



MOBILITYONE



MOBILITYONE LIMITED

Incorporated in Jersey, registered number 96293

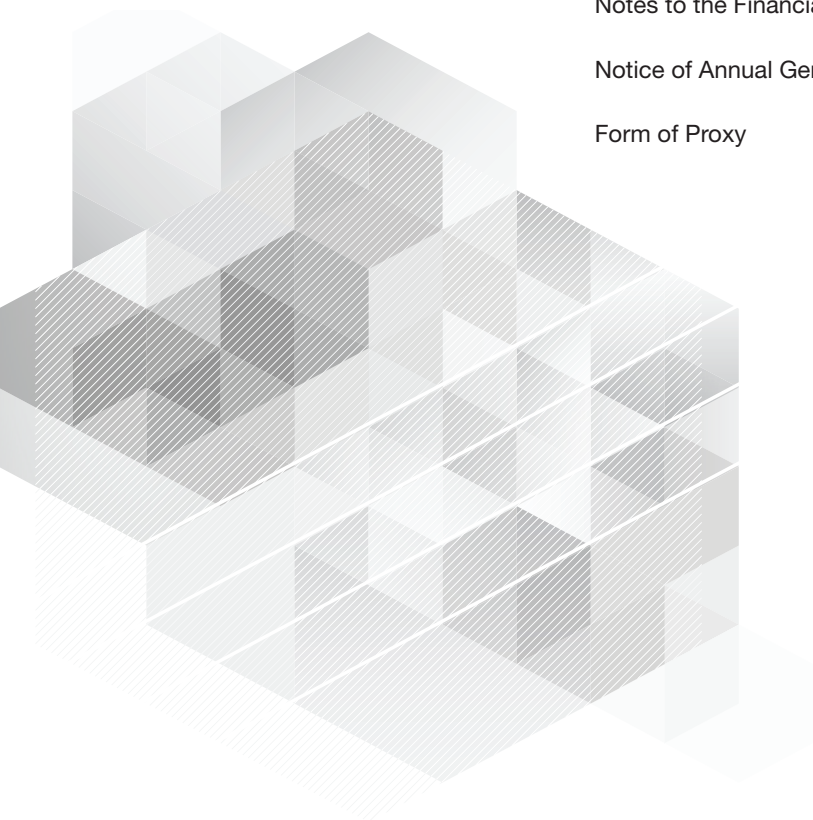
Listed on AIM of the London Stock Exchange



ANNUAL REPORT 2019

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COMPANY INFORMATION

For the year ended 31 December 2019

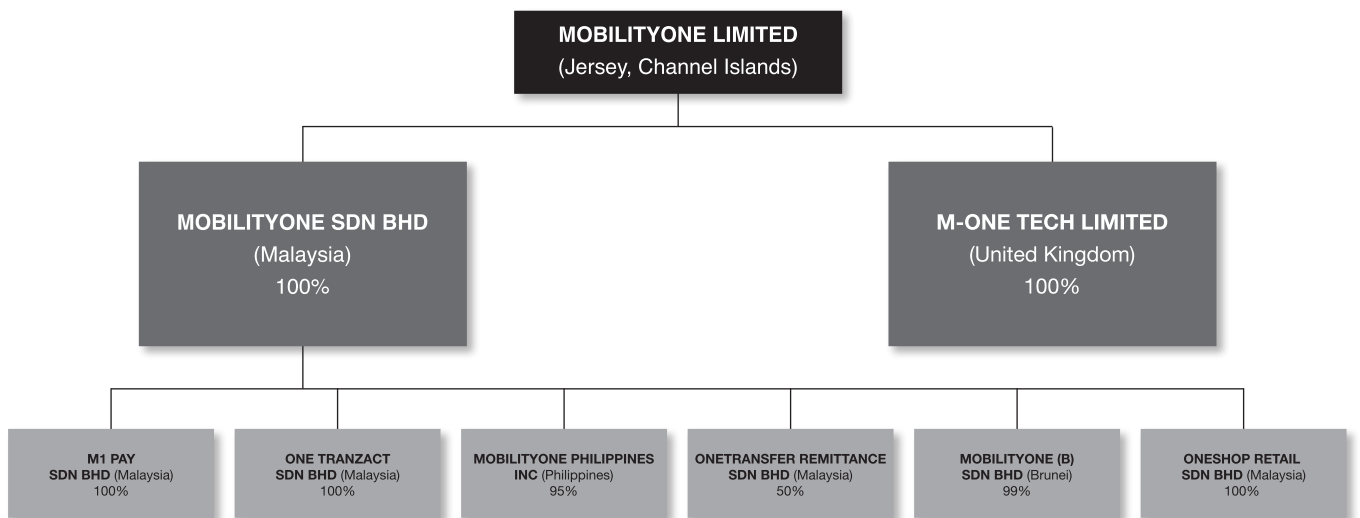
DIRECTORS	Abu Bakar bin Mohd Taib (<i>Non-Executive Chairman</i>) Dato' Hussian @ Rizal bin A. Rahman (<i>Chief Executive Officer</i>) Derrick Chia Kah Wai (<i>Chief Operating Officer</i>) Seah Boon Chin (<i>Non-Executive Director</i>)
SECRETARY	Computershare Company Secretarial Services (Jersey) Limited 13 Castle Street St Helier Jersey JE1 1ES Channel Islands
REGISTERED OFFICE	13 Castle Street St Helier Jersey JE1 1ES Channel Islands
BUSINESS ADDRESS	2-3, Incubator 2 Technology Park Malaysia Bukit Jalil 57000 Kuala Lumpur Malaysia Tel: +603 8996 3600
AUDITORS	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE United Kingdom
NOMINATED ADVISER AND BROKER	Allenby Capital Limited 5 St. Helen's Place London EC3A 6AB United Kingdom

CHAIRMAN'S STATEMENT

For the year ended 31 December 2019

INTRODUCTION

MobilityOne Limited's organisation structure is depicted below:



The Directors are pleased to present the audited consolidated financial statements for MobilityOne Limited for the year ended 31 December 2019.

The Group's revenue was up 35.0% to £169.4 million (2018: revenue of £125.5 million) for the 12 months ended 31 December 2019. This increase in revenue was mainly contributed by the strong growth of the Group's e-payment business in Malaysia. The mobile phone prepaid airtime reload and bill payment business activities in Malaysia experienced strong growth through the Group's banking channels (i.e. mobile banking and internet banking) with 10 banks and third parties' e-wallet applications and also through more customers using mobile and internet channels. As a result of the substantial increase in revenue, the Group recorded a profit after tax of £1.87 million in 2019 (2018: loss after tax of £1.36 million), this includes a one-off gain of approximately £1.11 million in connection with the Group's disposal of its wholly-owned subsidiary, MobilityOne South Asia Sdn Bhd (together with its 55%-owned loss-making subsidiary in Bangladesh, Mobility I Tap Pay (Bangladesh) Limited) in July 2019. In the Company's trading update announcement of 15 June 2020 the Company announced that this one-off gain was expected to be £0.36 million. However this figure has been subject to an audit adjustment at the time of finalisation of the accounts which has resulted in the one-off gain increasing to £1.11 million. This has resulted in the profit after tax in the financial year increasing from an expected £1.18 million, as announced on 15 June 2020, to £1.87 million.

The Group's other businesses, such as its international remittance services and e- Money business in Malaysia and its e-payment solutions activities in the Philippines and Brunei, remained small and did not make significant contributions to the Group in the year ended 31 December 2019.

As at 31 December 2019, the Group had cash and cash equivalents (including fixed deposits) of £4.42 million (31 December 2018: cash and cash equivalents (including fixed deposits) of £4.18 million) and the secured loans and borrowings from financial institutions amounted to £3.43 million (31 December 2018: £4.27 million).

CURRENT TRADING AND OUTLOOK

On 18 March 2020, Malaysia began the implementation of the Movement Control Order ("MCO") or lockdown restrictions throughout the country. In view of the effectiveness of the steps taken by the Malaysian government to contain the spread of COVID-19, the MCO has been relaxed with lesser restrictions since 10 June 2020 and this will continue until 31 December 2020.

CHAIRMAN'S STATEMENT (CONTINUED)

For the year ended 31 December 2019

Given the nature of the Group's major business in e-payments, the Group's financial performance in Malaysia has not been adversely affected by COVID-19 as more mobile phone users are purchasing the prepaid airtime reload via mobile banking, internet banking and e-wallets applications.

Recently, the Company has announced the following developments:

- (i) the Company has incorporated a wholly-owned subsidiary, namely M-One Tech Limited, in the United Kingdom to explore business opportunities such as payment aggregation, electronic payments and e-remittance services in the United Kingdom, areas in which the Group already has the operational experience in Malaysia. The Group is in the midst of preparing the necessary application to the Financial Conduct Authority to seek its approval for the Group to commence the above businesses in the United Kingdom;
- (ii) the Company's 50%-owned remittance company, OneTransfer Remittance Sdn Bhd ("OTR"), signed an international money transfer agreement with MoneyGram Payment Systems, Inc. ("MoneyGram") in July 2020 to act as one of MoneyGram's correspondence remittance companies in Malaysia for an initial term of 5 years (the "MoneyGram Agreement"). MoneyGram provides money transfer and payment services worldwide. MoneyGram is a global leader in money transfers headquartered in Dallas, USA. The MoneyGram Agreement enables the customers of OTR to send and receive money via MoneyGram's global platform which connects to more than 200 countries worldwide. Previously OTR's customers were restricted in being able to send money to less than 10 countries across Asia. Under the MoneyGram Agreement, OTR will be entitled to a share of the fees generated by MoneyGram on money transfer transactions as well as a share of MoneyGram's foreign exchange profits realised on transactions via OTR. OTR launched the services with MoneyGram on 25 September 2020; and
- (iii) the Company's wholly-owned subsidiary, MobilityOne Sdn Bhd, entered into an Alipay service contract with Alipay.com Co., Ltd ("Alipay") in August 2020 to offer Alipay's payment acceptance service to the Group's merchants in Malaysia (the "Alipay Agreement"). Alipay is one of the largest mobile and online payment platforms globally and is part of the Alibaba Group Holding Limited, a Chinese multinational technology company specialising in e-commerce, retail, internet and technology. The Alipay Agreement will enhance the Group's e-payment capabilities whereby the Group's merchants can accept Alipay transactions via online and offline channels from digital wallets which have stored value operated by Alipay. The Group intends to, via an e-platform, provide payment processing, authorisation and settlement services to its merchants who provide goods and services directly to Alipay users to enable such merchants to accept payments from Alipay users. The Group intends to deploy this service to the market by the end of this year.

For future growth, the Group intends to continue to enhance its product offering and payment systems including online payment gateways which cover the acceptance of credit cards and payment wallets. In addition the Group intends to explore venturing into complementary businesses such as moneylending business, which is governed and regulated by the Ministry of Housing and Local Government of Malaysia whereby more companies (in addition to established financial institutions) are able to provide loans to members of the public in order to encourage the public to borrow from legitimate money lenders instead of loan sharks or illegal money lenders. The Group plans to offer moneylending in Malaysia by end of this year after considering the demand from individuals and small businesses such as the Group's existing and new merchants. However, the Group does not anticipate this new business will have a material impact or contribution on the Group's current growth prospects.

The Group remains confident on the outlook for the remainder of 2020 for the Group's existing businesses as well as for the new initiatives being pursued.

.....
Abu Bakar bin Mohd Taib
Chairman

Date: 30 September 2020

REPORT OF THE DIRECTORS

For the year ended 31 December 2019

The Directors are pleased to submit their report together with the financial statements of the Company and the Group for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The principal activity of the Group in the year under review was mainly in the business of providing e-commerce infrastructure payment solutions and platforms.

KEY PERFORMANCE INDICATORS

	Year ended 31.12.2019 £	Year ended 31.12.2018 £
Revenue	169,412,664	125,464,740
Operating profit	1,356,228	331,640
Profit before tax	1,083,176	67,491
Net profit/(loss) for the year	1,871,998	(1,362,451)

KEYS RISKS AND UNCERTAINTIES

Operational risks

The Group is not insulated from general business risk as well as certain risks inherent in the industry in which the Group operates. In particular, this includes technological changes, unfavourable changes in Government and international policies, the introduction of new and superior technology or products and services by competitors and changes in the general economic, business and credit conditions.

Dependency on Distributorship Agreements

The Group relies on various telecommunication companies to provide the telecommunication products. As a result, the Group's business may be materially and adversely affected if one or more of these telecommunication companies cut or reduce drastically the supply of their products. The Group has distributorship agreements with telecommunication companies such as DiGi Telecommunications Sdn. Bhd., Celcom (M) Berhad and Maxis Communication Berhad, which are subject to periodic renewal.

Rapid technological changes/product changes in the e-commerce industry

If the Group is unable to keep pace with rapid technological development in the e-commerce industry it may adversely affect the Group's revenues and profits. The e-commerce industry is characterised by rapid technological changes due to changing market trends, evolving industry standards, new technologies and emerging competition. Future success will be dependent upon the Group's ability to enhance its existing technology solutions and introduce new products and services to respond to the constantly changing technological environment. The timely development of new and enhanced services or products is a complex and uncertain process.

REPORT OF THE DIRECTORS (CONTINUED)

For the year ended 31 December 2019

KEYS RISKS AND UNCERTAINTIES (Continued)

Demand for the Group's products and services

The Group's future results depend on the overall demand for its products and services. Even though the Group's financial performance in Malaysia has not been adversely affected by COVID-19, uncertainty in the economic environment may cause some business to curtail or eliminate spending on payment technology. In addition, the Group may experience hesitancy on the part of existing and potential customers to commit to continuing with its new services.

Financial risks

Please refer to Note 3.

REVIEW OF BUSINESS

The results for the year and financial position of the Company and the Group are as shown in the Chairman's statement.

RESULTS AND DIVIDENDS

The consolidated total comprehensive profit for the year ended 31 December 2019 was £1,828,915 (2018: loss £1,361,613) which has been transferred to reserves. No dividends will be distributed for the year ended 31 December 2019.

DIRECTORS

The Directors during the year under review were:

Abu Bakar bin Mohd Taib (*Non-Executive Chairman*)
 Dato' Hussian @ Rizal bin A. Rahman (*Chief Executive Officer*)
 Derrick Chia Kah Wai (*Chief Operating Officer*)
 Seah Boon Chin (*Non-Executive Director*)

The beneficial interests of the Directors holding office at 31 December 2019 in the ordinary shares of the Company, were as follows:

Ordinary 2.5p shares	Interest at 31.12.19	% of issued capital
Abu Bakar bin Mohd Taib	Nil	Nil
Dato' Hussian @ Rizal bin A. Rahman	53,465,724	50.30
Derrick Chia Kah Wai *	Nil	Nil
Seah Boon Chin	Nil	Nil

* The wife of Derrick Chia Kah Wai holds 1,943,000 ordinary shares in the Company, which is equivalent to 1.83% of the Company's issued capital.

REPORT OF THE DIRECTORS (CONTINUED)

For the year ended 31 December 2019

The Directors also held the following ordinary shares options:

	Interest at 31.12.19
Abu Bakar bin Mohd Taib	500,000
Dato' Hussian @ Rizal bin A. Rahman	800,000
Derrick Chia Kah Wai	2,000,000
Seah Boon Chin	2,000,000

The options were granted on 5 December 2014 at an exercise price of 2.5p. The period of the options is ten years.

The Directors' remuneration of the Group is disclosed in Note 4.

SUBSTANTIAL SHAREHOLDERS

As at 18 September 2020, the Company had been notified of the following beneficial interests in 3% or more of the issued share capital pursuant to Part VI of Article 110 of the Companies (Jersey) Law 1991:

Ordinary 2.5p shares	Number of ordinary shares	% of issued capital
Dato' Hussian @ Rizal bin A. Rahman	53,465,724	50.30
Thornbeam Limited	16,048,922	15.10
Estate of Dato' Shamsir bin Omar	9,131,677	8.59
Vidacos Nominees Limited	7,979,501	7.51

PUBLICATION OF ACCOUNTS ON COMPANY WEBSITE

Financial statements are published on the Company's website, which can be found at www.mobilityone.com.my. The maintenance and integrity of the website is the responsibility of the Directors. The Directors' responsibility also extends to the financial statements contained therein.

INDEMNITY OF OFFICERS

The Group does not have the insurance cover against legal action brought against its Directors and officers.

GROUP'S POLICY ON PAYMENT OF CREDITORS

It is the Group's normal practice to make payments to suppliers in accordance with agreed terms provided that the supplier has performed in accordance with the relevant terms and conditions.

EMPLOYEE INVOLVEMENT

The Group places considerable value on the involvement of the employees and has continued to keep them informed on matters affecting the Group. This is achieved through formal and informal meetings.

GOING CONCERN

These financial statements have been prepared on the assumption that the Group is a going concern. Further information is given in Note 2 of the financial statements.

REPORT OF THE DIRECTORS (CONTINUED)

For the year ended 31 December 2019

SIGNIFICANT EVENTS

The Company disposed of its wholly-owned subsidiary, MobilityOne South Asia Sdn Bhd (together with its 55%-owned loss-making subsidiary in Bangladesh, Mobility I Tap Pay (Bangladesh) Limited under the management of the minority shareholders in Bangladesh) on 16 July 2019 in order to avoid further losses to the Group.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business for the foreseeable future; and
- state that the financial statements comply with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with Article 103 of the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information of which the Company and Group's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company and Group's auditors are aware of that information.

AUDITORS

Jeffreys Henry LLP have expressed their willingness to continue in office as auditors to the Company. A resolution proposing that Jeffreys Henry LLP be re-appointed will be put to the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

.....
Dato' Hussian @ Rizal bin A. Rahman
 Chief Executive Officer

Date: 30 September 2020

BOARD OF DIRECTORS

Abu Bakar bin Mohd Taib

(Non-Executive Chairman)

Abu Bakar bin Mohd Taib, a Malaysian aged 67, has been the Non-Executive Chairman of the Company since 27 June 2014 and had previously worked for several listed companies and financial institutions in Malaysia including Nestle (Malaysia) Berhad, Bank Bumiputera Malaysia Berhad (now part of CIMB Bank Berhad) and United Malayan Banking Berhad (now part of RHB Bank Berhad). He was mainly involved in corporate communications and corporate affairs until 2004. Since 2005 he has been the director of several companies that are principally involved in timber related activities in Malaysia. He obtained a Master of Business Administration in Marketing and Finance from West Coast University (USA) and a Bachelor of Science in Business Administration from California State University (USA).

Dato' Hussian @ Rizal bin A. Rahman

(Chief Executive Officer)

Dato' Hussian @ Rizal bin A. Rahman, a Malaysian aged 58, is the Chief Executive Officer of the Group. He has extensive experience in the IT and telecommunications industries in Malaysia and is responsible for the development of the Group's overall management, particularly in setting the Group's business direction and strategies. He is currently also the Managing Director of TFP Solutions Berhad, which is listed on the ACE Market of Bursa Malaysia Securities Berhad (Malaysia Stock Exchange). He obtained a certified Master of Business Administration from the Oxford Association of Management, England.

Derrick Chia Kah Wai

(Chief Operating Officer)

Derrick Chia Kah Wai, a Malaysian aged 49, is the Chief Operating Officer of the Group. He began his career as a programmer in 1994, he then joined GHL Systems Berhad in January 1998 as a Software Engineer and was promoted to Software Development Manager in December 1999. He obtained his Bachelor Degree in Commerce, majoring in Management Information System from University of British Columbia, Canada. He joined the Group in May 2005 and is responsible for the Group's business operations.

Seah Boon Chin

(Non-Executive Director)

Seah Boon Chin, a Malaysian aged 49, began his career in 1995 with a financial institution in Malaysia and worked in the Corporate Finance Department of several established financial institutions in Malaysia and Singapore. He joined the Group in January 2007 and stepped down as the Corporate Finance Director on 15 November 2011 and remains as a Non-Executive Director of the Company. He is currently the Head of Corporate Finance with TA Securities Holdings Berhad in Malaysia. He obtained his Bachelor Degree in Commerce (Honours) with Distinction from McMaster University, Canada.

CORPORATE GOVERNANCE REPORT

The Directors recognise the importance of good corporate governance and have chosen to adopt the Quoted Companies Alliance Corporate Governance Code (“QCA Code”) in line with the changes to AIM Rules requiring all AIM quoted companies to adopt and comply with a recognised corporate governance code. The Directors consider that the Company complies with the QCA Code so far as is practicable.

The QCA Code identifies 10 principles that focus on the pursuit of medium to long term value for shareholders. The following report sets out in broad terms how the Company currently complies with the QCA Code.

1. Establish a strategy and business model which promote long-term value for shareholders

The Group’s strategy and business model are developed by the Chief Executive Officer (“CEO”) and approved by the Board, whenever required. The management team, led by the CEO, is responsible for implementing the strategy.

Over the years, the Group has developed its core competencies in providing a bridge between the service providers to their end consumers using the Group’s technology to accept transactions via multiple channels either via mobile phones, Internet, electronic data capture terminals and even via banking channels like Internet banking portal, automated teller machines (ATM) and mobile banking.

Even though the e-payment business in Malaysia, particularly prepaid airtime reload and bill payment business, is contributing substantially to the Group’s revenue, the Group continues to explore other business opportunities in Malaysia and other countries such as the Philippines, Brunei and the United Kingdom to enhance its product offering for future growth.

The key risks and uncertainties to the business model and strategy are detailed in the Report of the Directors and note 3 of the Company’s Accounts for the year ended 31 December 2019.

2. Seek to understand and meet shareholder needs and expectations

The Company encourages two-way communication with its shareholders to understand their needs and expectations.

The Board recognises the annual general meeting (“AGM”) as an important opportunity to meet shareholders. The AGM is the main forum for dialogue with shareholders and all members of the Board attend the AGM and are available to answer questions raised by shareholders and to listen to views of shareholders.

It should be noted that the top three shareholders hold over 70% of the Company’s share capital, 50.3% of the share capital being held by the CEO. The CEO talks regularly with the Company’s major non-board shareholders to understand their needs and expectations. Some of the Company’s larger shareholders have been investors in the Company for a number of years. They have the direct contact details of the CEO.

In the future should voting decisions not be in line with the Company’s expectations, the Board would endeavour to engage with those shareholders to understand and address any issues.

Contact details are provided on the contacts page of the Company’s website and within public documents should shareholders wish to communicate with the Company.

CORPORATE GOVERNANCE REPORT (CONTINUED)

3. Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Group is aware of its corporate social responsibilities and the need to maintain good relationships across a range of stakeholder groups, including employees, business partners, suppliers, customers and regulatory authorities.

The Group's operations and working environment take into account the needs of all stakeholder groups while maintaining focus on the responsibility to promote the success of the Group. The Group encourages feedback from all stakeholder groups as the Group's long term strategy is to create shareholder value.

The Group places considerable value on the involvement of employees and continues to keep them informed on matters affecting the Group through formal and informal meetings which provide opportunities to received feedback on issues affecting the Group.

The Group's activities are reliant on maintaining good relationships with a number of banking partners in Malaysia. In addition the Group's remittance business requires certain licences from the Central Bank of Malaysia and the CEO maintains a good flow of communication with the Central Bank of Malaysia to ensure the Group's activities continue to operate under the correct regulatory framework.

4. Embed effective risk management, considering both opportunities and threats, throughout the organization

The principal risks and uncertainties affecting the business are set in the Report of the Directors and note 3 of the Company's Accounts for the year ended 31 December 2019.

The Board monitors these risks, which include technological, regulatory and commercial risks, on a regular basis and the risks are considered by the Group during Board meetings. The Executive Directors and senior management team meet regularly during the year to review and evaluate risks and opportunities. The senior management meets regularly to review ongoing trading performance and any new risks associated with ongoing trading.

Risk identification can come from several sources: employees or other stakeholder feedback; executive meetings; and decisions taken at Audit Committee and Board meetings.

5. Maintain the board as a well- functioning, balanced team led by the chair

The Board comprises two Executive Directors and two Non-Executive Directors. The two Non-Executive Directors are the members of audit, remuneration and nomination committees who have the necessary skills and knowledge to discharge their duties and responsibilities.

The Non-executive Chairman is responsible for the running of the Board and the CEO has main executive responsibility for running the Group's business and implementing the Group's strategy.

The Chairman is considered to be an Independent Director and acts as a Senior Independent Director. Seah Boon Chin (Non-Executive Director) is not deemed to be independent due to having previously been an executive board member and his length of tenure. Notwithstanding this, the Board considers that Seah Boon Chin brings an independent judgement to bear notwithstanding the aforementioned considerations.

The Directors receive regular updates on the Group's operational and financial performance during Board meetings and they have committed sufficient time to fulfill their responsibilities.

CORPORATE GOVERNANCE REPORT (CONTINUED)

5. *Maintain the board as a well- functioning, balanced team led by the chair (continued)*

The Company believes it has effective procedures in place to monitor and deal with conflicts of interest. In particular the Board is aware of the other time commitments and interests of the CEO. Significant changes to these commitments and interests are reported to and, where appropriate, agreed with the rest of the Board.

In addition to the numerous written Board resolutions approved by the Board which have the same force and effect as if adopted at duly convened meetings of all the Directors, the Company had five Board meetings in 2019 which were attended by all the Directors.

6. *Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities*

The Directors' biographies are set out in the section "Board of Directors" of the Company's Accounts for the year ended 31 December 2019.

The Board is satisfied that between the Directors, they have sufficient skills, experience and capabilities to enable the strategy of the Company to be delivered.

The Nomination Committee will make recommendations to the Board on all new Board appointments. Where new Board appointments are considered the search for candidates is conducted, and appointments are made, on merit, against objective criteria.

The Board, if required, will review the composition of the Board to ensure that it has the necessary diversity of skills to support the ongoing development of the Group. Gender diversity is not in the Company's immediate plans.

All Directors retire by rotation at regular intervals (every 3 years) in accordance with the Company's Articles of Association.

The Directors attend courses and seminars to keep their skill set up to date.

7. *Evaluate board performance based on clear and relevant objectives, seeking continuous improvement*

The Directors undergo a performance evaluation before being proposed for re-election to ensure that they continue to be effective and committed to the role. All directors meet to discuss the performance evaluation together.

Appraisals are carried out each year with all Executive Directors.

The Board considers that the size of the Company does not justify the use of third parties to evaluate the performance of the Board on an annual basis.

All Directors retire by rotation at regular intervals (every 3 years) and stand for re-election at the AGM. During the year the Non-executive Directors are responsible for informally reviewing directors' performance and highlighting any issues identified.

At the present time, succession planning is not in the Company's immediate plans however the Board will monitor the need to implement an informal or formal succession plan going forward.

CORPORATE GOVERNANCE REPORT (CONTINUED)

8. *Promote a corporate culture that is based on ethical values and behaviours*

The Group maintains a high standard of integrity in the conduct of its operations and is committed to providing a safe and healthy working environment for its employees. The Group operates a corporate culture that is based on ethical values and behaviours.

In addition, the Group encourages an open culture, with regular discussions with employees regarding their performance and skills development to achieve the objectives and strategy of the Group.

Any recommendations from staff to improve the working environment or in respect of health and safety matters will be assessed by the Human Resources and Administration Manager and, as appropriate, proposed to the Board for necessary actions to be taken.

Given the size of the Group, all practices undertaken by the Group are reviewed by the Executive Directors to ensure that the ethical values and behaviours are being adhered to.

9. *Maintain governance structures and processes that are fit for purpose and support good decision-making by the board*

The Board has overall responsibility for promoting the success of the Group. The Executive Directors have day-to-day responsibility for the operational management of the Group's activities. The Non-executive Directors are responsible for bringing independent and objective judgment to Board decisions.

There is a clear separation of the roles of CEO and Non-executive Chairman. The Chairman is responsible for overseeing the running of the Board, ensuring that no individual or group dominates the Board's decision-making and ensuring the Non-executive Directors are properly briefed on matters. The Chairman has overall responsibility for corporate governance matters in the Group. The CEO has the responsibility for implementing the strategy of the Board and managing the day-to-day business activities of the Group.

The Board has established the following committees: Audit Committee, Remuneration Committee and Nomination Committee. The members of the three committees are Abu Bakar bin Mohd Taib (Non-executive Chairman) and Seah Bon Chin (Non-executive Director). Abu Bakar bin Mohd Taib chairs the Audit Committee, Remuneration Committee and Nomination Committee.

The Audit Committee normally meets twice a year and has responsibility for, amongst other things, planning and reviewing the annual report and accounts and interim statements. It is also responsible for ensuring that an effective system of internal control is maintained. The ultimate responsibility for reviewing and approving the annual financial statements and interim statements remains with the Board.

The Remuneration Committee meets at least once a year and has responsibility for making recommendations to the Board on matter such as the remuneration packages for each of the Directors.

The Nomination Committee, which meets as required, has responsibility for reviewing the size and composition of the Board, the appointment of replacement or additional Directors and making appropriate recommendations to the Board.

The Directors consider that the Group has an appropriate governance framework for its size now and as it grows but they will consider the evolution of this framework on an annual basis.

CORPORATE GOVERNANCE REPORT (CONTINUED)

9. *Maintain governance structures and processes that are fit for purpose and support good decision-making by the board (continued)*

The Board does not maintain a formal schedule of matters reserved for Board decision but matters such as financial results, Board appointments and acquisitions require approval at Company's Board meetings or written Board resolutions approved by the Board which have the same force and effect as if adopted at duly convened meetings of all the Directors. In 2019, the Company held five Board meetings.

Board and committee meetings

Attendances of Directors at Board and committee meetings convened in 2019 are set out below:

Director	Board Meeting Attended	Audit Committee Meeting Attended	Remuneration Committee Meeting Attended
Number of meetings in year	5	2	1
Abu Bakar bin Mohd Taib	5	2	1
Dato' Hussian @ Rizal bin A. Rahman	5	N/A	N/A
Derrick Chia Kah Wai	5	N/A	N/A
Seah Boon Chin	5	2	1

10. *Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.*

The Company encourages two-way communication with various stakeholder groups, including shareholders and responds quickly to their relevant queries.

The Directors recognise the AGM as an important opportunity to meet shareholders and the Directors are available to answer questions raised by the shareholders.

The Company's website is regularly updated to include business progress, financial performance and corporate actions reflecting information that has already been announced by the Company through regulatory announcements.

The Company will announce and post on its website the results of voting on all resolutions in the future general meetings (including annual general meetings) including any actions to be taken as a result of resolutions for which votes against have been received from at least 20 per cent. of independent shareholders.

Under AIM Rule 26, the Company already publishes historical annual reports, notices of meetings and other publications over the last five years which can be found here: <http://www.mobilityone.com.my/v4/annual-reports.html>

The Company has not published an audit committee or remuneration committee report in its annual report and accounts. The Board feels that this is appropriate given the size and stage of development of the Group. The Board will consider annually whether it considers it appropriate for these reports to be included in future annual report and accounts.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MOBILITYONE LIMITED

OPINION

We have audited the financial statements of MobilityOne Limited (the ‘parent company’) and its subsidiaries (the ‘Group’) for the year ended 31 December 2019 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements of cash flows, the consolidated and company statements of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the Group’s and of the parent company’s affairs as at 31 December 2019 and of the Group’s profit for the year then ended;
- the Group’s financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of Companies (Jersey) Law 1991;
- the parent company’s financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of Companies (Jersey) Law 1991.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

KEY AUDIT MATTERS

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MOBILITYONE LIMITED (CONTINUED)

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
<p>Investment in subsidiaries</p> <p>MobilityOne Limited has significant interest in subsidiary companies. As such there is a risk that the net book value of investments may be impaired.</p>	<p>We reviewed the net assets of the subsidiary companies in comparison to the net book value of investments.</p> <p>We considered the nature of MobilityOne Limited as a holding company, whilst the subsidiary companies make up the trading element of the Group. In light of this we also compared the net book value of investments with the market capitalisation of the Group.</p>
<p>Going concern assumption</p> <p>The Group is dependent upon its ability to generate sufficient cash flows to meet continued operation costs and hence continue trading. The income is derived from the provision of e-commerce infrastructure payment solutions and platforms.</p> <p>The going concern assumption is dependent on the future growth and return to profitability of the current business as well as the development of the additional subsidiaries added to the Group during the year under review.</p>	<p>We evaluated the suitability of management’s model for the forecast.</p> <p>The forecast includes assumptions, including those related to the growth in revenues.</p> <p>Our audit work has focused on evaluating and challenging the reasonableness of these assumptions and their impact on the forecast period.</p>
<p>Transition to IFRS 16</p> <p>During the year, the new reporting standard around leases came into effect, bringing all lease obligations onto the balance sheet and recognising a right of use asset for these. There is a risk that these have been recognised incorrectly.</p>	<p>We reviewed leases against the criteria set out in IFRS 16 to ensure all leases were correctly recognised. We reviewed the workings of the asset and liabilities and there were found to be reasonable.</p>

OUR APPLICATION OF MATERIALITY

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MOBILITYONE LIMITED (CONTINUED)

OUR APPLICATION OF MATERIALITY (Continued)

Based on our professional judgment, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Overall materiality	£847,000 (2018: £630,000).	£40,000 (2018:£39,000).
How we determined it	0.5% of revenue	2% of gross assets
Rationale for benchmark applied	We believe that revenue is the primary measure used by the shareholders in assessing the performance of the Group, and is a generally accepted auditing benchmark.	We believe that gross assets is the primary measure used by the shareholders in assessing the performance of the Company, and is a generally accepted auditing benchmark

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was between £847,000 and £2,000.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £42,350 (2018: £31,500) and £2,000 (2018: £2,500) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgments, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group's financial statements are a consolidation of nine reporting units, comprising the Group's operating businesses and holding companies.

We performed audits of the complete financial information of MobilityOne Limited, MobilityOne Sdn Bhd, and One Tranzact Sdn Bhd reporting units, which were individually financially significant and accounted for 100% of the Group's revenue and 95% of the Group's absolute profit before tax (i.e. the sum of the numerical values without regard to whether they were profits or losses for the relevant reporting units).

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MOBILITYONE LIMITED (CONTINUED)

AN OVERVIEW OF THE SCOPE OF OUR AUDIT (Continued)

The Group's engagement team performed all audit procedures, with the exception of the audit of MobilityOne Sdn Bhd, M1 Pay Sdn Bhd, One Tranzact Sdn Bhd and OneShop Retail Sdn Bhd which were performed by a component auditor in Malaysia.

Our involvement in the work of the component auditor in Malaysia included regular communication with a formal meeting arranged following the performance of the procedures. A review of the working papers was undertaken in the United Kingdom.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES (JERSEY) LAW 1991

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 8, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MOBILITYONE LIMITED (CONTINUED)

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF THIS REPORT

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. 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.

Jeffreys Henry LLP

Chartered Accountants Statutory Auditor

Finsgate
5-7 Cranwood Street
London
EC1V 9EE
United Kingdom

Date: 30 September 2020

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2019

	Note	2019 £	2018 £
Revenue	5	169,412,664	125,464,740
Cost of sales		(158,641,222)	(117,923,158)
GROSS PROFIT		10,771,442	7,541,582
Other operating income		192,515	77,446
Administration expenses		(9,253,270)	(7,033,482)
Distribution costs		-	-
Other operating expenses		(377,143)	(231,621)
Share of associate result	16	22,684	(22,285)
OPERATING PROFIT		1,356,228	331,640
Finance costs	6	(273,052)	(264,149)
PROFIT BEFORE TAX	7	1,083,176	67,491
Tax	8	(108,674)	274,564
PROFIT FROM CONTINUING OPERATIONS		974,502	342,055
Gain on disposal of subsidiary		1,105,535	-
LOSS FROM DISCONTINUED OPERATIONS, NET OF TAX	13	(208,039)	(1,704,506)
PROFIT/(LOSS)		1,871,998	(1,362,451)
Attributable to:			
Owners of the parent		1,508,874	(735,204)
Non-controlling interests		363,124	(627,247)
		1,871,998	(1,362,451)
PROFIT/(LOSS) PER SHARE			
Basic earnings/(loss) per share (pence)	10	1.419	(1.282)
Diluted earnings/(loss) per share (pence)	10	1.291	(1.282)
PROFIT PER SHARE FROM CONTINUING OPERATIONS			
Basic earnings per share (pence)	10	0.575	0.322
Diluted earnings per share (pence)	10	0.523	0.293

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

	2019 £	2018 £
PROFIT/(LOSS) FOR THE YEAR	1,871,998	(1,362,451)
OTHER COMPREHENSIVE (LOSS)/PROFIT		
Foreign currency translation	(43,083)	838
TOTAL COMPREHENSIVE PROFIT/(LOSS)	1,828,915	(1,361,613)
Total comprehensive profit/(loss) attributable to:		
Owners of the parent	1,465,622	(696,138)
Non-controlling interests	363,293	(665,475)
	1,828,915	(1,361,613)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Non-Distributable				Distributable		Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Reverse Acquisition Reserve	Foreign Currency Translation Reserve	Accum. Losses	Total		
	£	£	£	£	£	£	£	£
As at 1 January 2019	2,657,470	909,472	708,951	882,511	(4,755,008)	403,396	(1,303,321)	(899,925)
Effect of adopting IFRS 16	-	-	-	-	(3,018)	(3,018)	-	(3,018)
As at 1 January 2019, restated	2,657,470	909,472	708,951	882,511	(4,758,026)	400,378	(1,303,321)	(902,943)
Comprehensive profit								
Profit for the year	-	-	-	-	1,508,874	1,508,874	363,124	1,871,998
Foreign currency translation	-	-	-	(43,252)	-	(43,252)	169	(43,083)
Total comprehensive profit for the year	-	-	-	(43,252)	1,508,874	1,465,622	363,293	1,828,915
Transaction with owners:								
Disposal of a subsidiary company	-	-	-	-	-	-	928,767	928,767
At 31 December 2019	2,657,470	909,472	708,951	839,259	(3,249,152)	1,866,000	(11,261)	1,854,739

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 December 2019

	Non-Distributable				Distributable		Non-Controlling Interests	Total Equity
	Share Capital	Share Premium	Reverse Acquisition Reserve	Foreign Currency Translation Reserve	Accum. Losses	Total		
	£	£	£	£	£	£	£	£
As at 1 January 2018	2,657,470	909,472	708,951	881,673	(4,019,804)	1,137,762	(637,846)	499,916
Comprehensive loss								
Loss for the year	-	-	-	-	(735,204)	(735,204)	(627,247)	(1,362,451)
Foreign currency translation	-	-	-	838	-	838	(38,228)	(37,390)
Total comprehensive loss for the year	-	-	-	838	(735,204)	(734,366)	(665,475)	(1,399,841)
At 31 December 2018	2,657,470	909,472	708,951	882,511	(4,755,008)	403,396	(1,303,321)	(899,925)

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.

COMPANY STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the year ended 31 December 2019

	Non-Distributable			Total £
	Share Capital £	Share Premium £	Accumulated Losses £	
As at 1 January 2019	2,657,470	909,472	(1,586,185)	1,980,757
Loss for the year	-	-	(153,200)	(153,200)
At 31 December 2019	2,657,470	909,472	(1,739,385)	1,827,557
As at 1 January 2018	2,657,470	909,472	(1,408,688)	2,158,254
Loss for the year	-	-	(177,497)	(177,497)
At 31 December 2018	2,657,470	909,472	(1,586,185)	1,980,757

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Note	2019 £	2018 £
ASSETS			
Non-current assets			
Intangible assets	11	222,731	302,286
Property, plant and equipment	12	721,079	1,884,900
Deferred tax assets		-	193,962
Right-of-use assets	14	455,168	-
		1,398,978	2,381,148
Current assets			
Inventories	15	1,564,160	1,381,106
Trade and other receivables	17	4,413,189	4,260,086
Amount due from an associate		145,095	-
Tax recoverable		81,353	141,890
Fixed deposits	19	2,763,029	2,610,256
Assets held for sales	18	-	119,439
Cash and cash equivalents	19	1,660,034	1,571,234
		10,626,860	10,084,011
TOTAL ASSETS		12,025,838	12,465,159
SHAREHOLDERS' EQUITY			
Equity attributable to owners of the parent:			
Called up share capital	20	2,657,470	2,657,470
Share premium	21	909,472	909,472
Reverse acquisition reserve	22	708,951	708,951
Foreign currency translation reserve	23	839,259	882,511
Accumulated losses	24	(3,249,152)	(4,755,008)
Shareholders' equity		1,866,000	403,396
Non-controlling interests		(11,261)	(1,303,321)
TOTAL EQUITY		1,854,739	(899,925)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2019

	Note	2019 £	2018 £
LIABILITIES			
Non-current liability			
Loans and borrowings – secured	25	265,585	499,893
Lease liabilities	14	151,565	-
Deferred tax liabilities		60,873	470
Amount owing to Directors	28	-	1,754,319
		478,023	2,254,682
Current liabilities			
Trade and other payables	27	6,187,063	7,215,540
Amount due to Directors	28	107,827	122,685
Loans and borrowings – secured	25	3,161,178	3,767,696
Lease liabilities	14	232,228	-
Tax payables		4,780	4,481
		9,693,076	11,110,402
Total liabilities		10,171,099	13,365,084
TOTAL EQUITY AND LIABILITIES		12,025,838	12,465,159

The financial statements were approved and authorised by the Board of Directors on 30 September 2020 and were signed on its behalf by:

.....
Dato' Hussian @ Rizal bin A. Rahman
 Chief Executive Officer

COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Note	2019 £	2018 £
ASSETS			
Non-current asset			
Investment in subsidiary companies	13	1,976,356	1,976,356
Current assets			
Amount due from subsidiary companies	17	-	1,080,288
Cash and cash equivalents	19	3,998	4,353
		3,998	1,084,641
TOTAL ASSETS		1,980,354	3,060,997
SHAREHOLDERS' EQUITY			
Equity attributable to owners of the parent:			
Called up share capital	20	2,657,470	2,657,470
Share premium	21	909,472	909,472
Retained earnings	24	(1,739,385)	(1,586,185)
TOTAL EQUITY		1,827,557	1,980,757
Current liabilities			
Trade and other payables	27	6,120	28,913
Amount owing to subsidiary companies		41,480	931,327
Amount owing to directors	28	105,197	120,000
TOTAL LIABILITIES		152,797	1,080,240
TOTAL EQUITY AND LIABILITIES		1,980,354	3,060,997

The financial statements were approved and authorised by the Board of Directors on 30 September 2020 and were signed on its behalf by:

.....
Dato' Hussian @ Rizal bin A. Rahman
 Chief Executive Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	Note	2019 £	2018 £
Cash flow from operating activities			
Cash flow from operations	29	1,428,219	1,201,064
Interest paid		(287,587)	(276,426)
Interest received		97,617	66,554
Tax paid		(184,491)	(93,759)
Tax refund		196,205	-
Net cash generated from operating activities		1,249,963	897,433
Cash flow from investing activities			
Purchase of property, plant and equipment	12	(70,294)	(893,113)
Increase in asset held for sale		-	(119,439)
Proceeds from disposal of property, plant and equipment		1,890	779,123
Net cash outflow for disposal of subsidiary company		(80,486)	-
Net cash outflow for acquisition of subsidiary company		-	18,267
Addition investment in associate company		(47,258)	-
Net cash used in investing activities		(196,148)	(215,162)
Cash flows from financing activities			
Drawdown of borrowings		-	90,429
Increase in pledged fixed deposits		-	(297,416)
Net change of banker acceptance	25	(398,175)	252,118
Repayment of finance lease payables		-	(13,604)
Repayment of lease liabilities		(317,999)	-
Repayment of term loan		(6,824)	(6,375)
Net cash (used in)/generated from financing activities		(722,998)	25,152
Increase in cash and cash equivalents		330,817	707,423
Effect of foreign exchange rate changes		(16,072)	76,044
Cash and cash equivalents at beginning of year		4,108,318	3,324,851
Cash and cash equivalents at end of year		4,423,063	4,108,318

The notes form part of these financial statements

COMPANY STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	Note	2019 £	2018 £
Cash flow from operating activities			
Cash depleted in operations	29	(355)	144
(Decrease)/Increase in cash and cash equivalents		(355)	144
Cash and cash equivalents at beginning of year		4,353	4,209
Cash and cash equivalents at end of year	19	3,998	4,353

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

1. GENERAL INFORMATION

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are set out in Note 13 to the financial statements. There were no significant changes in the nature of these activities during the year.

The Company is incorporated in Jersey, the Channel Islands under the Companies (Jersey) Law 1991 and is listed on AIM. The registered office is located at 13 Castle Street, St Helier, Jersey JE1 1ES, Channel Islands. The consolidated financial statements for the year ended 31 December 2019 comprise the results of the Company and its subsidiary companies undertakings. The Company's shares are traded on AIM of the London Stock Exchange.

MobilityOne Limited is the holding company of an established group of companies ("Group") based in Malaysia which is in the business of providing e-commerce infrastructure payment solutions and platforms through their proprietary technology solutions, which are marketed under the brands MoCS and ABO SSE.

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 such as EDC terminals, short messaging services, Automated Teller Machine and Internet banking.

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

2. ACCOUNTING POLICIES

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.

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 on page 3. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the financial statements and associated notes. In addition, Note 3 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

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 expect 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

2. ACCOUNTING POLICIES (Continued)

Going Concern (continued)

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.

Estimation uncertainty and critical judgements

The significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount amortisation in the financial statements are as follows:

(i) Depreciation of property, plant and equipment

The costs of property, plant and equipment of the Group are depreciated on a straight-line basis over the useful lives of the assets. Management estimates the useful lives of the property, plant and equipment to be within 3 to 50 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of the Group's property, plant and equipment as at 31 December 2019 are disclosed in Note 12 to the financial statements.

(ii) 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.

The carrying amounts of the Group's intangible assets as at 31 December 2019 are disclosed in Note 11 to the financial statements.

However, if the projected sales do not materialise there is a risk that the value of the intangible assets shown above would be impaired.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

2. ACCOUNTING POLICIES (Continued)

Estimation uncertainty and critical judgements (continued)

(iii) 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 indication of impairment of the value of goodwill and of development costs.

The carrying amount of the Group's goodwill on consolidation as at 31 December 2019 is disclosed in the Note 11 to the financial statements.

(iv) Going concern

The Group determines whether it has sufficient resources in order to continue its activities by reference to budget together with current and forecast liquidity. This requires an estimate of the availability of such funding which is critically dependent on external borrowings support from the majority shareholders of the Group and, to an extent, macro-economic factors. In the Directors' opinion, the Covid 19 outbreak has not negatively affected the financial performance of the Group given that the nature of the Group's business activities are focused on e-payments. The Directors will continuously assess and monitor the impact of Covid 19 on its operations and financial performance.

(v) Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Company estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 15 to the financial statements.

(vi) Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 December 2019, the Group has tax recoverable of £81,353 (2018: £141,890) and tax payable of £4,780 (2018: £4,481).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

2. ACCOUNTING POLICIES (Continued)

IFRS AND IAS UPDATE FOR 31 DECEMBER 2019 ACCOUNTS

Changes in accounting policies and disclosures

During the financial year, the Group has adopted the following new and amended IFRS and IFRIC interpretations that are mandatory for current financial year:

IFRS 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negatives Compensation
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term interest in Associates and Joint Ventures
Amendments to IFRS 15	Clarification to IFRS 15
Annual Improvements to IFRSs 2015 – 2017 Cycle	Amendments to IFRS 3 Amendments to IFRS 11 Amendments to IAS 12 Amendments to IAS 23

The adoption of the new and amendments to IFRSs did not have any significant impact on the financial statements of the Group and the Company, except for:

IFRS 16 Leases

IFRS 16, which upon the effective date will supersede IAS 17 Leases, IC Interpretation 4 Determine whether an Arrangement contains a Lease, IC Interpretation 115 Operating Leases – Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

As a result of the adoption of IFRS 16, the existing requirements for a lessee to distinguish between finance leases and operating leases under the IAS 17 Leases are no longer required. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under IFRS 16, a lessee is required to recognise a right-of-use (“ROU”) asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the ROU asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows.

The ROU asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, IAS 17.

In respect of the lessor accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

2. ACCOUNTING POLICIES (Continued)

IFRS AND IAS UPDATE FOR 31 DECEMBER 2019 ACCOUNTS

Changes in accounting policies and disclosures (Continued)

IFRS 16 Leases (Continued)

As permitted by the transitional provision of IFRS 16, the Group has elected to adopt a simplified transition approach where cumulative effects of initial application are recognised on 1 January 2019 as an adjustment to the opening balance of retained earnings.

For leases that were classified as finance lease under IAS 17, the carrying amounts of the ROU asset and the lease liability at 1 January 2019 are determined to be the same as the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date. No right of use assets were recognized for assets with a useable life of less than 12 months.

Impact arising from the adoption of IFRS 16 on the financial statements:

Statement of Financial Position

The following table explains the difference between operating lease commitments disclosed applying IFRS 16 at 31 December 2018, and lease liabilities recognised in the statements of financial position at 1 January 2019.

	Group £	Company £
Operating lease commitments as at 31 December 2018	-	-
Add: Transfer from finance lease obligations upon initial application of IFRS 16	356,994	-
Lease liabilities recognised upon initial adoption of Lease definition under IFRS 16	101,861	-
Lease liability recognised as at 1 January 2019	458,855	-

The weighted average incremental borrowing rate applied to lease liabilities on 1 January 2019 was 3%.

Group	As at 31.12.2018 GBP	IFRS 16 adjustments GBP	As at 01.01.2019 GBP
Property, plant and equipment	1,884,900	(101,209)	1,783,691
Right-of-use assets	-	200,052	200,052
Lease liabilities	-	(458,855)	(458,855)
Finance lease liabilities	(356,994)	356,994	-
Accumulated losses	899,925	3,018	902,943

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

2. ACCOUNTING POLICIES (Continued)

IFRS AND IAS UPDATE FOR 31 DECEMBER 2019 ACCOUNTS (Continued)

Changes in accounting policies and disclosures (Continued)

Standards, interpretations and amendments to published standards that are not yet effective

The following standards, amendments and interpretations applicable to the Group are in issue but are not yet effective and have not been early adopted in these financial statements. They may result in consequential changes to the accounting policies and other note disclosures. We do not expect the impact of such changes on the financial statements to be material. These are outlined in the table below:

	Effective dates for financial periods beginning on or after
Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
Amendments to IFRS 3	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS 7	1 January 2020
Amendments to IAS 1 & IAS 8	1 January 2020
IFRS 16	1 June 2020
Amendments to IAS 1	1 January 2022
Annual Improvements to IFRS Standards 2018-2020	1 January 2022
Amendments to IFRS 3	1 January 2022
Amendments to IAS 16	1 January 2022
Amendments to IAS 37	1 January 2022
Amendments to IFRS 10 and IAS 28	Deferred until further notice

The Directors anticipate that the adoption of these standards and the interpretations in future periods will have no material impact on the financial statements of the Group.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiary companies) made up to 31 December each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

Transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of its subsidiary companies have been changed (where necessary) to ensure consistency with the policies adopted by the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

2. ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

(i) Subsidiary companies

Subsidiary companies are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Basis of consolidation

On 22 June 2007 MobilityOne Limited acquired the entire issued share capital of MobilityOne Sdn. Bhd. By way of a share for share exchange, under IFRS this transaction meets the criteria of a Reverse Acquisition. The consolidated accounts have therefore been presented under the Reverse Acquisition Accounting principles of IFRS 3 and show comparatives for MobilityOne Sdn. Bhd. For financial reporting purposes, MobilityOne Sdn. Bhd. (the legal subsidiary company) is the acquirer and MobilityOne Limited (the legal parent company) is the acquiree.

No goodwill has been recorded and the difference between the parent Company's cost of investment and MobilityOne Sdn. Bhd.'s share capital and share premium is presented as a reverse acquisition reserve within equity on consolidation.

The consolidated financial statements incorporate the financial statements of the Company and all entities controlled by it after eliminating internal transactions. Control is achieved where the Group has the power to govern the financial and operating policies of a Group undertaking so as to obtain economic benefits from its activities. Undertakings' results are adjusted, where appropriate, to conform to Group accounting policies.

Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intra-group balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

The share capital in the consolidated statement of changes in equity for both the current and comparative period uses a historic exchange rate to determine the equity value.

As permitted by and in accordance with Article 103 of the Companies (Jersey) Law 1991, a separate income statement of MobilityOne Limited, is not presented.

Revenue recognition

Revenue is recognised when it is probable that economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably.

(i) Revenue from trading activities

Revenue in respect of using the Group's e-Channel platform arises from the sales of prepaid credit, sales commissions received and fees per transaction charged to customers. Revenue for sales of prepaid credit is deferred until such time as the products and services are delivered to end users. Sales commissions and transaction fees are received from

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

2. ACCOUNTING POLICIES (Continued)

Revenue recognition (Continued)

- (i) Revenue from trading activities (Continued)
various product and services providers and are recognised when the services are rendered and transactions are completed.

Revenue from solution sales and consultancy comprise sales of software solutions, hardware equipment, consultancy fees and maintenance and support services. For sales of hardware equipment, revenue is recognised when the significant risks associated with the equipment are transferred to customers or the expiry of the right of return. For all other related sales, revenue is recognised upon delivery to customers and over the period in which services are expected to be provided to customers.

Revenue from remittance comprises transaction service fees charged to customers/senders. Transaction fees are received from senders and are recognised when the services are rendered and transactions are completed.

- (ii) Interest income
Interest income is recognised on a time proportion basis that takes into account the effective yield on the asset.
- (iii) Rental income
Rental income is recognised on an accrual basis.

Employee benefits

- (i) Short term employee benefits
Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensation absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the Statement of Financial Position date.

- (ii) Defined contribution plans
As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement in the period to which they relate. The other subsidiary companies also make contribution to their respective countries' statutory pension schemes.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

2. ACCOUNTING POLICIES (Continued)

Functional currency translation (Continued)

- (i) Functional and presentation currency (Continued)
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 2019	5.377	5.29
Year ended 31 December 2018	5.270	5.39

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 recognised. 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 recognised 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

2. ACCOUNTING POLICIES (Continued)

Intangible assets

(i) Research and development costs

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

Expenditure incurred on projects to develop new products is recognised 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.

(ii) Goodwill on consolidation

Goodwill acquired in a business combination is initially measured at cost, representing the excess of the purchase price over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired, in accordance with the accounting policy disclosed in impairment of assets.

Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(iii) Software

Software which forms an integral part of the related hardware is capitalised with that hardware and included within property, plant and equipment. Software which are not an integral part of the related hardware are capitalised as intangible assets.

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquired and bring to use the specific software. These costs are amortised over their estimated useful life of 10 years.

Impairment of assets

The carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists then the asset's recoverable amount is estimated. For goodwill that has an indefinite useful life, recoverable amount is estimated at each reporting date or more frequently when indications of impairment are identified.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognized in the income statement in the period in which it arises. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

2. ACCOUNTING POLICIES (Continued)

Impairment of assets (Continued)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognized for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognized in the income statement unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(b) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

(c) Depreciation

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

2. ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

(c) Depreciation (Continued)

The estimated useful lives for the current and comparative periods are as follows:

Building	50 years
Motor vehicles	5 years
Leasehold improvement	10 years
Electronic Data Capture equipment	10 years
Computer equipment	3 to 5 years
Computer software	10 years
Furniture and fittings	10 years
Office equipment	10 years
Renovation	10 years

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual values are reassessed at each financial period end.

Upon disposal of an asset, the difference between the net disposal proceeds and the carrying amount of the assets is charged or credited to the income statement. On disposal of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred to the distribution reserve.

Investments

Investments in subsidiary companies are stated at cost less any provision for impairment.

Inventories

Inventories are valued at the lower of cost and net realisable value and are determined on the first-in-first-out method, after making due allowance for obsolete and slow moving items. Net realisable value is based on estimated selling price in the ordinary course of business less the costs of completion and selling expenses.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at their cost when the contractual right to receive cash or other financial assets from another entity is established.

A provision for doubtful debts is made when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that a trade and other receivables are impaired.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

2. ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which have an insignificant risk of changes in value and bank overdrafts. For the purpose of Statement of Cash Flows, cash and cash equivalents are presented net of bank overdrafts.

Trade and other payables

Trade and other payables are recognised initially at fair value of the consideration to be paid in the future for goods and services received.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are recognised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

When the borrowings are made specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of funds drawn down from those borrowings.

When the borrowings are made generally, and used for the purpose of obtaining a qualifying asset, the borrowing costs eligible for capitalization are determined by applying a capitalization rate which is weighted on the borrowing costs applicable to the Group's borrowings that are outstanding during the financial period, other than borrowings made specifically for the purpose of acquiring another qualifying asset.

Borrowing costs which are not eligible for capitalization are recognised as an expense in the profit or loss in the period in which they are incurred.

Equity instruments

Instruments that evidence a residual interest in the assets of the Group after deducting all of its liabilities are classified as equity instruments. Issued equity instruments are recorded at proceeds received net of direct issue costs.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of value added tax, from the proceeds.

Financial instruments

Financial instruments carried on the Statement of Financial Position include cash and bank balances, deposits, investments, receivables, payables and borrowings. Financial instruments are recognised in the Statement of Financial Position when the Group has become a party to the contractual provisions of the instrument.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

2. ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

The particular recognition method adopted for financial instruments recognised on the Statement of Financial Position is disclosed in the individual accounting policy statements associated with each item.

Share based payments

Charges for employees services received in exchange for share based payments have been made for all options granted in accordance with IFRS 2 "Share Based Payments" options granted under the Group's employee share scheme are equity settled. The fair value of such options has been calculated using a Black-scholes model, based upon publicly available market data, and is charged to the profit or loss over the vesting period.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

3. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group and of the Company's operations whilst managing its financial risks, including interest rate risk, credit risk, foreign currency exchange risk, liquidity and cash flow risk and capital risk. The Group and the Company operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

(b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

3. FINANCIAL INSTRUMENTS (Continued)

(b) Interest rate risk (Continued)

The following tables set out the carrying amounts, the effective interest rates as at the Statement of Financial Position date and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk:

At 31 December 2019	Note	Effective Interest Rate %	Within		More than			Total
			1 year	1-2 years	2-3 years	3-4 years	4-5 years	
			£	£	£	£	£	£
Fixed rate:								
Fixed deposits	19	2.95-3.20	2,763,029	-	-	-	-	2,763,029
Leases liabilities	14	2.42-3.50	(253,946)	(132,920)	(59,210)	-	-	(446,076)
Floating rate:								
Bankers' acceptance	25	6.10-6.53	(3,153,617)	-	-	-	-	(3,153,617)
Term loan	25	3.30	(7,561)	(8,229)	(18,413)	-	(238,944)	(273,146)
At 31 December 2018								
Fixed rate:								
Fixed deposits	19	2.95-3.20	2,610,256	-	-	-	-	2,610,256
Finance leases	26	2.42-3.50	(114,074)	(47,209)	(63,994)	-	(24,646)	(249,923)
Floating rate:								
Bankers' acceptance	25	6.16-6.61	(3,551,792)	-	-	-	-	(3,551,792)
Term loan	25	4.60	(7,047)	(7,719)	(17,453)	-	(253,412)	(285,631)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

3. FINANCIAL INSTRUMENTS (Continued)

(b) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group	
	2019	2018
	£	£
Floating rate instruments		
Financial liabilities (Note 25)	3,426,763	3,910,596

Interest rate risk sensitivity analysis

(i) Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Company does not designate derivatives as hedging instruments under a fair value hedged accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(ii) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Group	
	Profit or Loss	
	100 bp	100 bp
	Increase	Decrease
	£	£
2019		
Floating rate instruments	(34,268)	34,268
2018		
Floating rate instruments	(38,374)	38,374

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

3. FINANCIAL INSTRUMENTS (Continued)

(c) Credit risk

The Group's and the Company's exposure to credit risk arises mainly from receivables. Receivables are monitored on an ongoing basis via management reporting procedure and action is taken to recover debts when due. At each Statement of Financial Position date, there was no significant concentration of credit risk. The maximum exposure to credit risk for the Group and the Company is the carrying amount of the financial assets shown in the Statement of Financial Position.

(d) Foreign currency exchange risk

The Group and the Company do not have significant foreign currency risk at the end of reporting date.

(e) Liquidity and cash flow risks

The Group and the Company seeks to achieve a flexible and cost effective borrowing structure to ensure that the projected net borrowing needs are covered by available committed facilities. Debt maturities are structured in such a way to ensure that the amount of debt maturing in any one year is within the Group's and the Company's ability to repay and/or refinance.

The Group and the Company also maintains a certain level of cash and cash convertible investments to meet its working capital requirements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

3. FINANCIAL INSTRUMENTS (Continued)

(e) Liquidity and cash flow risks (continued)

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Within one year £	One to five year £	Over five year £	Total £
2019				
Group				
Financial liabilities				
Trade and other payables	6,187,063	-	-	6,187,063
Amount due to Directors	107,827	-	-	107,827
Lease liabilities	232,228	151,565	-	383,793
Loans and borrowings	3,161,178	265,585	-	3,426,763
Total undiscounted financial liabilities	9,688,296	417,150	-	10,105,446
2018	£	£	£	£
Group				
Financial liabilities				
Trade and other payables	7,192,093	-	-	7,192,093
Amount due to Directors	122,685	1,754,319	-	1,877,004
Loans and borrowings	3,767,696	499,893	-	4,267,589
Total undiscounted financial liabilities	11,082,474	2,254,212	-	13,336,686
2019	£	£	£	£
Company				
Financial liabilities				
Trade and other payables	6,120	-	-	6,120
Amount due to Directors	105,197	-	-	105,197
Amount due to subsidiary	41,480	-	-	41,480
Total undiscounted financial liabilities	152,797	-	-	152,797
2018	£	£	£	£
Company				
Financial liabilities				
Trade and other payables	28,913	-	-	28,913
Amount owing to Directors	120,000	-	-	120,000
Amount owing to subsidiary	931,327	-	-	931,327
Total undiscounted financial liabilities	1,080,240	-	-	1,080,240

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

3. FINANCIAL INSTRUMENTS (Continued)

(f) Fair Values

The carrying amounts of financial assets and liabilities of the Group at the reporting date approximated their fair value except as set out below:

	Group	
	Carrying amount £	Fair value £
2019		
Lease liabilities (Note 14)	383,793	383,793
2018		
Financial lease liabilities (Note 26)	249,923	273,603

The carrying amounts of financial assets and financial liabilities other than the above are reasonable approximation of fair value due to their short term nature.

The carrying amounts of the current portion of borrowing is reasonable approximation of fair value due to the insignificant impact of discounting.

(g) Capital risk

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

4. EMPLOYEES AND DIRECTORS

	Group	
	2019	2018
	£	£
EMPLOYEES		
Wages, salaries and bonuses	1,249,921	1,355,896
Social security contribution	12,166	10,017
Contribution to defined contribution plan	107,095	97,314
Other staff related expenses	91,120	238,064
Continuing operations	1,460,302	1,701,291
DIRECTORS		
Fees	120,843	121,628
Wages, salaries and bonuses	154,253	147,078
Social security contribution	348	343
Contribution to defined contribution plan	18,511	17,649
Continuing operations	293,955	286,698

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

4. EMPLOYEES AND DIRECTORS (Continued)

The number of employees (excluding Directors) of the Group and of the Company at the end of the financial year were 113 (2018: 231) and Nil (2018: Nil) respectively.

The details of remuneration received and receivables by the Directors of the Group during the financial year are as follows:

Group 2019	Fees £	Salaries and allowances £	Bonuses £	Social security contribution £	Defined contribution plan £	Total £
<u>Company's Directors:</u>						
Dato' Hussian @ Rizal						
bin A. Rahman	36,000	83,932	-	174	10,072	130,178
Derrick Chia Kah Wai	24,000	70,321	-	174	8,439	102,934
Seah Boon Chin	43,800	-	-	-	-	43,800
Abu Bakar bin Mohd Taib	-	-	-	-	-	-
<u>Subsidiary companies' Directors:</u>						
Tengku Muhaini Binti						
Sultan Hj. Ahmad Shah	6,805	-	-	-	-	6,805
Abu Bakar bin Mohd Taib	6,805	-	-	-	-	6,805
Abdul Latib bin Tokimin	3,433	-	-	-	-	3,433
	120,843	154,253	-	348	18,511	293,955

Group 2018

<u>Company's Directors:</u>						
Dato' Hussian @ Rizal						
bin A. Rahman	36,000	80,224	-	172	9,627	126,023
Derrick Chia Kah Wai	24,000	66,854	-	171	8,022	99,047
Seah Boon Chin	43,800	-	-	-	-	43,800
Abu Bakar bin Mohd Taib	-	-	-	-	-	-
<u>Subsidiary companies' Directors:</u>						
Tengku Muhaini Binti						
Sultan Hj. Ahmad Shah	5,572	-	-	-	-	5,572
Abu Bakar bin Mohd Taib	6,685	-	-	-	-	6,685
Abdul Latib bin Tokimin	5,571	-	-	-	-	5,571
	121,628	147,078	-	343	17,649	286,698

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

5. OPERATING SEGMENTS

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.

Measurement of Reportable 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 more than 95% of the Group's revenue for the financial ended 31 December 2019 was generated in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

5. OPERATING SEGMENTS (Continued)

Group 2019	Telecommunication services and electronic commerce solutions £	Hardware £	Elimination £	Total £
Segment revenue:				
Sales to external customers	166,796,343	2,907,507	(291,186)	169,412,664
	166,796,343	2,907,507	(291,186)	169,412,664
Profit before tax	1,083,176	-	-	1,083,176
Tax	(108,674)	-	-	(108,674)
Profit for the year	974,502	-	-	974,502
Non-cash expenses/(income) *				
Depreciation of property, plant and equipment	151,255	-	-	151,255
Amortisation of intangible assets	69,897	-	-	69,897
Amortisation of right-of-use assets	109,067	-	-	109,067
Impairment loss on goodwill	4,130	-	-	4,130
	334,349	-	-	334,349

* The disclosure for non-cash expenses has not been split according to the different segments as the cost to obtain such information is excessive and provides very little by way of information.

6. FINANCE COSTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

5. OPERATING SEGMENTS (Continued)

Group 2018	Telecommunication services and electronic commerce solutions £	Hardware £	Elimination £	Total £
Segment revenue:				
Sales to external customers	125,585,413	224,963	(338,580)	125,471,796
	125,585,413	224,963	(338,580)	125,471,796
Profit before tax	67,491	-	-	67,491
Tax	274,564	-	-	274,564
Profit for the year	342,055	-	-	342,055
Non-cash expenses/(income) *				
Depreciation of property, plant and equipment	649,905	-	-	649,905
Amortisation of intangible assets	68,852	-	-	68,852
Impairment loss on goodwill	-	-	-	-
	718,757	-	-	718,757

* The disclosure for non-cash expenses has not been split according to the different segments as the cost to obtain such information is excessive and provides very little by way of information.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

6. FINANCE COSTS

	Group	
	2019	2018
	£	£
Bankers' acceptance interest	223,469	222,276
Finance lease interest	35,640	15,616
Bank guarantee interest	8,562	3,731
Bank overdraft	3,683	8,477
Unwinding finance cost	1,305	-
Lease liability	1,295	-
Term loan	13,632	26,326
	287,587	276,426
Less finance costs from discontinued operation	(14,535)	(12,277)
	273,052	264,149

7. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax is stated after charging/(crediting):

		Group	
		2019	2018
	Note	£	£
Auditors' remuneration			
- Statutory audit			
- Current year		28,835	33,354
- Under/(Over) provided		-	362
Amortisation of intangible assets	11	69,897	68,852
Amortisation of right-of-uses assets	14	109,067	-
Property, plant and equipment written off	12	7,657	-
Impairment loss on associate	16	69,942	-
Directors' remuneration	4	293,955	286,698
Depreciation of property, plant and equipment	12	151,255	649,905
Gain on disposal of property, plant and equipment	12	(779)	-
Inventories written off		351	-
Operating lease payment of premises and equipment		27,198	-
Gain on disposal of subsidiary company	13	(1,105,535)	-
Other income		(183,334)	(77,544)
Interest income		(97,617)	(66,554)
Loss on foreign exchange			
- realised		8,860	6,302
- unrealised		301	1,671
Waiver of payable		(34,692)	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

8. TAX

	Group	
	2019	2018
	£	£
Current tax expense:		
Jersey corporation tax for the year	-	-
Foreign tax	58,052	285,650
(Over)/Under provision in prior year:		
Foreign tax	(10,782)	11,086
Deferred tax expense:		
Relating to origination and reversal of temporary difference	24,748	-
Over provision of taxation in prior year	36,657	-
	108,674	(274,564)

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group is as follows:

	Group	
	2019	2018
	£	£
Profit/(Loss) before taxation	1,980,667	67,493
Taxation at Malaysian statutory tax rate of 24% (2018: 24%)	475,360	16,198
Effect of different tax rates in other countries	(154,034)	(221,194)
Effect of expenses not deductible for tax	(114,279)	280,092
Income not taxable for tax purpose	(259,866)	(1,246)
Deferred tax assets not recognised during the year of 24%	(18,417)	(435,914)
Utilisation of previously unrecognized unabsorbed capital allowance	-	76,414
Overprovision of deferred tax in prior year	36,657	-
Overprovision of tax expense in prior year	(10,782)	11,086
Tax expense/(income) for the year	108,674	(274,564)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

8. TAX (Continued)

As at 31 December 2019, the unrecognised deferred tax assets of the Group are as follows:

	Group	
	2019	2018
	£	£
Unabsorbed tax losses	19,576	171,736
Unabsorbed capital allowances	-	293,265
Taxable temporary difference	-	-
	19,576	465,001

The potential net deferred tax assets amounting to £19,576 (2018: £465,001) has not been recognised in the financial statements because it is not probable that future taxable profit will be available against which the subsidiary company can utilise the benefits.

The availability of the unused tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the subsidiary company is subject to no substantial changes in shareholdings of the subsidiary company under Section 44(5A) and (5B) of Income Tax Act, 1967, Malaysia.

9. LOSS OF COMPANY

The profit or loss of the Company is not presented as part of these financial statements. The Company's loss for the financial year was £153,200 (2018: £177,497).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

10. PROFIT/(LOSS) PER SHARE

	Group	
	2019	2018
	£	£
Profit/(loss) attributable to owners of the Parent for the computation of basic earnings/(loss) per share		
Profit/(Loss) from continuing operations	611,378	342,055
Profit/(Loss)	1,508,874	(1,362,451)
Issued ordinary shares at 1 January	106,298,780	106,298,780
Effect of ordinary shares issued during the period	-	-
Weighted average number of shares at 31 December	106,298,780	106,298,780
Fully diluted weighted average number of shares at 31 December	116,898,780	116,898,780
Profit/(Loss) Per Share from continuing operations		
Basic earnings/(loss) per share (pence)	0.575	0.322
Diluted earnings/(loss) per share (pence)	0.523	0.293
Profit/(Loss) Per Share		
Basic earnings/(loss) per share (pence)	1.419	(1.282)
Diluted earnings/(loss) per share (pence)	1.291	(1.282)

The basic earnings per share is calculated by dividing the profit of £1,508,874 (2018: loss of £735,204) attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, which is 106,298,780 (2018: 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

11. INTANGIBLE ASSETS

GROUP 31 December 2019	Software £	Goodwill on consolidation £	Development Costs £	Total £
Cost				
At 1 January 2019	1,077,220	1,749,543	994,856	3,821,619
Disposal of a subsidiary company	(963)	-	-	(963)
Foreign exchange differences	(22,013)	(343)	-	(22,356)
At 31 December 2019	1,054,244	1,749,200	994,856	3,798,300
Accumulated amortisation				
At 1 January 2019	795,837	1,728,640	994,856	3,519,333
Amortisation charge for the year	69,897	-	-	69,897
Disposal of a subsidiary company	(387)	-	-	(387)
Foreign exchange differences	(17,404)	-	-	(17,404)
Accumulated impairment loss	-	4,130	-	4,130
At 31 December 2019	847,943	1,732,770	994,856	3,575,569
Net Carrying Amount				
At 31 December 2019	206,301	16,430	-	222,731
31 December 2018				
Cost				
At 1 January 2018	699,717	1,728,640	1,296,768	3,725,125
Acquisition	-	20,903	-	20,903
Reclassification	338,200	-	(338,200)	-
Foreign exchange differences	39,303	-	36,288	75,591
At 31 December 2018	1,077,220	1,749,543	994,856	3,821,619
Accumulated amortisation and impairment loss				
At 1 January 2018	698,979	1,728,640	958,568	3,386,187
Amortisation charge for the year	68,852	-	-	68,852
Foreign exchange differences	28,006	-	36,288	64,294
At 31 December 2018	795,837	1,728,640	994,856	3,519,333
Net Carrying Amount				
At 31 December 2018	281,383	20,903	-	302,286

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

11. INTANGIBLE ASSETS (Continued)

The Group assesses at each reporting date whether there is an indication that an asset may be impaired, by considering the net present value of discounted cash flows forecasts. If an indication exists an impairment review is carried out.

Goodwill on consolidation

(a) Impairment testing for goodwill on consolidation

Goodwill on consolidation has been allocated for impairment testing purposes to the individual entities which is also the cash-generating units (“CGU”) identified.

(b) Key assumptions used to determine recoverable amount

The recoverable amount of a CGU is determined based on value in use calculations using cash flow projections based on financial budgets approved by the Directors covering 5 years period. The projections are based on the assumption that the Group can recognise projected sales which grow at 5%-8% per annum based on expected clientele over time. A prudent approach has been applied with no residual value being factored into these calculations. If the projected sales do not materialise there is a risk that the total value of the intangible assets shown above would be impaired. A pre-tax discount rate of 8.50% per annum was applied to the cash flow projections, after taking into consideration the Group’s cost of borrowings, the expected rate of return and various risks relating to the CGU. The directors have relied on past experience and all external evidence available in determining the assumptions.

During the financial year, the Group impairment loss amounting to £4,130 (2018: £Nil) in respect of the goodwill on consolidation. A significant proportion of goodwill on consolidation relates to the acquisition of MobilityOne (B) Sdn Bhd which is a CGU and has a carrying amount of £16,430 (2018: £ 20,903). Its recoverable amount has been determined based on value in use using cash flow projections and key assumptions as described in (b) above.

Development costs

Development costs will not be amortised if the product is still in its development phase. The amortisation of the development costs is over 5 years period, which in the opinion of the Directors is adequate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

12. PROPERTY, PLANT AND EQUIPMENT

Group 31 December 2019	Building £	Motor Vehicles £	Leasehold improve- ment £	Electronic Data		Computer equipment £	Computer software £	Furniture and fittings £		Office equipment £	Renovation £	Total £
				Capture equipment £	£			£	£			
Cost												
At 1 January 2019	341,956	599,039	9,914	1,832,607	456,326	97,784	201,218	95,779	82,464	3,717,087		
Effect of adopting IFRS 16	-	(146,120)	(9,914)	-	-	-	-	-	-	(156,034)		
At January 2019, restated	341,956	452,919	-	1,832,607	456,326	97,784	201,218	95,779	82,464	3,561,053		
Additions	-	-	-	10,331	35,807	7,886	6,468	9,802	-	70,294		
Written off	-	(7,657)	-	-	-	-	-	-	-	(7,657)		
Disposal of a subsidiary companies	-	(217,232)	-	(1,328,111)	-	-	(89,491)	(34,411)	-	(1,669,245)		
Disposal	-	-	-	(1,310)	-	-	-	-	-	(1,310)		
Foreign exchange differences	(6,995)	(4,272)	-	54,252	(67,481)	(2,001)	(1,854)	(1,078)	(1,687)	(31,116)		
At 31 December 2019	334,961	223,758	-	567,769	424,652	103,669	116,341	70,092	80,777	1,922,019		
DEPRECIATION												
At 1 January 2019	31,133	346,364	5,658	898,386	308,086	33,263	101,050	51,801	56,446	1,832,187		
Effect of adopting IFRS 16	-	(49,167)	(5,658)	-	-	-	-	-	-	(54,824)		
At January 2019, restated	31,133	297,197	-	898,386	308,086	33,263	101,050	51,801	56,446	1,777,363		
Depreciation charge for the year	7,040	-	-	80,211	42,152	7,969	5,147	4,303	4,432	151,255		
Disposal of a subsidiary companies	-	(68,895)	-	(598,495)	-	-	(22,636)	(16,263)	-	(706,289)		
Disposal	-	-	-	(199)	-	-	-	-	-	(199)		
Foreign exchange differences	(751)	(4,54)	-	15,174	(26,733)	(809)	(1,579)	(719)	(1,226)	(21,188)		
At 31 December 2019	37,422	223,757	-	395,077	323,505	40,423	81,982	39,122	59,652	1,200,940		
NET CARRYING AMOUNT												
At 31 December 2018	297,539	1	-	172,692	101,147	63,246	34,359	30,970	21,125	721,079		
At 1 January 2019, restated	310,823	155,722	-	934,221	148,240	64,521	100,168	43,978	26,018	1,783,691		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

12. PROPERTY, PLANT AND EQUIPMENT

Group 31 December 2018	Building		Motor Vehicles		Leasehold improvement		Electronic Data Capture equipment		Computer equipment software		Furniture and fittings		Office equipment Renovation		Total	
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Cost																
At 1 January 2018	329,483	386,105	9,841	1,870,378	429,306	37,063	168,625	90,378	75,510	3,396,689						
Additions	-	303,760	-	478,280	22,908	58,021	24,598	1,540	4,006	893,113						
Disposal	-	-	-	(596,668)	(13,188)	-	-	-	-	(609,856)						
Reclassification	-	(113,990)	-	-	-	-	-	-	-	(113,990)						
Foreign exchange differences	12,473	23,164	73	80,617	17,300	2,700	7,995	3,861	2,948	151,131						
At 31 December 2018	341,956	599,039	9,914	1,832,607	456,326	97,784	201,218	95,779	82,464	3,717,087						
DEPRECIATION																
At 1 January 2018	23,184	247,543	4,632	383,623	261,784	29,151	84,817	39,733	49,665	1,124,132						
Depreciation charge for the year	6,916	86,086	970	478,165	47,583	2,943	12,380	10,068	4,794	649,905						
Disposal	-	-	-	(524)	(12,353)	-	-	-	-	(12,877)						
Foreign exchange differences	1,033	12,735	56	37,122	11,072	1,169	3,853	2,000	1,987	71,027						
At 31 December 2018	31,133	346,364	5,658	898,386	308,086	33,263	101,050	51,801	56,446	1,832,187						
NET CARRYING AMOUNT																
At 31 December 2018	310,823	252,675	4,256	934,221	148,240	64,521	100,168	43,978	26,018	1,884,900						

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

12. PROPERTY, PLANT AND EQUIPMENT (Continued)

Cash payments of £70,294 (2018: £931,723) were made by the Group to purchase property, plant and equipment.

- (b) As at 31 December 2019, the net carrying amount of leased motor vehicles and Electronic Data Capture equipment of the Group were £68,139 and £319,369 (2018: £105,065 and £189,815). Leased assets are pledged as security for the related finance lease liabilities.

Following the adoption of IFRS 16 on 1 January 2019, the Group had reclassified the carrying amount of leased assets to Right-Of-Use assets (Note 14).

- (c) Assets pledged as securities to licensed banks

The carrying amount of property, plant and equipment of the Group pledged as securities for bank borrowings as disclosed in Note 25 to the financial statement are:

	Group	
	2019 £	2018 £
Freehold building	297,539	310,823

13. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2019 £	2018 £
COST		
At 1 January	1,976,356	1,976,356
Add: Investment during the financial year	-	-
Less: Impairment loss during the financial year	-	-
At 31 December	1,976,356	1,976,356

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

13. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

Details of the subsidiary companies are as follows:

Name of Subsidiary Companies	Country of incorporation	Effective Ownership of Ordinary Shares Interest **		Principal Activities
		2019 (%)	2018 (%)	
MobilityOne Sdn. Bhd.	Malaysia	100	100	Provision of e-Channel products and services, technology man- aged services and solution sales and consultancy
MobilityOne South Asia Sdn. Bhd.	Malaysia	-	100	Investment holding. Disposed during the year.
Direct subsidiary companies of MobilityOne Sdn. Bhd.				
M1 Pay Sdn. Bhd.	Malaysia	100	100	Provision of solution sales and services
MobilityOne Ventures Sdn.Bhd. **	Malaysia	-	-	Struck-off
MobilityOne Philippines, Inc*	Philippines	95	95	Provision of IT systems and solutions and to establish a multi-channel electronic service bureau
One Tranzact Sdn. Bhd.	Malaysia	100	100	Provision of electronic payment and product fulfillment
MobilityOne (B) Sdn. Bhd.*	Brunei	99	99	Financial Services
OneShop Retail Sdn. Bhd.	Malaysia	100	-	The principal activities of the Company are in the carry on the business as general merchant retail sales in all type of goods, materials and commodities.
Direct subsidiary company of MobilityOne South Asia Sdn. Bhd.				
Mobility I Tap Pay (Bangladesh) Ltd	Bangladesh	-	55	Disposed during the year as a result of disposal of Mobili-tyOne South Asia Sdn Bhd

* All the above subsidiary undertakings are included in the consolidated financial statements.

** The above subsidiary was struck-off in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

13. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

(a) Disposal of a subsidiary company

On 16 July 2019, Mobility Limited entered into a share sale agreement with Gul Rahfia Bin Gull Rahman for the disposal of the entire equity interest in MobilityOne South Asia Sdn. Bhd (together with the 55% equity interest in Mobility I Tap Pay (Bangladesh) Ltd) comprising 100 ordinary shares for a cash consideration of £18.

The effect of the disposal of MobilityOne South Asia Sdn. Bhd on the financial position of the Group as at the date of disposal as follows:

Result of discontinued operations

	2019 £	2018 £
Cash consideration received	18	-
Total consideration received	18	-
Cash disposed of	(80,504)	-
Net cash outflows from disposal	80,486	-

	2019 £
Property, plant and equipment	957,513
Intangible Assets	578
Asset Held for Sale	63,740
Deferred tax assets	193,251
Inventories	184,191
Trade receivables	509,096
Cash & bank balances	80,504
Trade payables	(2,034,631)
Amount due to a related company	(15,043)
Amount due to director	(1,911,199)
Bank borrowings	(62,283)
Net liabilities	(2,034,284)
Less: Non-controlling interests	928,767
Total net liabilities disposed	(1,105,517)
Gain on disposal	1,105,535
Proceeds from disposal	18
Less: Cash and cash balances disposed	80,504
Net cash outflows from disposal	(80,486)

There was no disposal in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

13. INVESTMENT IN SUBSIDIARY COMPANIES (Continued)

The post-tax gain on disposal of discontinued operations was determined as follows:

Result of discontinued operations

	2019 £	2018 £
Revenue	141	7,056
Other income	1,937	96
Expenses other than finance costs	(195,582)	(1,699,383)
Finance costs	(14,535)	(12,277)
	(208,039)	(1,704,508)

Earnings per share from discontinued operations

	2019 £	2018 £
Basic earnings/(loss) per share (pence)	(0.196)	(1.604)
Diluted earnings/(loss) per share (pence)	(0.178)	(1.604)

Statement of cash flows

The statement of cash flows includes the following amounts relating to discontinued operations:

	2019 £	2018 £
Operating activities	21,880	-
Investing activities	-	-
Financing activities	10,911	-
Net cash from discontinued operations	32,791	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

14. RIGHT-OF-USE ASSETS

Right of use assets	Electronic Data Capture equipment £	Motor vehicles £	Building £	Leasehold improvement £	Total £
Group					
2019					
At Cost					
At 1 January 2019	-	-	-	-	-
Effect of adopting of IFRS 16	-	146,120	133,466	9,914	289,500
At January 2019, restated	-	146,120	133,466	9,914	289,500
Addition	374,973	-	-	-	374,973
Foreign exchange differences	(6,060)	(2,362)	(2,166)	(202)	(10,790)
At 31 December 2019	368,913	143,758	131,300	9,712	653,683
Accumulated amortisation					
At 1 January 2019	-	-	-	-	-
Effect of adopting of IFRS 16	-	49,167	34,623	5,658	89,448
At January 2019, restated	-	49,167	34,623	5,658	89,448
Charge for the financial year	49,532	27,245	31,523	767	109,067
At 31 December 2019	49,532	76,412	66,146	6,425	198,515
Carrying Amount					
At 31 December 2019	319,381	67,346	65,154	3,287	455,168
At 1 January 2019, restated	-	96,953	98,843	4,256	200,052

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

14. RIGHT-OF-USE ASSETS (Continued)

Lease liabilities

	Group Total £
At 1 January	-
- Effect of adoptions IFRS 16	458,855
At 1 January 2019, restated	458,855
Addition	305,220
Payments	(317,999)
Disposal of a subsidiary companies	(62,283)
At 31 December	383,793
Presented as:	
Non-current	151,565
Current	232,228
	383,793
Minimum lease payments:	
Not later than 1 year	251,399
Later than 1 year but not later than 2 years	82,666
Later than 2 years but not later than 5 years	76,890
Later than 5 years	-
	410,955
Less: Future finance charges	(27,162)
Present value of finance lease liabilities	383,793

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

15. INVENTORIES

	Group	
	2019	2018
	£	£
At lower of cost and net realisable value:		
Airtime	1,532,677	1,138,674
Electronic data capture equipment	23,814	51,838
Card	5,275	5,812
Finished group	2,394	184,782
	1,564,160	1,381,106

16. INVESTMENT IN ASSOCIATE COMPANY

	Group	
	2019	2018
	£	£
At cost:		
Unquoted shares in Malaysia	365,858	388,143
Additional	47,258	-
Share of post-acquisition reserve	22,684	(22,285)
	435,800	365,858
Accumulated impairment losses:		
Balance at beginning of the financial year	(365,858)	(365,858)
Impairment	(69,942)	-
Balance at end of the financial year	(435,800)	(365,858)

Details of the associate company are as follows:

Name of Company	Country of Incorporation	Effective Interest		Principal Activities
		2019 (%)	2018 (%)	
Onetransfer Remittance Sdn. Bhd.	Malaysia	50	50	Provider for International remittance services

The associate company is not material individually to the financial position, financial performance and cash flows of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Trade receivables				
- Third parties	3,769,016	3,056,458	-	-
Other receivables				
- Deposits	62,331	60,182	-	-
- Prepayments	70,523	38,838	-	-
- Sundry receivables	500,773	1,097,107	-	-
- Staff advances	10,546	7,501	-	-
- Amount due from subsidiary company	-	-	-	-
	644,173	1,203,628	-	1,080,288
Total trade and other receivables	4,413,189	4,260,086	-	1,080,288

The Group's and the Company's normal trade credit terms range from 30 to 60 days (2018: 30 to 60 days). Other credit terms are assessed and approved on a case to case basis.

(a) Ageing analysis

An ageing analysis of trade receivables that are neither individually nor collectively considered to be impaired is as follows:

	Group	
	2019 £	2018 £
Neither past due nor impaired	3,128,272	2,879,647
1 to 2 months past due	92,062	7,486
3 to 12 months past due	548,682	169,325
	640,744	176,811
	3,769,016	3,056,458

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

17. TRADE AND OTHER RECEIVABLES (Continued)

- (a) The Group's and the Company's normal trade credit terms range from 30 to 60 days (2018: 30 to 60 days). Other credit terms are assessed and approved on a case to case basis.

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

- (b) Related party balances

The amount due from subsidiary companies is unsecured, non-interest bearing and is repayable on demand.

18. ASSETS HELD FOR SALE

	Group	
	2019	2018
	£	£
At 1 January	119,439	-
Addition	-	119,439
Disposal	(119,439)	-
At 31 December	-	119,439

19. CASH AND CASH EQUIVALENTS

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Cash in hand and at banks	1,660,034	1,571,234	3,998	4,353
Fixed deposits with licensed bank	2,763,029	2,610,256	-	-
	4,423,063	4,181,490	3,998	4,353
Cash and bank balances				
Less : Bank overdraft (Note 25)	-	(73,172)	-	-
Cash and cash equivalents	4,423,063	4,108,318	3,998	4,353

- (a) The above fixed deposits have been pledged to licensed banks as securities for credit facilities granted to the Group as disclosed in Note 25 to the financial statements.

- (b) The Group's effective interest rates and maturities of deposits are range from 2.95% – 3.20% (2018: 2.95% – 3.20%) and from 1 month to 12 months (2018: 1 month to 12 months) respectively.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

20. CALLED UP SHARE CAPITAL – COMPANY AND GROUP

	Number of ordinary shares of £0.025 each		Amount	
	2019 £	2018 £	2019 £	2018 £
Authorised in MobilityOne Limited				
At 1 January/31 December	400,000,000	400,000,000	10,000,000	10,000,000
Issued and fully paid in MobilityOne Limited				
At 1 January	106,298,780	106,298,780	2,657,470	2,657,470
At 31 December	106,298,780	106,298,780	2,657,470	2,657,470

21. COMPANY EQUITY INSTRUMENTS

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 January 2019	2,657,470	909,472	(1,586,185)	1,980,757
Loss for the year	-	-	(153,200)	(153,200)
At 31 December 2019	2,657,470	909,472	(1,739,385)	1,827,557
At 1 January 2018	2,657,470	909,472	(1,408,688)	2,158,254
Loss for the year	-	-	(177,497)	(177,497)
At 31 December 2018	2,657,470	909,472	(1,586,185)	1,980,757

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

22. REVERSE ACQUISITION RESERVE

The acquisition of MobilityOne Sdn. Bhd. by MobilityOne Limited, which was affected through a share exchange, was completed on 5 July 2007 and resulted in MobilityOne Sdn. Bhd. becoming a wholly owned subsidiary of MobilityOne Limited. Pursuant to a share swap agreement dated 22 June 2007 the entire issued and paid-up share capital of MobilityOne Sdn. Bhd. was transferred to MobilityOne Limited by its owners. The consideration to the owners was the transfer of 178,800,024 existing ordinary shares and the allotment and issuance by MobilityOne Limited to the owners of 81,637,200 ordinary shares of 2.5p each. The acquisition was completed on 5 July 2007. Total cost of investment by MobilityOne Limited is £2,040,930, the difference between cost of investment and MobilityOne Sdn. Bhd. share capital of £708,951 has been treated as a reverse acquisition reserve.

23. FOREIGN CURRENCY TRANSLATION RESERVE

The subsidiary companies' assets and liabilities stated in the Statement of Financial Position were translated into Sterling Pound (£) 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.

	2019 £	2018 £
At 1 January	882,511	881,673
Currency translation differences during the year	(43,252)	838
At 31 December	839,259	882,511

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

24. ACCUMULATED LOSSES

Accumulated losses represent the cumulative losses of the Group attributable to equity shareholders.

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
At 1 January	(4,755,008)	(4,019,804)	(1,586,185)	(1,408,688)
Effect of adopting IFRS 16	(3,018)	-	-	-
Profit/(Loss) for the year	1,508,874	(735,204)	(153,200)	(177,497)
At 31 December	(3,249,152)	(4,755,008)	(1,739,385)	(1,586,185)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

25. FINANCIAL LIABILITIES – LOANS AND BORROWINGS

	2019	Group 2018
	£	£
Non-Current		
Secured:		
Finance lease payables (Note 26)	-	221,309
Term loan	265,585	278,584
	265,585	499,893
Current		
Secured:		
Bankers' acceptance	3,153,617	3,551,792
Bank Overdraft	-	73,172
Finance lease payables (Note 26)	-	135,685
Term loan	7,561	7,047
	3,161,178	3,767,696
Total Borrowings		
Secured:		
Bankers' acceptance	3,153,617	3,551,792
Bank Overdraft	-	73,172
Finance lease payables (Note 26)	-	356,994
Term loan	273,146	285,631
	3,426,763	4,267,589

The bankers' acceptance and bank overdraft secured by the following:

- (a) pledged of fixed deposits of a subsidiary company (Note 19);
- (b) personal guarantee by Dato' Hussian @ Rizal bin A. Rahman, a Director of the Company; and
- (c) corporate guarantee by the Company.

The term loan is secured by the following:

- (a) Charge over the Company's building (Note 12); and
- (b) joint and several guaranteed by Dato' Hussian @ Rizal bin A. Rahman and Derrick Chia Kah Wai, the Directors of the Company.

The effective interest rates of the Group for the above facilities other than finance leases are as follows:

	2019	Group 2018
	%	%
Bankers' acceptance	6.10-6.53	6.16-6.61
Bank overdraft	8.65	8.65
Term loan	3.30	4.60

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

25. FINANCIAL LIABILITIES – LOANS AND BORROWINGS (Continued)

The maturity of borrowings (excluding finance leases) is as follows:

	Group	
	2019	2018
	£	£
Within one year	3,161,178	3,632,011
Between one to two years	8,229	7,719
Between two to three years	8,877	17,453
Between three and four years	9,535	-
Between four to five years	-	-
More than five years	238,944	253,412
	3,426,763	3,910,596

Other information on financial risks of borrowings are disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

26. FINANCE LEASE PAYABLES

	Group 2018 £
Minimum lease payments:	
Not later than 1 year	157,815
Later than 1 year but not later than 2 years	85,811
Later than 2 years but not later than 5 years	121,040
Later than 5 years	44,898
	409,564
Less: Future finance charges	(52,570)
Present value of finance lease liabilities	356,994
Present value of minimum lease payments:	
Not later than 1 year	135,685
Later than 1 year but not later than 2 years	71,561
Later than 2 years but not later than 5 years	125,102
Later than 5 years	24,646
	356,994
Analysed as:	
Due within 12 months (Note 25)	135,685
Due after 12 months (Note 25)	221,309
	356,994

The Group has finance lease contracts for certain motor vehicles and Electronic Data Capture equipment as disclosed on Note 12(b).

Other information on financial risks of finance lease payables are disclosed in Note 3.

In the previous financial year, the Group leases plant and machineries under finance lease (Note 4). At the end of the lease term, the Group has the option to acquire the assets at a nominal price deemed to be a bargain purchase option. There are no restrictive covenants imposed by the lease agreement and no arrangements have been entered into for contingent rental payments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Trade payables				
- Third parties	1,266,150	1,272,014	-	-
Other payables				
- Deposits	566,875	173,896	-	-
- Accruals	2,035,539	2,496,923	4,262	3,360
- Sundry payables	2,315,431	3,272,707	1,858	25,553
- Services tax output	3,068	-	-	-
Amount due to subsidiary companies	-	-	41,480	931,327
	4,920,913	5,943,526	47,600	960,240
Total trade and other payables	6,187,063	7,215,540	47,600	960,240
Add: Amount due to Directors (Note 28)	107,827	1,877,004	105,197	120,000
Add: Loans and borrowings (Note 25)	3,426,763	4,267,589	-	-
Total financial liabilities carried at amortised costs	9,721,653	13,360,133	152,797	1,080,240

- (a) The Group's normal trade credit terms range from 30 to 90 days (2018: 30 to 90 days).
- (b) Other payables are non-interest bearing. Other payables are normally settled on an average terms of 60 days (2018: 60 days).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

28. AMOUNT DUE TO DIRECTORS

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Non-Current				
Dr Md Zahir Uddin*	-	976,333	-	-
Prof. Dr. Md Shahin Hossain*	-	773,966	-	-
Keiko Tanida*	-	4,020	-	-
	-	1,754,319	-	-
Current				
Dato' Hussian @ Rizal bin A. Rahman	13,927	74,685	11,297	72,000
Derrick Chia Kah Wai	72,000	48,000	72,000	48,000
Seah Boon Chin	21,900	-	21,900	-
	107,827	122,685	105,197	120,000
Total amount due to directors	107,827	1,877,004	105,197	120,000

* Amount due from the Group's former subsidiary, Mobility I Tap Pay (Bangladesh) Limited, to the directors of the former subsidiary.

These are unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

29. RECONCILIATION OF PROFIT BEFORE TAX TO CASH GENERATED FROM OPERATIONS

	Group	
	2019	2018
	£	£
Cash flow from operating activities		
Profit/(Loss) before tax	1,980,672	(1,637,015)
Adjustments for:		
Depreciation of property, plant and equipment	151,255	649,905
Amortisation of intangible assets	69,897	68,852
Amortisation of right-of-use assets	109,067	-
Amortisation of goodwill	4,130	-
Gain on disposal of subsidiary company	(1,105,535)	-
Gain on disposal of property, plant and equipment	(779)	-
Loss on foreign exchange - unrealised	301	-
Impairment investment in an associate company	69,941	-
Interest expenses	287,587	276,426
Inventories written off	351	-
Interest income	(97,617)	(66,554)
Property, plant and equipment written off	7,657	-
Share of profit in associated	(22,684)	-
Waiver of payable	(34,692)	-
Operating profit/(loss) before working capital changes	1,419,551	(708,386)
(Increase)(Decrease in inventories	(367,596)	240,272
Increase in receivables	(662,199)	(593,591)
Increase in amount due to Directors & Shareholder	142,023	238,400
Amount due to/by related company	(130,353)	-
Increase in payables	1,026,793	2,024,369
Cash generated from operations	1,428,219	1,201,064

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

29. RECONCILIATION OF PROFIT BEFORE TAX TO CASH GENERATED FROM OPERATIONS (Continued)

	Company	
	2019	2018
	£	£
Cash flow from operating activities		
Loss before tax	(153,200)	(177,497)
Adjustments for:		
Loss on foreign exchange - unrealised	2,361	-
Waiver of payable	(19,238)	-
Operating profit/(loss) before working capital changes	(177,077)	(177,497)
Increase in trade and other receivable	-	(2,871)
(Decrease)/Increase in payables	(3,551)	3,007
Increase in amount due to Directors	(14,807)	20,400
Decrease in amount due from subsidiary company	188,080	157,105
Cash depleted in operations	(355)	144

30. RELATED PARTY TRANSACTIONS

At the Statement of Financial Position date, the Group owed the Directors £107,827 (2018: £1,877,004), the Company owed the Directors £105,197 (2018: £120,000), MobilityOne Sdn. Bhd. owed the Company £NIL (2018: £148,565), the Company owed MobilityOne Sdn. Bhd. £41,480 (2018: £NIL), M1 Pay Sdn. Bhd. owed MobilityOne Sdn. Bhd. £331,376 (2018: £408,225), MobilityOne Sdn. Bhd. owed One Trazact Sdn. Bhd. £997,176 (2018: £997,002), and M1 Pay Sdn. Bhd. owed LMS Technology Distribution Sdn. Bhd., a company related to a Director (Dato' Hussian @ Rizal bin A Rahman), £NIL (2018: £15,521). The amounts owing to or from the subsidiary companies and related parties are repayable on demand and are interest free.

In 2019, MobilityOne Sdn Bhd continued to rent an office in Sabah, Malaysia from LMS Digital Sdn Bhd, a company related to a Director (Dato' Hussian @ Rizal bin A. Rahman) for RM2,500 (c. £460) a month.

Since 27 December 2018, MBP Solutions Sdn Bhd (a subsidiary of TFP Solutions Berhad) has been appointed as MobilityOne Sdn Bhd's agency/reseller. Dato' Hussian @ Rizal bin A. Rahman is a director and shareholder of TFP Solutions Berhad.

31. ULTIMATE CONTROLLING PARTY

In the opinion of the Directors, as at 31 December 2019, the ultimate controlling party in the Company is Dato's Hussain @ Rizal bin A. Rahman by virtue of his shareholding.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 December 2019

32. CONTINGENT LIABILITIES

The Group has the following contingent liabilities:

	Group	
	2019	2018
	£	£
Limit of guarantees		
Corporate guarantee given to a licensed bank by the Company for credit facilities granted to a subsidiary company	3,924,121	4,284,508
Amount utilised		
Banker's guarantee in favour of third parties	544,324	174,813

33. SHARE BASED PAYMENTS

During the year ended 31 December 2019, the Company did not grant any new share option to directors and employees of the Group. No charge was made for the share options of 10,600,000 shares in 2014 as it was not considered to be material.

The fair value of the share options granted in 2014 was calculated using Black-Scholes model assuming the inputs shown below:

Grant date	5 December 2014
Share price at grant date	1.5p
Exercise price	2.5p
Option life in years	10 years
Risk free rate	4.24%
Expected volatility	40%
Expected dividend yield	0%
Fair value of options	1p

No option has been exercised or lapsed.

34. SUBSEQUENT EVENT

COVID-19 has not negatively affected the financial performance of the Group given the nature of the Group's business activities are focused on e-payments.

On 21 April 2020, the Company incorporated a wholly-owned subsidiary, namely M-One Tech Limited, in the United Kingdom to explore business opportunities in the United Kingdom.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Annual General Meeting of **MOBILITYONE LIMITED (“Company”)** will be held at 10.00 a.m. Malaysia time on 22 October 2020 at Level 2, Wisma LMS, No. 6, Jalan Abd. Rahman Idris, Off Jalan Raja Muda Abdul Aziz, 50300 Kuala Lumpur, Malaysia, and for the purpose of considering and, if thought fit, adopting the following resolutions, at the meeting, or of any adjournment thereof:

ORDINARY RESOLUTIONS

1. **THAT** the Company's accounts and reports of the Directors and Auditors for the year ended 31 December 2019 be adopted.
2. **THAT** Abu Bakar bin Mohd Taib is re-elected as a Director.
3. **THAT** Jeffreys Henry LLP of Finsgate, 5-7 Cranwood Street, EC1V 9EE London, United Kingdom be reappointed as Auditors of the Company (in accordance with Article 33 of the Articles of Association of the Company) to hold office until the conclusion of the next general meeting.
4. **THAT** the Directors be authorised to fix the remuneration of the Auditors.
5. **THAT** pursuant to Articles 2.3 and 2.4(c) of the Company's Articles of Association, the Board of Directors has general authority to issue up to and including 31,889,634 ordinary shares of 2.5p each in the share capital of the Company at their sole discretion without reference to pre-emption rights, for cash by way of general mandate.

BY ORDER OF THE BOARD

Abu Bakar bin Mohd Taib

Chairman

Dated: 30 September 2020

Notes:

- 1 A member of the Company entitled to attend and vote at the above mentioned meeting is entitled to appoint a proxy to attend and, on a poll, to vote in his/her place. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
- 2 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited with the Company's registrars, Computershare Investor Services (Jersey) Limited c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, the United Kingdom or at such other place as is specified for that purpose in the notice of the meeting or in the instrument of proxy issued by the Company at least 24 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, at least 24 hours before the time appointed for taking the poll and, in default, the instrument of proxy shall not be treated as valid.
- 3 Completion of the instrument appointing a proxy does not preclude a member from subsequently attending and voting at the meeting in person if he/she so wishes.
- 4 In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the Holders stand in the register of members of the Company.
- 5 As permitted by Regulation 40(1) of the Companies (Uncertificated Securities) (Jersey) Order 1999, only persons entered on the register of members of the Company not later than 48 hours before the time appointed for the meeting are entitled to attend and/or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend and/or vote at the meeting.

No. of Shares:

I / We: (full name)

of: (address)

being a member of MobilityOne Limited, do hereby appoint: (full name)

or failing him: (full name)

or failing him the Chairman of the Meeting as my / our proxy to attend the Annual General Meeting of MobilityOne Limited to be held at Level 2, Wisma LMS, No. 6, Jalan Abd. Rahman Idris, Off Jalan Raja Muda Abdul Aziz, 50300 Kuala Lumpur, Malaysia on 22 October 2020 at 10.00 a.m. Malaysia time or any adjournment thereof.

I/We request such proxy to vote as indicted below:

ORDINARY RESOLUTIONS	FOR	AGAINST	WITHHOLD
1. THAT the Company's accounts and reports of the Directors and Auditors for the year ended 31 December 2019 be adopted.			
2. THAT Abu Bakar bin Mohd Taib is re-elected as a Director.			
3. THAT Jeffrey's Henry LLP of Finsgate, 5-7 Cranwood Street, EC1V 9EE London, United Kingdom be re-appointed as Auditors of the Company (in accordance with Article 33 of the Articles of Association of the Company) to hold office until the conclusion of the next general meeting.			
4. THAT the Directors be authorised to fix the remuneration of the Auditors.			
5. THAT pursuant to Articles 2.3 and 2.4(c) of the Company's Articles of Association, the Board of Directors has general authority to issue up to and including 31,889,634 ordinary shares of 2.5p each in the share capital of the Company at their sole discretion without reference to pre-emption rights, for cash by way of general mandate.			

Please indicate by marking "X" in the respective box. If no indication is given, your proxy will have discretion to vote or to abstain (including on any other matter which may properly come before the meeting as he/she thinks fit).

If by an individual:

Signed:

Dated: 2020

If for and on behalf of a corporation:

Signed by:

for and on behalf of:

Position:

Dated:2020

Notes:

1. A member of the Company entitled to attend and vote at the above mentioned meeting is entitled to appoint a proxy to attend and, on a poll, to vote in his/her place. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company. A member may appoint more than one proxy to attend on the same occasion.
2. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be deposited with the Company's registrars, Computershare Investor Services (Jersey) Limited c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, the United Kingdom or at such other place as is specified for that purpose in the notice of the meeting or in the instrument of proxy issued by the Company at least 24 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, at least 24 hours before the time appointed for taking the poll and, in default, the instrument of proxy shall not be treated as valid.
3. Completion of the instrument appointing a proxy does not preclude a member from subsequently attending and voting at the meeting in person if he/she so wishes.
4. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the Holders stand in the register of members of the Company.
5. As permitted by Regulation 40(1) of the Companies (Uncertificated Securities) (Jersey) Order 1999, only persons entered on the register of members of the Company not later than 48 hours before the time appointed for the meeting are entitled to attend and/or vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after that time will be disregarded in determining the rights of any person to attend and/or vote at the meeting.

FOLD THIS FLAP FOR SEALING

THEN FOLD HERE

AFFIX
STAMP

COMPANY'S REGISTRARS
MOBILTYONE LIMITED /
COMPUTERSHARE INVESTOR SERVICES (JERSEY) LIMITED
C/O THE PAVILLIONS
BRIDGWATER ROAD
BRISTOL BS99 6ZY
UNITED KINGDOM

FIRST FOLD HERE

www.mobilityone.com.my



MOBILITYONE

REGISTERED OFFICE

MobilityOne Limited
13 Castle Street
St Helier
Jersey JE1 1ES
Channels Islands

BUSINESS ADDRESS

MobilityOne Sdn Bhd
2-3, Incubator 2
Technology Park Malaysia
Bukit Jalil
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Malaysia

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