

25 August 2009



Monitise plc

Preliminary Results for the year ended 30 June 2009

MONITISE ESTABLISHED AS MARKET LEADER AND ANTICIPATES STRONG GROWTH

Monitise plc (“Monitise”; the “Group” or “Company”, LSE: MONI.L), the global mobile money specialists, announces its preliminary results for the year ended 30 June 2009.

FINANCIAL HIGHLIGHTS

- 80% revenue growth to £2.7m (2008: £1.5m)
- Adjusted operating loss, which excludes share based payments, reduced to £12.0m, (2008: loss £12.8m)
- Unique global alliance agreement signed with Visa International worth \$13m over five years supporting Visa’s global mobile payments programme
- Acquisition of the remaining 50% of Monilink post year end streamlines the Group structure
- Subscriptions for new Monitise ordinary shares:
 - raised £11.8m before costs, through a mixture of strategic and institutional investors in July 2008
 - raised £5.1m before costs, including an investment of £4.2m by Visa International which was announced on 30 June 2009
- Cash balances approximately £15m following completion of subscription in July 2009

BUSINESS HIGHLIGHTS

- Growth is accelerating - at the period end Monitise had over half a million customers; July was another record month for customer acquisition and Monitise currently has more than 750,000 customers. The Group believes it will exceed one million customers by the end of calendar year 2009
- Monitise has now signed up over 110 partner banks and financial institutions in the UK and North America, and its services now run across 5 of the world’s top 10 mobile networks

INTERNATIONAL HIGHLIGHTS

UK

- Customer numbers continue to grow and banks representing well over 55% of UK current account holders have now deployed our Mobile Money services
- Agreement signed in May with The Carphone Warehouse to promote Mobile Money services, now entering “roll out” phase with first online promotion live and store presence imminent

North America

- Over 100 banks and financial institutions now signed up to Monitise Americas' Mobile Money platform
- Customer numbers growing well as Mobile Money becomes available on iPhone

India, Middle East and Africa, Asia Pacific

- Development of our ecosystems in India, Hong Kong and the Middle East and Africa continues well. We await Reserve Bank of India approval to launch in India
- The deal with Paynet substantially increases our potential reach in the Middle East and Africa

Alastair Lukies, Chief Executive Officer, said, "It has been an important year for Monitise. The endorsement by Visa and the rapid growth in our customer base clearly validates the long held confidence in our Mobile Money Manager Platform and business model. When we began, the Mobile Money space simply did not exist. It is now a high growth global industry and we are front runners.

"The excellent relationship we have had with VocaLink, one of the worlds leading payments platforms, since 2004 has imposed critical and valuable disciplines on our business and its bank grade processes. I am delighted that as we evolve that joint venture into a wholly owned subsidiary of Monitise the relationship remains strong and mutually valuable to both parties.

"As we enter the commercialisation phase of our development, our team is now focused on delivering continued revenue growth and ensuing bottom line performance."

Duncan McIntyre, Chairman, added, "It was pleasing to see the business progress strongly throughout the year. We have continued to strengthen our position with new partnerships, including our landmark agreement with Visa. The business is well established, our cost base is tightly managed and we look to the future with confidence as momentum continues to build across our business, both in our domestic and international markets."

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ABOUT MONITISE PLC

Monitise plc (MONI.L), the mobile money specialists, has created the world's first mobile banking networks, which allow customers of multiple banks and mobile operators to perform banking and payment transactions directly from their mobile handset.

With live services in the UK and the USA, where it has delivered the Monilink and Monitise networks in partnership with VocaLink and Metavante Corporation respectively, the Company is currently working with international partners to deliver similar safe, secure mobile banking and payment services in territories worldwide.

Forward Looking Statements

This document includes forward looking statements. Whilst these forward looking statements are made in good faith they are based upon the information available to Monitise at the date of this document and upon current expectations, projections, market conditions and assumptions about future events. These forward looking statements are subject to risks, uncertainties and assumptions about the Group and should be treated with an appropriate degree of caution.

BUSINESS REVIEW

OVERVIEW

It has been a very significant year in the history of Monitise. After six years of building and establishing our Mobile Money Manager technology, we are confident that we have the robust, secure and flexible platform we need to pursue our global strategy.

Last year we transformed ourselves from a research & development focused organisation to one which delivers strong technology based propositions with real commercial benefit to our bank and financial institution partners, based on a proven track record of delivery, security and expertise. As a result we ended the year in a strengthened position and as an acknowledged market leader in the mobile banking and payments space, culminating in our Global Alliance Agreement with Visa International.

For the year ended 30 June 2009, the Company has reported an 80% increase in revenue to £2.7 million (2008: £1.5 million), and a reduction in adjusted operating loss, excluding share based payments, to £12.0million (2008: loss £12.8m).

Post the year-end, we secured an investment of £5.1 million, before expenses, following a subscription for new ordinary shares by Visa International, UBS Global Asset Management and Capital Group and have the funds to both support our business as our growth accelerates in our UK and North American businesses and to develop our global franchises.

We are strongly positioned to move into the next phase of Monitise's journey. This means a focus on generating a step change in our revenues, through annuity licence fees including Visa, and recurring per user fees from both our UK and North America markets, and from our new partnerships, alliances and businesses in the developed and developing world. Our cost base remains well managed. In the year to 30 June 2010 we expect costs to increase due to the full ownership of Monilink. We will continue to review investment opportunities in overseas markets on a case by case basis.

At the year end over 110 banks and financial institutions in the UK and North America were signed up to the Mobile Money Manager platform. Customer numbers are growing rapidly; Monitise had over 750,000 customers of its various services in the UK and North America on 20 August 2009. We believe we will exceed one million customers by 31 December 2009.

Monitise has the expertise, resources and vision to be a true global leader in the mobile banking & payments space.

UK OPERATIONS

On 24 August 2009 we announced an agreement to take full ownership of Monilink, Monitise's UK arm, by buying out our joint venture partner VocaLink. This brings us control of all business operations in our home market, including all future revenues, at a time when the global mobile money industry is accelerating. Monilink will become a more streamlined business integrated into the Group and will operate under Monitise's worldwide Mobile Money banner. Monilink has recorded substantial growth in consumer uptake in recent months.

Under the agreement Monitise acquires the business debt free and will pay VocaLink an initial cash consideration of £1.5m spread evenly over three years, as well as up to £1.5m

deferred consideration based on exceeding certain financial performance criteria by 30 June 2013, along with ongoing service and facilities management fees. Vocalink will continue to supply Monitise with payment and switch services and remains a key strategic partner.

Our UK business grew substantially during the year. We cemented our relationships with Royal Bank of Scotland Group, HSBC, first direct, and Alliance & Leicester. Lloyds TSB joined us in September 2008. In spite of substantial disruption to the banks' businesses due to the global recession - particularly in the latter half of 2008 - which slowed our development process with the banks, we have achieved significant gains in the last six months.

We have moved into the pre pay market with Tuxedo, and have also added enhanced services to the debit card holders of our partner banks including, for example, secure replacement of RBS debit cards. .

Our distribution strategy was further enhanced through our strategic partnership with The Carphone Warehouse, who will help us provide Mobile Money services through their stores, web sites and mobile interfaces, commencing with website marketing in July 2009 (<http://www.carphonewarehouse.com/mobiles/mobile-services>).

As a result of these initiatives, UK customer numbers grew rapidly from the beginning of 2009, and as at 20 August 2009 we had well over half a million customers. July 2009 was another record month for customer acquisition in the UK.

Now the worst of the financial crisis appears to be behind us, the banks are embarked on cost reduction (call centre) and revenue enhancement programmes, we have marketing and development plans in place with our partner banks designed to grow the customer base more quickly over the next 12 months. We believe the market readiness for mobile money services is very strong and this can be evidenced by the recent Lloyds TSB and NatWest TV and press advertising campaigns.

NORTH AMERICAN OPERATIONS

Monitise Americas, our North American joint venture with Metavante, a leading provider of payments capability to US financial institutions, grew rapidly during the year. We now have over 100 banks, financial institutions and pre-paid card providers signed up, compared to 60 at the end of December 2008.

Naturally, the considerable disruption to the US banking system in the second half of 2008 delayed our business development plans, but this situation improved significantly from January 2009.

Monitise Americas was able to develop a substantial range of Mobile Money services from its own flexible Mobile Money Manager capability. Monitise America's partners are now offering both Essentials and Active services - including bill payments - to their customers. Recently a new application was launched for US iPhone users. Technical developments mean Monitise Americas now provides full network and device coverage, including downloadable application, browser and configurable SMS.

One of the highlights has been the successful pilot with H&R Block, the world's largest tax preparation company, which mobilised their prepaid Emerald card. Following this success we anticipate a broader roll out across their network of 13,500 branches.

As we found in the UK, with the platform integrated, customer numbers are now starting to build in what is a market some five times the size of the UK. Monitise Americas is now firmly established as one of the leaders in this market.

VISA

On 30 June Monitise signed a Global Alliance Agreement with Visa International, part of the world's largest retail electronic payments network, to develop its mobile services. This is a pivotal partnership for Monitise and unique for Visa in this arena, providing us with a vast market opportunity across the world.

The Agreement is worth a minimum of \$13m over a five year period and sees Monitise becoming a key partner to the world's largest electronic payments network as it seeks to provide mobile capability to the four billion mobile handset owners worldwide.

Alongside the Agreement, Visa International subscribed for shares representing a 14.4% stake in the issued share capital of Monitise, underlining their commitment to the relationship.

Monitise and Visa are now working together to develop a range of services to mobile Visa cards, processing and payments.

INTERNATIONAL OPERATIONS

Naturally, we are delighted with our ground breaking deal with Visa International, which both enhances our reputation and gives us extensive global reach.

We believe that our strategy of open ecosystems, enabling open access to financial institutions, payments processors, mobile network operators, merchants and mobile handset manufacturers is both the best long term approach to the global market and also makes Monitise the partner of choice.

As we develop our international business in line with the focus on selected strategic territories, we are finding that our flexible, proven platform provides a strong basis for development of new services both for people in the developed world and for those in developing territories without access to a banking infrastructure.

India

Monitise has announced the formation of Monitise India, and ICICI Bank, India's second largest bank has expressed its intent to invest. This new organisation will build an open system to enable Indian banks, processors, payments organisations and merchants to provide mobile banking, payment and e-wallets to India's vast consumer population with and without bank accounts.

Reserve Bank of India agreement is awaited to enable trading to begin. In the meantime ICICI Bank and Monitise are in discussion with some of India's leading organisations to join the Mobile Money ecosystem.

Middle East and Africa

Monitise is working with several partners to launch services across the region and following the year end, an agreement in principle has been made with Paynet, the payments

organisation operating in East Africa and with increasing capabilities in the Middle East, to develop Mobile Money services in the region.

Funding of \$1.5m was awarded from Africa Enterprise Challenge Fund AECF to develop mobile banking and payments services, commencing in Uganda, for the millions of unbanked people in East Africa.

MOBILE MONEY MANAGER

Monitise's Mobile Money Manager has been developed as the secure platform to enable a range of mobile delivery mechanisms, products and services to be provided. These include delivery by SMS, application download, web browser, mobile browser, and in due course mobile and internet widget and USB. The "Essentials" and "Active" toolkits enable a competitive range of products to be delivered to banks and financial institutions, flexibly and straight forwardly, enabling them to build segmented propositions for their customers.

It is equally at home providing upgraded Active systems to people in the developed world with sophisticated touch-screen 'smart' phone, as it is to providing Essential services to people without bank accounts in the developing world and less active money managers worldwide.

The platform has been patented in the UK and Ireland and patents are pending in multiple territories internationally.

The platform is now robust and secure, and the primary investment phase has been completed. This means that time to market in North America was significantly shortened and as we roll out services across the world we have real flexibility to meet the needs of each market at low incremental cost.

PEOPLE

Monitise continues to attract and retain a strong team with wide ranging expertise across the mobile money space.

As previously announced, the following board changes were made during the year:

Jan Verplancke joined the Board as a representative of Standard Chartered Bank following their investment in July 2009. Duncan McIntyre, previously Executive Chairman, moved to become Non-Executive Chairman of the Board. Lee Cameron has been appointed to the Board as an Executive Director. Lee joined the Company in 2006 as General Counsel.

Our Executive Management Team was strengthened by the recruitment of Pertti Johansson as Chief Wireless Operator.

STRATEGY AND OUTLOOK

Monitise starts its new financial year in a position of strength. We have some of the world's leading organisations as partners and investors, a strong financial base and a truly world class team of people around us.

Our strategy remains constant and rests on three key pillars:

- sign up the world's leading financial institutions, card schemes and ATM / payment switches to the Monitise platform

- attract the appropriate partners to deliver sustainable “industry platforms” in key regions
- develop a compelling and customer-centric proposition roadmap ahead of the market

Our strategic alliance with Visa endorses our approach and provides us with a tremendous opportunity for growth.

As we embark upon the next phase of our development, being the rapid commercialisation of our franchise, we plan to grow revenues from additional international licences and rapidly grow annuity-based per customer fees in our UK and North American markets.

We anticipate at least doubling revenues, and potentially significantly more, in the year to June 2010. Cash overhead spend is expected to increase as a result of the Monilink acquisition.

The momentum in the business underscores our confidence in delivering both a strong business and financial performance.

FINANCIAL REVIEW

The Group is moving into a commercialisation phase, having developed its core Mobile Money Manager platform successfully and with two deployments already generating revenue internationally (UK and US). The recent deal with Visa is one key step in this transformation, and the Group remains committed to investing for future growth through the deployment of its technology across further international territories.

Following the conclusion of the recent subscription agreements (see note 3), the Group is well placed to build upon its leading position and to take advantage of the demonstrable increase in demand for mobile banking and payment services worldwide.

Financial Performance

Year-on-year revenues have increased by 80% to £2.7 million (2008: £1.5 million) and represent income from further deployment and integration of our platform both in the UK and US, income from exclusivity agreements and our recurring licence fee for the US joint venture, and the continuing build-up of consumer revenues.

Second half revenues increased strongly, rising from £1.1 million in the first half through to £1.6 million in the second half.

Revenue is represented by; deployment and integration income from professional service fees which amounted to £1.1million (2008: £1.0 million), with licence fees at £1.1m (2008: £0.4m) and usage / other fees generated through our UK and US joint ventures building to £0.5m (2008: £0.1m).

Overhead costs for the year, excluding share-based payments, amounted to £13.5 million (2008: £13.6 million) and include £0.3m of restructuring costs for the cost reviews undertaken during the year.

Total cash overhead costs for the year to 30 June 2010 are expected to increase slightly as a result of the Monilink acquisition. Total spend includes an ongoing cost of approximately £5m for technology requirements; £4m will be spent on our existing live platform in the US and UK (an increase due to the Monilink acquisition); a further £3m will be spent on group administrative and central costs. The remainder of our costs will be dictated by new market opportunities. Each of which will be considered on a case by case basis.

The adjusted operating loss for the year which excludes non-cash share-based payments, has decreased to £12.0 million (2008: loss £12.8 million) as a result of the increase in revenue and associated gross profit.

In line with the requirements of IFRS 2, we have recognised a non-cash charge of £1.8 million for share-based payments (2008: £2.1 million). The majority of charges arise from option grants to the senior management team at the time of demerger, details of which were included in the 2007 AIM Admission document. Whilst the charge is expected to decline in line with the three year rolling vesting of the demerger option grants, a significant ongoing charge will remain as a reflection of the fact that share-based payments remain a key part of the retention plan for executives and other staff.

The loss before tax and retained loss for the year has decreased to £13.1 million (2008: loss £14.0 million).

Taxation

In 2009, all losses have been retained within the Group and form part of the Group's unrecognised deferred tax asset.

Loss Per Share

The basic and diluted loss per share was 4.0p (2008: loss 5.5p). Details can be found in note 2.

Cash Flow and Funds

The Group utilised total cash of £11.1 million during the year (2008: £10.7 million), resulting in a year end cash balance of £10.1 million (2008: £9.7 million). The cash outflow from operating activities, including the Group's share of joint venture activities, was £11.4 million (2008: £11.0 million). The cash outflow from capital expenditure was £0.3 million (2008: £0.5million) with only limited spend required to scale the operating platforms across the current joint ventures.

Monitise raised initial funding of £21.4 million through a placing in June 2007 on demerger and entry into AIM, followed by £11.8 million in July 2008 from a mixture of strategic investors and institutional funds. A further £5.1 million of funds have been generated from a subscription for new equity which was completed post year-end in July 2009 (see note 3). All amounts are quoted before expenses.

Funds from the latest subscription plus the year end cash position of £10.1million resulted in total cash available in July 2009 of circa £15 million.

Treasury Activities and Policies

The Board formulates the Group's treasury policy objectives and policies which are designed to manage the Group's financial risk and secure cost-effective funding for the Group's operations. These objectives include the requirement to minimise risk on investment funds but maintain flexibility. The majority of funds are currently held in a mix of term deposits. Other financial instruments are comprised principally of trade receivables and payable arising from the Group's operating activities.

Hedging of known future foreign cash investments or income flows will be undertaken, as deemed appropriate, to mitigate the Group's exposure to foreign exchange risk going forward. It is and will continue to be the Group's policy that no speculative trading in derivatives shall be undertaken.

Consolidated Income Statement

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Revenue	2,658	1,492
Cost of sales	(1,167)	(630)
Gross profit	1,491	862
Distribution costs	(2,217)	(2,169)
Administrative expenses before share-based payments	(11,251)	(11,479)
Share-based payments	(1,754)	(2,107)
Total administrative expenses	(13,005)	(13,586)
Operating loss	(13,731)	(14,893)
Finance income	611	923
Finance costs	(7)	(4)
Loss before income tax	(13,127)	(13,974)
Income tax	-	-
Loss for the year	(13,127)	(13,974)
Attributable to:		
Equity holders of the Company	(13,127)	(13,974)
Loss per share for loss attributable to the equity holders of the Company during the year (expressed in pence per share):		
– basic and diluted	(4.0)	(5.5)

All activities derive from continuing operations.

Consolidated Balance Sheet

	As at 30 June 2009 £'000	As at 30 June 2008 £'000
ASSETS		
Non-current assets		
Property, plant and equipment	333	465
Intangible assets	659	793
	992	1,258
Current assets		
Trade receivables and other receivables	5,653	3,537
Cash and cash equivalents	10,145	9,681
	15,798	13,218
Total assets	16,790	14,476
LIABILITIES		
Current liabilities		
Trade and other payables	(4,020)	(2,873)
Financial liabilities	(3,379)	(2,377)
	(7,399)	(5,250)
Non-current liabilities		
Financial liabilities	(57)	(91)
Total liabilities	(7,456)	(5,341)
Net assets	9,334	9,135
EQUITY		
Capital and reserves attributable to equity holders of the Company		
Ordinary shares	3,401	2,545
Share premium	30,649	19,334
Foreign exchange translation reserve	(15)	(12)
Other reserves	11,329	10,171
Retained loss	(36,030)	(22,903)
	9,334	9,135
Total shareholders' equity	9,334	9,135

Consolidated Statement of Changes in Equity

	Share Capital	Share Premium	Merger Reserve	Reverse Acquisition Reserve	Share- based Payment Reserve	Retained Earnings	Foreign Exchange Reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 July 2007	2,540	19,261	32,952	(25,321)	433	(8,929)	-	20,936
Shares issued on demerger	5	73	-	-	-	-	-	78
Recognition of share-based payments	-	-	-	-	2,107	-	-	2,107
Total recognised income and expense for the year	-	-	-	-	-	(13,974)	(12)	(13,986)
Balance at 30 June 2008	2,545	19,334	32,952	(25,321)	2,540	(22,903)	(12)	9,135
Balance at 1 July 2008	2,545	19,334	32,952	(25,321)	2,540	(22,903)	(12)	9,135
Issue of shares	841	11,010	-	-	-	-	-	11,851
Recognition of share-based payments	-	-	-	-	1,463	-	-	1,463
Total recognised income and expense for the year	-	-	-	-	-	(13,127)	(3)	(13,130)
Exercise of share options	15	305	-	-	(305)	-	-	15
Balance at 30 June 2009	3,401	30,649	32,952	(25,321)	3,698	(36,030)	(15)	9,334

Cash Flow Statement

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Cash flows utilised in operating activities	(11,396)	(10,999)
Cash flows received from investing activities		
Interest received	604	824
Purchases of property, plant and equipment	(78)	(257)
Capitalisation and purchases of intangible assets	(229)	(260)
Net cash received from investing activities	297	307
Cash flows provided by financing activities		
Proceeds from issuance of ordinary shares (net of expenses)	11,548	-
Loan (to)/from joint venture parties and subsidiaries	-	-
Share options exercised	15	-
Net cash provided by financing activities	11,563	-
Net increase/(decrease) in cash and cash equivalents	464	(10,692)
Cash and cash equivalents at beginning of the year	9,681	20,373
Cash and cash equivalents at end of the year	10,145	9,681

1. Basis of Preparation

The financial information presented in this Preliminary Announcement is extracted from, and is consistent with, the Group's audited financial statements for the year ended 30 June 2009.

The preliminary announcement for the year ended 30 June 2009 was approved by the Board of Directors on 24 August 2009. The financial information set out above does not constitute the Company's statutory accounts for the year ended 30 June 2009 or 2008 but is derived from those accounts. Statutory accounts for 2009 will be delivered following the Company's annual general meeting. The auditors have reported on those accounts; their report was unqualified and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The Group's results have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

2. Loss per Share

Basic and Diluted

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of Ordinary shares in issue during the year. As the Group is loss-making, any share options in issue are considered to be "anti-dilutive". As such, there is no separate calculation for diluted earnings per share.

Reconciliations of the loss and weighted average number of shares used in the calculation are set out below.

	2009	2009	2008	2008	2008	
	Weighted	Loss per	Weighted	2008	2008	
	average	share	average	Losses	Loss	
	number of	amount	number of	per share	per share	
	shares	(pence)	shares	amount	amount	
	(thousands)		(thousands)	(pence)	(pence)	
Losses attributable to ordinary shareholders	(13,127)	329,110	(4.0)	(13,974)	254,429	(5.5)

3. Events After Balance Sheet Date

Equity transactions

On 21 July 2009, the Group issued 73.2 million new Ordinary shares as part of a subscription agreement with a new share holder, Visa International Service Association, a subsidiary of Visa Inc and existing investors UBS Global Asset Management and Capital Group.

As a result £5.1million (before expenses) has been raised and taken together with year end cash provided the Group with a total cash position of circa £15m on receipt of funds in July 2009. The Directors believe that this new subscription will provide additional flexibility for the Group to continue to implement its development strategy and grow its business in a number of territories.

Acquisition

On 21 August 2009, the Group acquired an additional 50% of the issued share capital in its joint venture, Monilink Ltd from its joint venture partner VocaLink Ltd, for an initial cash consideration of £1,500,000 over three years. This acquisition gives the Group a 100% shareholding in Monilink Ltd. Monilink Ltd is licensed to provide mobile phone-initiated banking and payment services in the UK and Ireland.

Due to the timing of the transaction, a fair value exercise by an independent valuation expert has not yet been completed and as such Monitise plc will provide details of the fair value of the assets acquired from Monilink Ltd and therefore of any goodwill created in the next financial reporting period. For the year ended 30 June 2008, being the latest audited accounts, MoniLink Limited recorded a loss before tax of £5,663,296 and had net liabilities of £9,274,900.

On completion the business had an estimated net asset figure of £1.2m following capitalisation of funding loans, and monthly run rate revenues of £100k.

A contingent consideration arrangement requires the Group to pay VocaLink Ltd a maximum undiscounted amount of £1,500,000 subject to certain performance criteria over the period to 30 June 2013.

4 Principal Risks and Uncertainties

The Board has identified the principal risks and uncertainties which it believes may have an impact on the Group and its operations.

In line with groups of a similar size, the Group is managed by a limited number of key personnel, including Executive Directors and senior management, who have significant experience within the Group and the wider IT or communications sectors and who may be difficult to replace. Executive remuneration plans, incorporating long term incentives, have been implemented to mitigate this risk.

The Group is reliant on a number of key relationships with both banking and mobile operator partners for provision of the Group's services to the marketplace. A key element of the Group's strategy is to continue to build and maintain strong relationships with all key partners including engagement at senior level. This is facilitated through the engagement of both the Monitise Board and the Monitise Advisory Board. Account management plans are implemented for all key partners.

The marketplace for the Group's services is characterised by rapid technological changes, frequent introductions of new services and products and evolving industry standards. Monitise will continue to enhance its current products and develop new products in response to changes in technology, industry standards or customer preferences in order to maintain its competitive position.

The Group must monitor its ability to operate within strict capital constraints given that it is not yet achieving monthly cash breakeven. A rolling forecast is maintained which serves to highlight whether a formal review of the annual budget and associated strategic plan is required. Additionally, individual controls exist to ensure that spend is signed off at appropriate levels of authorisation both within the core business and in the joint ventures.

5 Related Parties and Shareholders

Monilink Ltd

The Group has a 50% interest in a joint venture, Monilink Ltd. During the year, consultancy charges of £1,907,000 (2008:£1,103,000) were billed and costs of £766,000 (2008:£363,000) were recharged to Monilink Ltd before consolidation adjustments. The Group loaned an additional £2,000,000 (2008:£2,100,000) to Monilink Ltd in respect of working capital requirements. The outstanding debtor balance at 30 June 2009 including loans was £7,992,000 (2008: £4,777,000) before consolidation adjustments.

Monitise Americas LLC

The Group has a 49% interest in a joint venture, Monitise Americas LLC. During the year consultancy costs and licence fees of £1,157,000 (2008: £936,000) were billed and costs of £154,000 (2008: £551,000) were recharged to Monitise Americas LLC before consolidation adjustments. The Group provided a capital contribution of £1,303,000 (2008: £1,474,000) to Monitise Americas LLC in respect of working capital requirements. The outstanding debtor balance at 30 June 2009 was £57,000 (2008: £115,000).

6 Statement of directors' responsibilities

The directors are responsible for preparing the Preliminary Financial Results 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 group and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by 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 group and the company and of the profit or loss of the Company and Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.