Regulatory Story

Go to market news section

MobilityOne Limited - MBO
Released 13:00 30-Jun-2016

Final Results

RNS Number : 8309C
MobilityOne Limited
30 June 2016

30 June 2016

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

Audited results for the year ended 31 December 2015

MobilityOne (AIM: MBO), the e-commerce infrastructure payment solutions and platform provider with its main operations in Malaysia, announces its full year results for the year ended 31 December 2015.

A copy of the annual report and audited financial statements, along with notice of the Company's annual general meeting, to be held at 9.00 a.m. Malaysia time on 25 July 2016 at B-10-8, Level 10, Megan Avenue II, Jalan Yap Kwan Seng, 50450 Kuala Lumpur, Malaysia, is being posted to shareholders today and will be available shortly on the Company's website, www.mobilityone.com.my.

Highlights

- Revenue increased by 23.0% to £65.16 million (2014: £52.96 million) mainly contributed by growth in the mobile phone prepaid airtime reload and bill payment business, via the Group's existing banking channels and payment terminal base in Malaysia.
- Profit after tax of £0.16 million (2014: profit after tax of £0.04 million).
- As at 31 December 2015, the Group had cash and cash equivalents of £2.22 million (31 December 2014: cash and cash equivalents of £1.61 million).
- The contribution from the Group's operations in the Philippines remained insignificant, with a small revenue contribution through the provision of e-payment solution.
- The Company expects an improve trading performance in 2016 and is currently exploring the opportunity 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.

For further information, please contact:

MobilityOne Limited Dato' Hussian A. Rahman, CEO har@mobilityone.com.my	+6 03 8996 3600 www.mobilityone.com.my
Allenby Capital Limited (Nominated Adviser and Broker) Nick Athanas/James Reeve/Richard Short	+44 20 3328 5656
Newgate Communications Robyn McConnachie	+44 20 7653 9850

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
For the year ended 31 December 2015

Introduction

The Directors are pleased to present the audited consolidated financial statements for MobilityOne Limited for the year ended 31 December 2015.

The revenue of the Group increased by 23.0% to £65.16 million (2014 revenue: £52.96 million), 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 additional bill payment partners. As a result of the increased revenue, the Group reported a profit after tax of £0.16 million in 2015 (2014 profit after tax: £0.04 million).

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.

MobilityOne Sdn Bhd, the Company's wholly-owned subsidiary operating in Malaysia, is a Multimedia Super Corridor ("MSC") status company, however its pioneer status (which exempts 100% of the statutory business income from taxation) expired on 25 April 2015.

As at 31 December 2015, the Group had cash and cash equivalents of £2.22 million (31 December 2014: cash and cash equivalents of £1.61 million) and the secured loans and borrowings from financial institutions were £1.88 million (31 December 2014: £2.98 million).

Current trading and outlook

The Directors expect that the trading performance of the Group for 2016 will continue to be positive notwithstanding a cautious economic outlook in Malaysia. The Group's prepaid airtime reload and bill payment business via the existing business channels as well as contribution from more than 1,000 new agent banking locations introduced by one of the Group's banking partners in Malaysia is expected to continue to grow and contribute positively to the overall performance of the Group. In addition, the Group's ongoing efforts to provide additional value added services via the Group's banking partners' existing credit card terminals would further provide additional locations to provide our products and services. The additional locations 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

Consolidated Income Statement
For the year ended 31 December 2015

	2015 £	2014 £
Revenue	65,161,080	52,957,761
Cost of sales	(61,008,206)	(49,338,665)
GROSS PROFIT	4,152,874	3,619,096
Other operating income	71,408	56,580
Administration expenses	(3,228,126)	(2,967,943)
Other operating expenses	(650,550)	(286,908)
OPERATING PROFIT	345,606	420,825
Finance costs	(153,286)	(180,826)
PROFIT BEFORE TAX	192,320	239,999
Discontinued operations, net of tax	-	(186,171)
Tax	(29,100)	(9,356)
PROFIT FOR THE YEAR	163,220	44,472
Attributable to:		
Owners of the parent	165,678	47,561
Non-controlling interests	(2,458)	(3,089)
	163,220	44,472
BASIC EARNINGS PER SHARE		
Continuing operations (pence)	0.156	0.220
Discontinued operations (pence)	-	(0.175)
	0.156	0.045
DILUTED EARNINGS PER SHARE		
Continuing operations (pence)	0.155	0.220
Discontinued operations (pence)	-	(0.175)
	0.155	0.045
PROFIT FOR THE YEAR	163,220	44,472
OTHER COMPREHENSIVE LOSS:		
Foreign currency translation	(104,617)	(74,155)
TOTAL COMPREHENSIVE PROFIT/(LOSS)	58,603	(29,683)
Total comprehensive profit/(loss) attributable to:		
Owners of the parent	61,061	(26,594)
Non-controlling interests	(2,458)	(3,089)
	58,603	(29,683)

Consolidated Statement of Changes in Equity
For the year ended 31 December 2015

		Non-Distributable			Distributable			
	Share Capital £	Share Premium £	Reverse Acquisition Reserve £	Foreign Currency Translation Reserve £	Retained Earnings £	Total £	Non-controlling Interests £	Total Equity £
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
Comprehensive loss								
Profit/(loss) for the year	-	-	-	-	47,561	47,561	(3,089)	44,472
Foreign currency translation	-	-	-	(74,155)	-	(74,155)	-	(74,155)
Total comprehensive profit for the year	-	-	-	(74,155)	47,561	(26,594)	(3,089)	(29,683)
Transaction with owners								
Disposal of subsidiary	-	-	-	-	-	-	20,063	20,063
Total transaction with owners	-	-	-	-	-	-	20,063	20,063
At 31 December 2014	2,657,470	909,472	708,951	793,863	(3,867,475)	1,202,281	(3,165)	1,199,116

Consolidated Statement of Changes in Equity (continued)
For the year ended 31 December 2015

		Non-Distributable			Distributable			
	Share Capital £	Share Premium £	Reverse Acquisition Reserve £	Foreign Currency Translation Reserve £	Retained Earnings £	Total £	Non-controlling Interests £	Total Equity £
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
Comprehensive profit/(loss)								
Profit/(loss) for the year	-	-	-	-	165,678	165,678	(2,458)	163,220
Foreign currency translation	-	-	-	(104,617)	-	(104,617)	-	(104,617)
Total comprehensive profit for the year	-	-	-	(104,617)	165,678	61,061	(2,458)	58,603
At 31 December 2015	2,657,470	909,472	708,951	689,246	(3,701,797)	1,263,342	(5,623)	1,257,719

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 Financial Position
As at 31 December 2015

	2015	2014
	£	£
ASSETS		
Non-current assets		
Intangible assets	54,291	565,836
Property, plant and equipment	497,567	562,934
	551,858	1,128,770
Current assets		
Inventories	1,063,008	545,798
Trade and other receivables	3,347,788	2,323,251
Cash and cash equivalents	2,216,715	1,608,255
Tax recoverable	3,016	3,450
	6,630,527	4,480,754
TOTAL ASSETS	7,182,385	5,609,524
SHAREHOLDERS' EQUITY		
Equity attributable to owners of the parent:		
Called up share capital	2,657,470	2,657,470
Share premium	909,472	909,472
Reverse acquisition reserve	708,951	708,951
Foreign currency translation reserve	689,246	793,863
Retained earnings	(3,701,797)	(3,867,475)
Shareholders' equity	1,263,342	1,202,281
Non-controlling interests	(5,623)	(3,165)
TOTAL EQUITY	1,257,719	1,199,116
LIABILITIES		
Non-current liability		
Loans and borrowings - secured	296,692	386,914
Current liabilities		
Trade and other payables	3,927,768	1,359,041
Amount due to Directors	118,603	73,423
Loans and borrowings - secured	1,581,603	2,591,030
	5,627,974	4,023,494
Total liabilities	5,924,666	4,410,408
TOTAL EQUITY AND LIABILITIES	7,182,385	5,609,524

Consolidated Statement of Cash Flows
For the year ended 31 December 2015

	2015 £	2014 £
Cash flow from/(used in) operating activities		
Cash flow from/(used in) operations	1,972,724	(236,489)
Interest paid	(153,286)	(180,826)
Interest received	51,395	31,468
Tax paid	(44,948)	(9,168)
Tax refund	434	6,426
Net cash generated from /(used in) operating activities	1,826,319	(388,589)
Cash flow from investing activities		
Purchase of property, plant and equipment	(111,191)	(361,762)
Net cash outflow for disposal of subsidiary company	-	(1,123)
Net cash inflow for acquisition of subsidiary company	-	2,208
Net cash used in investing activities	(111,191)	(360,677)
Cash flows from financing activities		
Drawdown of term loan	-	300,739
Net change of banker acceptance	(779,272)	781,051
Repayment of finance lease payables	(114,717)	(106,708)
Repayment of letter of credit	(159,305)	-
Repayment of term loan	(46,355)	(646)
Net cash from/(used in) financing activities	(1,099,649)	974,436
Increase in cash and cash equivalents	615,479	225,170
Effect of foreign exchange rate changes	(7,019)	63,092
Cash and cash equivalents at beginning of year	1,608,255	1,319,993
Cash and cash equivalents at end of year	2,216,715	1,608,255

Notes to the Financial Statements
For the year ended 31 December 2015

1. Basis of preparation

These financial statements 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. The financial statements have been prepared under the historical cost convention.

2. Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in Chairman's statement above. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the financial statements and associated notes.

In order to assess the going concern of the Group, the Directors have prepared cashflow forecasts for companies within the Group. These cashflow forecasts show the Group expects an increase in revenue and will have sufficient headroom over available banking facilities. The Group has obtained banking facilities sufficient to facilitate the growth forecast in future periods. No matters have been drawn to the Directors' attention to suggest that future renewals may not be forthcoming on acceptable terms.

In addition, the controlling shareholder has also undertaken to provide support to enable the group to meet its debts as and when they fall due.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The financial statement does not include any adjustments that would result if the forecast were not achieved and shareholder support was withdrawn.

3. Functional currency translation

(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-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

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
Year ended 31 December 2015	6.36	5.97
Year ended 31 December 2014	5.45	5.39

4. Segmental Analysis

The information reported to the Group's chief operating decision maker to make decisions about resources to be allocated and for assessing their performance is based on the nature of the products and services, and has two reportable operating segments as follows:

(a) Telecommunication services and electronic commerce solutions; and
(b) Hardware

Except as above, no other operating segment has been aggregated to form the above reportable operating segments.

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

No segment assets and capital expenditure are presented as they are mostly unallocated items which comprise corporate assets and liabilities.

No geographical segment information is presented as the Group mainly trades and provides services in only one region - the Far East.

5. 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.

6. Earnings per share

The basic earnings per share is calculated by dividing the profit of £165,678 (2014: loss of £47,561) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, which is 106,298,780 (2014: 106,298,780).

The diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the exercise of outstanding dilutive share options.

7. Contingent liabilities

Save as disclosed below, the Group has no contingent liabilities arising in respect of legal claims arising from the ordinary course of business and it is not anticipated that any material liabilities will arise from the contingent liabilities other than those provided for.

	Group	
	2015	**2014**
	£	**£**
Limit of guarantees		
Corporate guarantees given to a licensed bank by the Company for credit facilities granted to a subsidiary company	4,377,560	4,377,560
Amount utilised		
Banker's guarantee in favour of third parties	890,595	890,595

8. Significant accounting policies

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 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 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 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 the 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 five 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.

-Ends-

END

FR AKKDQDBKDCAN

CLOSE

Final Results - RNS