 2015 Unaudited £	At 30 June 2014 Unaudited £	At 31 Dec 2014 Audited £
Assets			
Non-current assets			
Intangible assets	473,489	624,624	565,836
Property, plant and equipment	542,999	451,699	562,934
	1,016,488	1,076,323	1,128,770
Current assets			
Inventories	337,181	716,412	545,798
Trade receivables	1,558,053	800,652	2,047,308
Other receivables	399,375	387,819	275,943
Tax recoverable	-	12,552	3,450
Cash and cash equivalents	1,705,062	1,457,803	1,608,255
	3,999,671	3,375,238	4,480,754
Total Assets	**5,016,159**	**4,451,561**	**5,609,524**
Shareholders' equity			
Equity attributable to equity holders of the Company			
Called up share capital	2,657,470	2,657,470	2,657,470
Share premium	909,472	909,472	909,472
Reverse acquisition reserve	708,951	708,951	708,951
Foreign currency translation reserve	649,374	843,758	793,863
Retained earnings	(3,754,310)	(3,942,628)	(3,867,475)
Shareholders' equity	1,170,957	1,177,023	1,202,281
Non-controlling interest	(4,442)	(1,392)	(3,165)
Total Equity	1,166,515	1,175,631	1,199,116
Liabilities			
Non-current liabilities			
Loans and borrowings - secured	328,833	152,732	386,914
Current liabilities			
Trade payables	851,129	1,009,811	990,163
Other payables	546,447	366,485	368,878
Amount due to Directors	6,146	6,824	73,423
Loans and borrowings - secured	2,104,211	1,740,078	2,591,030
Tax Payable	12,878	-	-
	3,520,811	3,123,198	4,023,494
Total Liabilities	3,849,644	3,275,930	4,410,408
Total Equity and Liabilities	**5,016,159**	**4,451,561**	**5,609,524**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015

	Non-Distributable				Distributable			
	Share Capital £	**Share Premium £**	**Reverse Acquisition Reserve £**	**Foreign Currency Translation Reserve £**	**Retained Earnings £**	**Total £**	**Non-Controlling Interest £**	**Total £**
As at 1 January 2015	2,657,470	909,472	708,951	793,863	(3,867,475)	1,202,281	(3,165)	1,199,116
Foreign currency translation	-	-	-	(144,489)	-	(144,489)	354	(144,135)
Profit for the period	-	-	-	-	113,165	113,165	(1,631)	111,534
As at 30 June 2015	**2,657,470**	**909,472**	**708,951**	**649,374**	**(3,754,310)**	**1,170,957**	**(4,442)**	**1,166,515**
As at 1 January 2014	2,657,470	909,472	708,951	868,018	(3,915,036)	1,228,875	(20,139)	1,208,736
Disposal of subsidiary	-	-	-	24,336	-	24,336	20,254	44,590
Foreign currency translation	-	-	-	(48,596)	-	(48,596)	427	(48,169)
Loss for the period	-	-	-	-	(27,592)	(27,592)	(1,934)	(29,526)
As at 30 June 2014	**2,657,470**	**909,472**	**708,951**	**843,758**	**(3,942,628)**	**1,177,023**	**(1,392)**	**1,175,631**

Share capital is the amount subscribed for shares at nominal value.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of the respective shares net of share issue expenses.

The reverse acquisition reserve relates to the adjustment required by accounting for the reverse acquisition in accordance with IFRS 3.

The Company's assets and liabilities stated in the Statement of Financial Position were translated into Pound Sterling (£) using the closing rate as at the Statement of Financial Position date and the income statements were translated into £ using the average rate for that period. All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Retained earnings represent the cumulative earnings of the Group attributable to equity shareholders.

Non-controlling interests represent the share of ownership of subsidiary companies outside the Group.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2015

	Six months Ended 30 June 2015 Unaudited £	Six months Ended 30 June 2014 Unaudited £	Financial year ended 31 Dec 2014 Audited £
Cash flows from operating activities			
Cash generated from/(used in) operations	779,714	251,393	(236,489)
Interest paid	(88,479)	(70,663)	(180,826)
Interest received	22,600	321	31,468
Tax paid	(1,522)	(2,543)	(9,168)
Tax refund	-	-	6,426
Net cash generated from/(used in) operating activities	712,313	178,508	(388,589)
Cash flows from investing activities			
Purchase of property, plant and equipment	(74,656)	(5,146)	(361,762)
Net cash inflow for acquisition of subsidiary	-	2,211	2,208
Net cash outflow for disposal of subsidiary	-	(12,336)	(1,123)
Net cash used in investing activities	(74,656)	(15,271)	(360,677)
Cash flows from financing activities			
(Repayment)/Drawdown of term loan	(1,861)	-	300,093
(Repayment)/Drawdown of short term borrowings	(249,098)	9,063	781,051
Repayment from finance lease payables	(49,984)	(51,789)	(106,708)
Net cash (used in)/generated from financing activities	(300,943)	(42,726)	974,436
Increase in cash and cash equivalents	**336,714**	**120,511**	**225,170**
Effect of foreign exchange rate changes	**(239,907)**	**17,299**	**63,092**
Cash and cash equivalents at beginning of period/year	**1,608,255**	**1,319,993**	**1,319,993**
Cash and cash equivalents at end of period/year	**1,705,062**	**1,457,803**	**1,608,255**

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Basis of preparation

The Group's interim financial statements for the six months ended 30 June 2015 were authorised for issue by the Board of Directors on 29 September 2015.

The interim financial statements are unaudited and have been prepared in accordance with International Financial Reporting Standards (IFRSs and IFRIC interpretations) issued by the International Accounting Standards Board (IASB), as adopted by the European Union, and with those parts of the Companies (Jersey) Law 1991 applicable to companies preparing their financial statements under IFRS. It has been prepared in accordance with IAS 34 "Interim Financial Reporting" and does not include all of the information required for full annual financial statements. The financial statements have been prepared under the historical cost convention.

Full details of the accounting policies adopted, which are consistent with those disclosed in the Company's 2014 Annual Report, will be included in the audited financial statements for the year ending 31 December 2015.

2. Basis of consolidation

The consolidated statement of comprehensive income and statement of financial position include financial statements of the Company and its subsidiaries made up to 30 June 2015.

3. Nature of financial information

The unaudited interim financial information for the six months ended 30 June 2015 does not constitute statutory accounts under the meaning of Section 435 of the Companies Act 2006. The comparative figures for the year ended 31 December 2014 are extracted from the audited statutory financial statements. Full audited financial statements of the Group in respect of that financial year prepared in accordance with IFRS, which we received an unqualified audit opinion, have been delivered to the Registrar of Companies.

4. Functional and presentation currency

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency of the Group is Ringgit Malaysia (RM). The consolidated financial statements are presented in Pound Sterling (£), which is the Company's presentational currency as this is the currency used in the country in which the entity is listed.

Assets and liabilities are translated into Pound Sterling (£) at foreign exchange rates ruling at the Statement of Financial Position date. Results and cash flows are translated into Pound Sterling (£) using average rates of exchange for the period.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year/period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

The financial information set out below has been translated at the following rates:

	Exchange rate (RM: £)	
	At Statement of Financial Position date	Average for year/ Period
Period ended 30 June 2015	5.93	5.59
Period ended 30 June 2014	5.44	5.45
Year ended 31 December 2014	5.45	5.39

5. Segmental analysis

No segmental analysis of revenues, profits, assets and liabilities are presented and no geographical segment information is presented as the Group mainly trades and provides services in only one region - the Far East.

6. Taxation

Taxation on the income statement for the financial period comprises current and deferred tax. Current tax is the expected amount of taxes payable in respect of the taxable profit for the financial period and is measured using the tax rates that have been enacted at the Statement of Financial Position date.

Deferred tax is recognised on the liability method for all temporary differences between the carrying amount of an asset or liability in the Statement of Financial Position and its tax base at the Statement of Financial Position date. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the Statement of Financial Position date. The carrying amount of a deferred tax asset is reviewed at each Statement of Financial Position date and is reduced to the extent that it becomes probable that sufficient future taxable profit will be available.

Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

7. Earnings per share

The basic earnings per share is calculated by dividing the profit in the six month period ended 30 June 2015 of £113,165 (30 June 2014: loss of £27,592 and year ended 31 December 2014: profit of £47,561) attributable to ordinary shareholders by the number of ordinary shares outstanding at 30 June 2015 of 106,298,780 (30 June 2014: 106,298,780 and 31 December 2014: 106,298,780).

The diluted earnings per share for the six month period ended 30 June 2015 is calculated using the number of shares adjusted to assume the conversion of all dilutive potential ordinary shares of 116,898,780 (on 5 December 2014, the Company granted share options of 10,600,000 shares at 2.5p to directors and certain employees of the Group). For the period ended 30 June 2014, the diluted earnings per share is equivalent to the basic earnings per share as there was no share option outstanding whereas for the year ended 31 December 2014, the diluted earnings per share is also equivalent to the basic earnings per share as the exercise price of the share options was above the then market price.

8. Reconciliation of profit before tax to cash generated from operations

	Six months ended 30 June 2015 Unaudited	Six months ended 30 June 2014 Unaudited	Financial year ended 31 Dec 2014 Audited
	£	£	£
Cash flow from operating activities			
Profit/(Loss) before tax			
- Continued operations	130,185	(29,526)	239,999
- Discontinued operations	-	-	(186,171)
	130,185	(29,526)	53,828
Adjustments for:			
Gain on disposal of subsidiary company	-	(348,688)	-
Depreciation	52,640	71,864	157,443
Amortisation of intangible assets	-	30,268	30,611
Amortisation of development costs	48,829	51,763	102,960
Property, plant and equipment written off	-	-	163,600
Impairment loss on receivables	-	564,368	-
Impairment loss on goodwill	-	-	5,814
Interest expenses	88,479	70,663	180,826
Interest income	(22,600)	(321)	(41,644)
Operating profit before working capital changes	297,533	410,391	826,700
Decrease in inventories	163,904	16,914	191,786
Decrease/(Increase) in receivables	237,519	(136,564)	(1,235,136)
Decrease in amount due to Directors	(66,729)	(90,920)	(24,673)
Increase in payables	147,487	51,572	4,834
Cash generated from/(used in) operations	779,714	251,393	(236,489)

9. Contingent liabilities

In the period under review, corporate guarantees of RM20.0 million (£3.6 million) were given to a licensed bank by the Company for credit facilities granted to a subsidiary company.

10. Significant accounting policies

The interim consolidated financial statements have been prepared applying the same accounting policies that were applied in the preparation of the Company's published consolidated financial statements for the year ended 31 December 2014 except for the adoption of new and amended reporting standards, which are effective for periods commencing on or after 1 January 2015. Various amendments to standards and interpretations of standards are effective for periods commencing on or after 1 January 2015 as detailed in the 2014 Annual Report, none of which have any impact on reported results.

Amortisation of intangible assets

Software is amortised over its estimated useful life. Management estimated the useful life of this asset to be within 10 years. Changes in the expected level of usage and technological development could impact the economic useful life therefore future amortisation could be revised.

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash generating units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimation of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The research and development costs are amortised on a straight-line basis over the life span of the developed assets. Management estimated the useful life of these assets to be within 5 years. Changes in the technological developments could impact the economic useful life and the residual values of these assets, therefore future amortisation charges could be revised.

Impairment of goodwill on consolidation

The Group's cash flow projections include estimates of sales. However, if the projected sales do not materialise there is a risk that the value of goodwill would be impaired.

The Directors have carried out a detailed impairment review in respect of goodwill. The Group assesses at each reporting date whether there is an indication that an asset may be impaired, by considering cash flows forecasts. The cash flow projections are based on the assumption that the Group can realise projected sales. A prudent approach has been applied with no residual value being factored. At the period end, based on these assumptions there was no indication of impairment of the value of goodwill or of development costs.

Research and development costs

All research costs are recognised in the income statement as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditures which do not meet these criteria are expensed when incurred.

Development costs, considered to have finite useful lives, are stated at cost less any impairment losses and are amortised through other operating expenses in the income statement using the straight-line basis over the commercial lives of the underlying products not exceeding 5 years. Impairment is assessed whenever there is an indication of impairment and the amortisation period and method are also reviewed at least at each Statement of Financial Position date.

11. Dividends

The Company has not proposed or declared an interim dividend.

12. Interim report

This interim financial statement will, in accordance with Rule 20 of the AIM Rules for Companies, be available on the Company's website at www.mobilityone.com.my.

-Ends-

This information is provided by RNS
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