ZAMANO

Annual Report & Accounts **2015**

For the year ended 31 December 2015

zamano is a leading provider of targeted, interactive and measurable web and mobile marketing campaigns to end users.

Contents

2015 Highlights

Revenue	**€24.3M**	Revenue of €24.3M (up 22.3% on revenue of €19.9M, 2014)
Adjusted EBITDA	**€3.0M**	EBITDA of €3.0M (up 9.5% on EBITDA of €2.7M, 2014)
Pre-tax Profit	**€2.4M**	Pre-tax profit €2.4M (up 12.9% on pre-tax profit of €2.2M, 2014)
Post-tax Profit	**€2.1M**	Post-tax profit €2.1M (up 13.0% on post-tax profit of €1.9M, 2014)
Net Cash	**€6.3M**	Significant improvement in net cash during 2015 (net cash of €6.3M at 31 December 2015 versus net cash of €4.6M at 31 December 2014)

Chairman's Statement

> The robust nature of the Group's operating performance during 2015 was reflected in a further improvement in zamano's net cash position. At 31 December 2015, net cash was €6.3 million.
>
> JOHN ROCKETT

zamano is pleased to report on what was a highly satisfactory outcome on a financial and operational level for the year ended 31 December 2015.

The Group maintained its upward progress in respect of revenue and profit during 2015.

Revenues at €24.3 million was 22.3% ahead of the previous year *(2014: €19.9 million)*. This increase was due to the continued development of our business-to-business (B2B) services in the UK and a favourable foreign exchange environment.

Gross profit for the year at €5.1 million was 6.95% ahead of the corresponding figure of €4.8 million recorded in 2014. However, the gross profit margin fell from 24% in 2014 to 21% in 2015 due to the upward surge in UK B2B sales which carry lower margins than zamano's conventional direct-to- consumer (D2C) services.

The growth in gross profit in 2015 together with the effective maintenance of administrative expenses at 2014 levels, were responsible for the increased Adjusted EBITDA, Pre-Tax and Post-Tax profits during 2015. Adjusted EBITDA at €3.0 million was 9.5% ahead of 2014 (€2.7 million). Pre-Tax profit for the year at €2.5 million was 12.9% ahead of 2014 (€2.2 million), whilst the Post-Tax outcome at €2.1 million exceeded the corresponding figure for 2014 of €1.9 million by 13.0%.

The robust nature of the Group's operating performance during 2015 was reflected in a further improvement in zamano's net cash position. At 31 December 2015, net cash was €6.3 million, an increase of €1.7 million over the 31 December 2014 net cash figure of €4.6 million. zamano continued to improve its balance sheet position during the period under review due to the strong capacity of the business to generate cash, its ability to quickly realign its product and services offering to meet customer requirements and its rigorous focus on efficient operational controls.

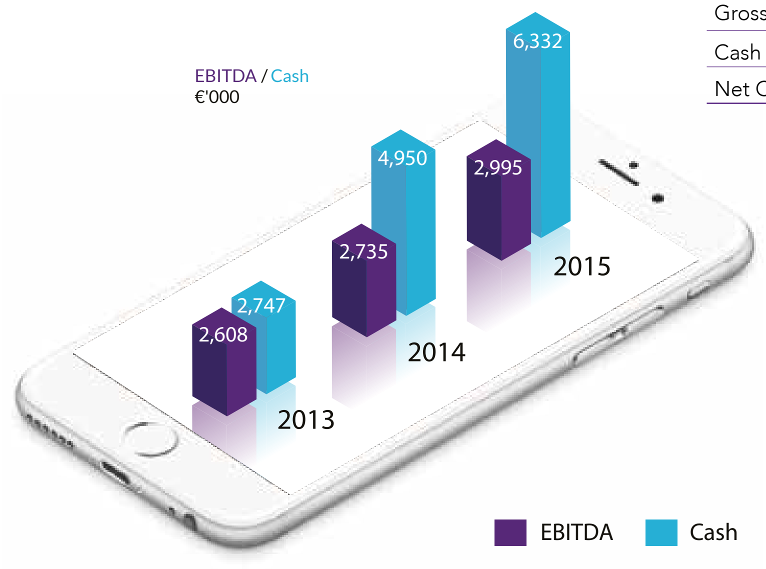
In my last Chairman's statement to shareholders I referred to the Group's ongoing quest to test new markets for its existing products and the efforts being made to introduce new products via its own research and development activities, and the active implementation of a targeted acquisition programme.

During 2015, zamano continued to explore acquisition opportunities in the UK and Ireland, to complement its Messagehero product launched in 2014 with a view to increasing its product footprint in those markets. In addition to this, further progress was made in the development of the Group's micro-payment solution for mobile devices with integrations during 2015 with Vodafone and Three to become an 'approved direct carrier billing partner' with both mobile network operators. Development work is now progressing on the creation of platform infrastructure which will allow merchants to sell goods directly by processing payments via direct carrier billing to customers of Vodafone and Three.

With the increasing reliance during 2015 on the UK, in particular, for revenue and gross profit contribution, zamano redoubled its efforts to adapt and develop its current product offering (as outlined above) as a means of de-risking its business model. The market for web and mobile payments remains buoyant and zamano's skill set in data analytics and mobile payments gives it the capacity to add considerable value to joint ventures, strategic partnerships and acquisitions in the broad mobile commerce space. The requirement to strategically re-align and reposition the Group remains the key objective of the board and management in the immediate future.

In addition to the efforts of the Group on the acquisition front, on 3 August 2015, zamano announced that it had received a preliminary and highly conditional approach regarding a possible offer for the company at an offer price of €0.20 per zamano ordinary share. Zamano and its advisors engaged actively with the potential offeror but discussions regarding the approach were terminated during October 2015.

As in previous years the business continues to face ongoing regulatory changes, particularly in our two principal geographic markets of the UK and Ireland. zamano is totally committed to providing customers with a high level customer experience and service which complies with the regulatory requirements of the markets in which it operates. In keeping with previous years, the Group is working alongside the principal stakeholders in the industry (including regulators and mobile network operators) to ensure compliance with the relevant codes of practice in all of the markets where we have commercial relationships.



Despite challenging and competitive market conditions the Group has delivered another highly satisfactory trading performance in the year to 31 December 2015 on the back of a stellar performance in the UK, where its B2B sales grew significantly. The challenge for the business in 2016 is to continue to maintain and develop its core activities, bring the output of some of its research and development activities to market and conclude business partnership agreements or acquisitions which will strategically position the business for long term growth.

In conclusion, on the occasion of my final Chairman's Statement, I would like to thank all of the Group's employees for their commitment and dedication to the business during my four year term as Chairman. I would also like to acknowledge and thank my fellow directors for their support and advice since taking on the role. It was my pleasure to act in the capacity as Chairman of the Group since 2012, and I wish the board, management and staff of the business every success in 2016 and beyond.

John Rockett
Chairman

	2015 €'000	2014 €'000	2013 €'000
Turnover	**24,289**	19,863	16,034
Adjusted EBITDA	**2,995**	2,735	2,608
Gross Profit	**5,110**	4,778	4,976
Gross Debt at 31 December	**71**	347	608
Cash at 31 December	**6,332**	4,950	2,747
Net Cash at 31 December	**6,251**	4,603	2,139

Chief Executive Officer's Statement

> "During 2015, the Group examined a number of opportunities in mobile media, payments and messaging with a view to growing the business and diversifying its product and service base. In 2016, it remains an ongoing objective of the Group to find acquisition or partnership opportunities for the business in the web and mobile marketing space."
>
> ROSS CONLON

Introduction

The financial year ended 31 December 2015 was another successful one for zamano. The Group maintained its ongoing growth in sales, gross profit, EBITDA, pre-tax and after-tax profits in the year under review. It also continued to increase its cash balances, with cash and cash equivalents at 31 December 2015 of €6.3 million being €1.4 million ahead of the corresponding figure for 2014 of €4.9 million.

On the sales front, the UK and Ireland continue to account for a significant proportion of overall Group sales. The upward trend, which manifested itself in UK B2B sales during the second half of 2014, was sustained throughout the whole of 2015. While UK sales were ahead of expectations and also benefited from favourable foreign exchange rates, Irish sales were somewhat down on 2014. Sales in Australia and other smaller territories also failed to reach the numbers achieved in 2014.

The market for mobile products and services continues to grow. Global Smartphone sales were close to 6 billion units in 2015, a penetration level in excess of 60%. Global revenue from mobile content is forecast to reach US$13 billion next year (2017). The number of global mobile payments users is understood to have topped the one billion mark in 2015 which represented circa US$1 trillion worth of mobile payments.

The continuing growth of mobile users and the increased penetration of Smartphones is the main driver of growth in mobile payments, mobile commerce and mobile entertainment. zamano's product offerings target the broader mobile commerce and mobile entertainment segments, two of the fastest growing mobile markets globally. With the assistance of its mobile network operator and global aggregator partners, zamano will continue to target mobile content and payment opportunities in its key geographies during the course of 2016 and beyond.

Market Review

zamano's UK operation which is largely comprised of web and mobile entertainment products and business-to-business services had another stellar year in 2015. Revenues in the UK at €20.5 million were 34.9% ahead of 2014 (€15.2 million), this significant increase in sales volumes was largely attributable to the ongoing development of our B2B services activities in this market.

The Irish business which also focuses on web and mobile products and business-to-business services continues to operate in an extremely challenging environment. Sales for 2015 were €3.1 million, down by 14.2% on the equivalent figure for 2014 of €3.6 million. The decline in sales in 2015 (14.2%) was marginally higher than the year on year decline in 2014 (13.2%). However, the contribution margin percentage for the year at 29.7%, held up well when compared to the 2014 outcome of 30.2%. Messagehero, our messaging product for the SME market achieved modest levels of sales during the year, while considerable progress was made in establishing our micro payments solution for mobile devices with 'approved direct carrier billing partnership' integrations being concluded with Vodafone and 3.

Our sales performance in other locations during 2015 failed to match that of 2014. Sales at €0.7 million were 39% down on the corresponding figure of €1.1 million in 2014. In 2014, the Other Locations category was boosted by a strong performance in Australia. This was not replicated in 2015 as regulatory changes impacted on our sales performance there. Nevertheless, the gross profit contribution from Other Locations during 2015 at €0.17 million represented a gross margin percentage on sales of 24.8%, a significant uplift on the equivalent figure of 13.0% recorded in 2014.

Financial Review

You will have noted from the Chairman's statement earlier, that the Group maintained its growth in financial performance in 2015 when compared to the previous year. Specifically, zamano recorded growth in real terms in sales, gross profit, EBITDA and pre and post-tax profit in 2015 relative to what it achieved in 2014. The significant increase in sales, albeit at a lower gross margin percentage, together with a tight operational focus on costs, were the main reasons behind the uplift in earnings achieved in the year ended 31 December 2015.

As in previous years, the UK and Irish business were the mainstays of Group financial performance in the year ended 31 December 2015. Group sales at €24.3 million were 22.3% ahead of the €19.9 million recorded in 2014. UK sales in 2015 at €20.5 million were 35.3% ahead of the 2015 outcome of €15.2 million. Irish sales, however, failed to match the stellar sales performance of the UK where revenue of €3.1 million in 2015 was down 14.2% on 2014; nonetheless, the rate of sales decline in Ireland appears to have stabilised.

Gross profits at Group level of €5.1 million were ahead of the €4.8 million recorded in 2014, but the gross margin percentage of 21% was down from the 24% achieved in the previous year. This was almost entirely due to the changing mix of our business in the UK. Adjusted EBITDA at €3.0 million was 9.5% ahead of the 2014 outcome of €2.7 million.

The group achieved an operating profit for 2015 of €2.5 million, which was 9.5% ahead of the corresponding figure of €2.2 million recorded in 2014. Profit before tax at €2.5 million was 12.8% ahead of the €2.2 million achieved in 2014, while profit after tax at €2.1 million was 11.5% ahead of the 2014 outcome of €1.9 million. Basic earnings per share at €0.022 were 15.8% ahead of the equivalent figure for 2014 of €0.019.

The growth in earnings referred to in the previous paragraph was reflected in a considerable strengthening of the balance sheet of zamano. In particular, cash net of loan balances outstanding at 31 December 2015 was €6.3 million, an increase of €1.7 million over the previous years figure of €4.6 million. The Group's cash balances affords it a high degree of flexibility to fund its ongoing market development and acquisition initiatives, details of which are set out earlier in this statement.

Outlook

In 2015, zamano maintained the growth in operating performance, achieved over the previous three years, in spite of the continuing challenging regulatory and market environment in its key markets of the UK and Ireland and the impending introduction of Payforit, a UK Mobile Network Operators joint initative to further regulate mobile payments. Payforit will be implemented in 2016 representing a significant regulatory change in the operating environment in the UK. The Group has planned for implementation of Payforit, but its impact on the Group and the industry in general will only be known when fully implemented. The growth recorded in sales, gross profit, EBITDA, pre and post-tax profits and the Group's ability to translate this into cash reflects the operating effectiveness of the business.

Similar to 2014, the Group continued to seek out opportunities for development in the buoyant and growing market niches which are a feature of the web and mobile commerce products and services sector. The Group has increased its focus on developing products in the messaging and micro payments and billing areas. This product development programme is supported by zamano's continuing emphasis on identifying acquisitions, joint venturing and licensing opportunities in its principal markets of the UK and Ireland. During 2015, the Group examined a number of opportunities in mobile media, payments and messaging with a view to growing the business and the diversifying its product/service base.

While we were primarily focussed in our own business development and acquisition activities during 2015, the Group received an approach during the year from a private investment vehicle that expressed an interest in acquiring zamano. After engaging with the party making the approach, terms were discussed but agreement could not be reached on a deal which could be recommended to shareholders and the discussions were concluded.

It remains an ongoing objective of the Group to find niche opportunities for the business in the web and mobile marketing space. The Group's capabilities in data analytics and mobile billing payments, together with its relationships with international network operators makes it an attractive partner for a growth orientated media/technology business.

The Board and management will continue to operate its core business of web and mobile marketing and business-to-business services in an efficient manner for the benefit of its stakeholders during the course of 2016. In tandem with its focus on operational efficiency, management will continue to seek out ways of diversifying the product and market base of the business by way of new product development and a renewed focus on acquisitions.

Ross Conlon

Ross Conlon
Chief Executive Officer

Board of Directors

Colin Tucker

Non-Executive Acting Chairman (appointed 1 April 2016)
Colin was Deputy Chairman of Hutchison 3G Europe between 2003 and 2007. He was a founding main Board Director of Orange plc and Managing Director of Hutchison 3G UK (trading as 3) between 2000 and 2003.

Pat Landy

Non-Executive Director
A well known Irish Corporate Finance adviser, Pat joined the Board of zamano in March 2011. He was previously Corporate Finance Director with Merrion Capital and NCB Group and currently acts as a consultant to a number of corporate and investment management entities.

Fergal Scully

Non-Executive Director (appointed 15 February 2016)
Fergal is currently Managing Director of Heritage Capital Limited, a privately owned investment business and CFO of Investi, an Irish property investment company. He has extensive experience in portfolio management and corporate finance having worked with Barclays Capital, Deephaven Capital Management, Merrill Lynch, Goodbody and Pageant Holdings over the past 18 years. He holds a BComm and MBS in Financial Services from UCD Dublin and is also a Chartered Tax Adviser in Ireland.

Director Changes

On 9 February 2016 Peter Furlong resigned as a Non-Executive Director. On 31 March 2016 John Rockett resigned as Non-Executive Chairman. On 15 February 2016 Fergal Scully was appointed as a Non-Executive Director.

Directors' Report

The directors present the annual report and consolidated financial statements of zamano plc ("the company" or "zamano") for the year ended 31 December 2015.

Principal Activities and Review of the Development of the Business

zamano plc and its subsidiaries ("the Group") are involved in the provision of mobile data services and technology in the United Kingdom, Ireland, Australia and Eastern Europe. The company itself is an investment holding company. Its shares are publicly traded on the Alternative Investment Market ("AIM") in the United Kingdom and the Enterprise Securities Market ("ESM") in Ireland.

The financial information presents the results and position of the Group for the year ended 31 December 2015. The financial information for each of the periods presented has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

The strengthening of the Group's balance sheet position during 2015 is underpinned by the capacity of the business to generate healthy positive cash flow from its operations and demonstrates the Group's ability to quickly adapt to changing market circumstances and leverage its relatively low cost base.

Principal Risks and Uncertainties

Details of the Group's financial risk management objectives and policies are set out at Note 24 of the consolidated financial statements. The principal non-financial risks and uncertainties that the business faces include:

- **Impact of new and evolving technology** – the Group makes assumptions over the adoption of new and evolving mobile technology and the Group's ability to deliver solutions to meet the changing demands of mobile technology. There is a risk that the Group will not succeed in adapting to new technology with a resulting negative impact on the business or that the market evolves differently from expectations. This risk is partly mitigated by the planning process undertaken by key management and directors and their assumptions are based on their years of experience of the mobile industry.
- **Recruitment and retention** – technological and marketing competence and innovation is critical to the Group's business and depends on the expertise of the directors and key employees. The Group has incentive plans such as share option schemes, performance related bonus structures, contractual arrangements and competitive reward packages in place to secure the services of these directors and employees, however, the retention of their services is not guaranteed. The market for these skills is competitive and the Group may not be able to attract and retain these employees.
- **Development of regulations** – the regulation of mobile services varies by country and evolves over time. Increased regulations in key markets may inhibit growth or affect existing business. From time to time new regulations are introduced without a notice period and can have a negative impact on the business. The directors partly mitigate this risk by having employees focused on the external regulatory environment, close co-operation with the regulators as appropriate, a strong code of conduct and a regulatory update at each board meeting.
- **Economic climate** – the Group is subject to the general risks to which all companies operating in the same market are subject, including the general macro economic climate. The risk is partly mitigated by the range of territories in which the Group operates.

Key Performance Indicators

The key performance indicators focused on by management are revenue, gross margin and earnings before interest, tax, depreciation and amortisation (EBITDA) all of which are discussed elsewhere.

Financial Risk Management Policies

The Group's activities expose it to a variety of financial risks including interest rate, foreign currency and credit risks. These financial risks, including any hedging activity, are managed by the Group under policies approved by the Board, as described in Note 24 to the consolidated financial statements.

Results for the Year and Dividends

Group turnover increased to €24.3 million *(2014: €19.9 million)* and the Group's operating profit was €2.5 million *(2014: €2.2 million)*. Further details of the financial performance have been set out in the Chief Executive Officer's statement. The directors do not propose the payment of a dividend *(2014: €Nil)*.

Directors' Report
(continued)

Future Developments
The continued growth of mobile data services worldwide presents opportunities for the Group. It is likely that the Group will further expand its product and service offering and will also assess expansion to new territories. The directors will continue to review the appropriateness of the Group's structures and finances as it develops.

Going Concern
Having regard to the Group's projected earnings over the next 12 months from the date of approval of these financial statements, the directors consider that it continues to be appropriate to prepare the financial statements on a going concern basis.

Political Donations
The Group and company did not make any donations during the year disclosable in accordance with the Electoral Act 1997 *(2014: Nil)*.

Research and Development
Research expenditure is charged to the income statement in the period in which it is incurred. Development costs on specific projects are capitalised when they meet certain criteria as described in Note 3 to the financial statements, when recoverability can be assessed with reasonable certainty and are amortised in line with the expected contribution arising from the projects. All other development costs are written off as incurred. Investment in research and development in the year was €0.9 million *(2014: €1.0 million)* of which an amount of €0.3 million *(2014: €0.5 million)* was capitalised. This was primarily focused on the continued development of zamano's platform for mobile applications and content.

CORPORATE GOVERNANCE STATEMENT
Introduction
The board of zamano plc is committed to achieving good standards of corporate governance, integrity and business ethics for all activities with the key aspects set out below.

Board of Directors
The board is currently comprised of three Non-Executive Directors. The board is satisfied that, between the directors, there is sufficient knowledge and experience necessary to lead the company.

The board meets during the year in line with a set schedule for regular meetings. It also meets on other occasions as necessary. Meetings are held at the company's registered office. The board has a set standard list of items which require its review and approval including acquisitions, treasury management, appointment and removal of directors and the company secretary, half year and preliminary announcements, the annual report and annual budgets.

The board has established two separate committees, as noted below, to help it to discharge its responsibilities.

Audit Committee
The audit committee consists of the non-executive directors with Colin Tucker as chairman. The committee meets at least twice a year, linked to the timing of the publication of the Group's results. The external auditors attend these meetings. The committee also meets on an ad hoc basis when necessary. The committee operates within specific terms of reference which include:

- considering the appointment of external auditors;
- reviewing the relationship with the external auditors;
- reviewing the financial reporting and internal control procedures;
- reviewing the management of financial matters;
- focusing upon the independence and objectivity of the external auditors; and
- reviewing the consistency of accounting policies both on a year to year basis and across the Group.

Remuneration Committee
The remuneration committee consists of the non-executive directors with Colin Tucker as chairman. The remuneration committee reviews and determines, on behalf of the board and shareholders of the company, the pay, benefits and other terms of service of the executive director and the broad pay strategy with respect to senior company employees.

Directors' Report
(continued)

Directors and Secretary

The directors and secretary are set out on page 47. In accordance with the company's articles of association, at its annual general meeting on 6 August 2015 Ross Conlon, Colin Tucker and Peter Furlong retired by rotation and were re-elected to the board. On 9 February 2016 Peter Furlong resigned as a Non-Executive Director. On 31 March 2016 John Rockett resigned as Non-Executive Chairman. On 15 February 2016 Fergal Scully was appointed as a Non-Executive Director.

Directors' and Secretary's Interests in Shares

The interests of the directors and secretary who held office at 31 December 2015 in the issued share capital of the company at the beginning and end of the year were as follows:

	31 December 2015			1 January 2015		
	Ordinary Shares	**Share Options**	**Exercise Price**	Ordinary Shares	Share Options	Exercise Price
Director						
Ross Conlon	**7,980**	**1,400,000**	**€0.0595**	7,980	1,400,000	€0.0595
John Rockett	**300,000**	**-**	**-**	300,000	-	-
Pat Landy	**-**	**1,000,000**	**€0.0595**	-	1,000,000	€0.0595
Colin Tucker	**83,333**	**-**	**-**	83,333	-	-
Company Secretary						
Michael Connolly	**-**	**1,400,000**	**€0.0595**	-	1,400,000	€0.0595

Pat Landy's share options were granted during his time as an executive director of the company.

Directors' Remuneration

Directors' remuneration for the current and preceding financial years was as follows:

	2015					2014				
	Salary €	**Fees €**	**Pension €**	**Share Based Payment Compensation €**	**Total €**	Salary €	Fees €	Pension €	Share Based Payment Compensation €	Total €
Director										
Ross Conlon	**156,000**	**-**	**6,990**	**18,013**	**181,003**	163,000	-	6,900	18,013	187,913
Colin Tucker	**-**	**24,000**	**-**	**-**	**24,000**	-	24,000	-	-	24,000
Pat Landy	**-**	**24,000**	**-**	**12,867**	**36,867**	21,575	24,000	-	10,867	56,442
Peter Furlong	**-**	**24,000**	**-**	**-**	**24,000**	-	24,000	-	-	24,000
John Rockett	**-**	**30,000**	**-**	**-**	**30,000**	-	30,000	-	-	30,000
Total	**156,000**	**102,000**	**6,990**	**30,880**	**295,870**	184,575	102,000	6,900	28,880	322,355

The share price of the group was €0.133 per ordinary share at the reporting date (2014: €0.105).

Accounting Records

The directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act 2014 with regard to maintaining adequate accounting records by employing accounting personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the company are maintained at the company's premises at 3rd Floor, Hospitality House, 16-20 South Cumberland Street, Dublin 2.

Auditor

In accordance with Section 383(2) of the Companies Act 2014, the auditor, KPMG, Chartered Accountants, will continue in office.

On behalf of the board

Ross Conlon
Director
9 March 2016

John Rockett
Director

Statement of Directors' Responsibilities in Respect of The Directors' Report and The Financial Statements

The directors are responsible for preparing the annual report and the Group and Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Company financial statements for each financial year. In accordance with AIM/ESM Rules, the Directors are required to prepare the Group financial statements in accordance with IFRS as adopted by the EU and applicable law and have elected to prepare the Company financial statements in accordance with FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's and Company's profit or loss for that year.

In preparing each of the Group and Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Group and which enable them to ensure that the financial statements of the Group are prepared in accordance with applicable IFRS, as adopted by the EU and comply with the provisions of the Companies Act 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and Company to prevent and detect fraud and other irregularities. Under applicable law, the directors are also responsible for preparing a Directors' Report that complies with the Companies Act 2014.

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

On behalf of the board

Ross Conlon
Director

John Rockett
Director

Independent Auditor's Report to the Members of zamano plc

We have audited the Group and Company financial statements ("financial statements") of zamano plc for the year ended 31 December 2015 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and Company balance sheets, the consolidated and Company statement of changes in equity, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in the preparation of the consolidated financial statements is Irish law and International Financial Reporting Standards (IFRS) as adopted by the European Union. The Company financial statements have been prepared in accordance with Irish law and FRS 101 *Reduced Disclosure Framework*.

Opinions and Conclusions Arising from our Audit

1 Our opinion on the financial statements is unmodified

In our opinion:

- the Group financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2015 and of its profit for the year then ended;
- the Company balance sheet gives a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2015;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with FRS 101 *Reduced Disclosure Framework*; and
- the Group financial statements and Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

2 Our conclusions on other matters on which we are required to report by the Companies Act 2014 are set out below

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

In our opinion the information given in the Directors' Report is consistent with the financial statements.

3 We have nothing to report in respect of matters on which we are required to report by exception

ISAs (UK & Ireland) require that we report to you if, based on the knowledge we acquired during our audit, we have identified information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In addition, the Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made.

Basis of our Report, Responsibilities and Restrictions on Use

As explained more fully in the Statement of Directors' Responsibilities set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK & Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with International Standards on Auditing (UK & Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group and Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Independent auditor's report to the members of zamano plc (continued)

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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.

Eamonn Russell
for and on behalf of

KPMG

Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2
9 March 2016

Consolidated Income Statement
for the year ended 31 December 2015

	Note	2015 €'000	2014 €'000
Revenue – from continuing operations	6	**24,289**	19,863
Cost of sales		**(19,179)**	(15,085)
Gross profit		**5,110**	4,778
Other administrative expenses		**(2,191)**	(2,120)
Amortisation of intangible assets		**(368)**	(366)
Depreciation		**(78)**	(60)
Total administrative expenses		**(2,637)**	(2,546)
Operating profit	7	**2,473**	2,232
Finance income	9	**11**	6
Finance expense	9	**(27)**	(61)
Profit before income tax		**2,457**	2,177
Income tax expense	10	**(319)**	(285)
Profit for the year attributable to equity holders of the parent		**2,138**	1,892
Earnings per share			
- basic	12	**0.022**	0.019
- diluted	12	**0.021**	0.019

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2015

	2015 €'000	2014 €'000
Profit for the year	**2,138**	1,892
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustment	**4**	2
Total comprehensive income, all attributable to equity holders of the parent	**2,142**	1,894

On behalf of the board

Ross Conlon
Director

John Rockett
Director

Consolidated Balance Sheet
at 31 December 2015

	Note	2015 €'000	2014 €'000
Assets			
Non-current assets			
Property, plant and equipment	*14*	**142**	125
Goodwill and Intangible assets	*15, 16*	**6,428**	6,491
Deferred tax asset	*10*	**107**	107
Total non-current assets		**6,677**	6,723
Current assets			
Trade and other receivables	*17*	**4,407**	3,064
Cash and cash equivalents	*18*	**6,322**	4,950
Total current assets		**10,729**	8,014
Total assets		**17,406**	14,737
Equity			
Equity share capital	*19*	**99**	99
Share premium		**13,538**	13,538
Undenominated capital		**1**	1
Foreign currency translation reserve		**(60)**	(64)
Share-based payment and warrant reserve		**438**	362
Retained loss		**(2,412)**	(4,551)
Total equity		**11,604**	9,385
Liabilities			
Non-current liabilities			
Loans and borrowings	*21*	**-**	76
Total non-current liabilities		**-**	76
Current liabilities			
Trade and other payables	*20*	**5,562**	4,761
Loans and borrowings	*21*	**71**	271
Current tax liabilities		**169**	244
Total current liabilities		**5,802**	5,276
Total liabilities		**5,802**	5,352
Total equity and liabilities		**17,406**	14,737

On behalf of the board

Ross Conlon
Director

John Rockett
Director

Consolidated Statement of Changes in Equity

for the year ended 31 December 2015

	Equity share capital €'000	Share premium €'000	Undenominated capital €'000	Retained earnings €'000	Foreign currency translation reserve €'000	Share–based payment and warrant reserve €'000	Total Equity €'000
At 1 January 2015	99	13,538	1	(4,551)	(64)	362	9,385
Total comprehensive profit for the year							
Profit for the year	-	-	-	2,138	-	-	2,138
Other comprehensive income							
Currency translation adjustment	-	-	-	-	4	-	4
Total comprehensive income for the year	-	-	-	2,138	4	-	2,142
Other transactions							
Issue of equity share capital	-	-	-	-	-	-	-
Share based payment expense	-	-	-	-	-	76	76
At 31 December 2015	**99**	**13,538**	**1**	**(2,413)**	**(60)**	**438**	**11,603**
At 1 January 2014	98	13,494	1	(6,458)	(66)	300	7,369
Total comprehensive profit for the year							
Profit for the year	-	-	-	1,892	-	-	1,892
Other comprehensive income							
Currency translation adjustment	-	-	-	-	2	-	2
Total comprehensive income for the year	-	-	-	1,892	2	-	1,894
Other transactions							
Issue of equity share capital	1	44	-	-	-	-	45
Transfer of share option reserve	-	-	-	15	-	(15)	-
Share based payment expense	-	-	-	-	-	77	77
At 31 December 2014	**99**	**13,538**	**1**	**(4,551)**	**(64)**	**362**	**9,385**

On behalf of the Board

Ross Conlon
Director

John Rockett
Director

Consolidated Cash Flow Statement

for the year ended 31 December 2015

	2015 €'000	2014 €'000
Cash flows from operating activities		
Profit after tax	**2,138**	1,892
Adjustments to reconcile profit for the year to net cash inflow from operating activities		
Income tax expense	**319**	286
Depreciation	**78**	60
Amortisation of intangible assets	**368**	366
Share-based payments expense	**76**	77
Increase in trade and other receivables	**(1,337)**	(840)
Increase in trade and other payables	**801**	1,332
Finance income	**(11)**	(6)
Finance expense	**27**	61
Cash generated from operations	**2,459**	3,228
Interest paid	**(27)**	(61)
Income tax paid	**(394)**	(223)
Net cash inflow from operating activities	**2,038**	2,944
Cash flows from investing activities		
Purchase of property, plant and equipment	**(95)**	(85)
Capitalisation of internally generated intangible assets	**(306)**	(447)
Interest received	**11**	6
Net cash outflow from investing activities	**(390)**	(526)
Cash flows from financing activities		
Proceeds from issue of share capital	**-**	46
Repayment of debt	**(276)**	(261)
Net cash outflow from financing activities	**(276)**	(215)
Net increase in cash and cash equivalents	**1,372**	2,203
Cash and cash equivalents at 1 January	**4,950**	2,747
Cash and cash equivalents at 31 December	**6,322**	4,950

Notes
forming part of the financial statements

1 Reporting Entity

zamano plc ('the company") is a company domiciled in the Republic of Ireland. The address of the company's registered office is 3rd Floor, Hospitality House, 16-20 South Cumberland Street, Dublin 2.

The consolidated financial statements of the company as at and for the year ended 31 December 2015 comprise of the financial statements of the company and its subsidiaries ("the Group").

The company's shares are publicly traded on the London Alternative Investment Market ("AIM") and the Enterprise Securities Market ("ESM") in Dublin.

The principal activities of the Group are the provision of mobile data services and technology.

2 Basis of Preparation

(a) Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the EU, that are effective for financial periods beg. A summary of pronouncements that came into effect after that date and the likely impact of these on the Group are set out in Note 4. The consolidated financial statements were authorised for issue by the board of directors on 9 March 2016.

(b) Going Concern

Having regard to the Group's projected earnings over the next 12 months from the date on which these financial statements were approved, the directors consider that it continues to be appropriate to prepare the financial statements on a going concern basis.

(c) Basis of Measurement

The consolidated financial statements for the year ended 31 December 2015 have been prepared on an historical cost basis, with the exception of share-based payments, which are stated at grant date fair value.

(d) Functional and Presentation Currency

These consolidated financial statements are presented in Euro which is the functional currency of the company and the majority of the Group's entities. All financial information presented in Euro has been rounded to the nearest thousand.

(e) Basis of Consolidation

The consolidated financial statements consolidate the financial statements of zamano plc and all its subsidiaries up to 31 December 2015. The Group controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through the power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

All subsidiaries have a financial year end of 31 December.

Business combinations are accounted for using the acquisition method as at the acquisition date, i.e. when control is transferred to the Group.

3 Summary of Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by Group entities.

Intangible Assets other than Goodwill

Intangible assets other than goodwill are carried at cost less accumulated amortisation and accumulated impairment losses. The Group's intangible assets are amortised over the useful life of the related asset on a straight line basis as follows:

Databases	2 years
Content management system	3 years
Web portal	3 years
Software	3 years

3 Summary of Significant Accounting Policies *(continued)*

Impairment

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

For intangible assets, excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount.

Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets. Goodwill is measured at cost less accumulated impairment losses.

Impairment of Goodwill

The Group assesses whether there are any indicators that goodwill is impaired at each reporting date. Goodwill is tested for impairment annually, and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the cash-generating units to which the goodwill relates. Where the recoverable amount of the cash-generating units is less than their carrying value an impairment loss is recognised. Impairment losses arising in respect of goodwill are not reversed once recognised. The Group performs its annual impairment test of goodwill as at 31 December.

Revenue Recognition

Revenue represents the amount (excluding Value Added Tax) derived from the provision of services to customers. Revenue from the provision of mobile data services is recognised on the basis of receipted transactions with the ultimate end user. Where the Group acts as a principal supplier of mobile phone content, entertainment and other services, revenue is recorded before the deduction of revenue share payments to network operators. Where the Group acts as a service provider to third parties, turnover is recorded before the deduction of revenue share payments to network providers but net of revenue share payments to third parties.

Fee-based income from the provision of other services is recognised on delivery of the service to the customer.

Government Grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Grants in respect of capital expenditure are netted against the cost of the related asset. Grants of a revenue nature, including certain qualifying tax credits, are credited to income so as to match with the expenditure to which they relate.

Research and Development Expenditure

Expenditure on research (or the research phase of an internal project) is recognised in the income statement as incurred.

An intangible asset arising from development expenditure on an individual project is recognised 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 benefit, the availability of resources to complete and the ability to measure reliably the expenditure during the development. Any expenditure carried forward is amortised over the asset’s useful life. Development costs not meeting the criteria for capitalisation are expensed as incurred.

Pension Costs

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from the Group in independently administered funds. Contributions are charged to the income statement as they become payable in accordance with the rules of the scheme.

Notes
forming part of the financial statements (continued)

3 Summary of Significant Accounting Policies *(continued)*

Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to other equity. Otherwise, income tax is recognised in the income statement.

Deferred Tax

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the reporting date.

Depreciation

Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life as follows:

Computer hardware and equipment	3 years
Leased equipment	3 years
Fixtures and fittings	3 years

The carrying values of property, plant and equipment are tested for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

The residual values and useful lives of property, plant and equipment are reviewed and adjusted, if appropriate, at each reporting date.

Leasing

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the Group, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The asset is recorded at an amount equal to the lower of its fair value and the present value of the minimum lease payments at the inception of the finance lease. The capital elements of future obligations under leases are included in liabilities in the balance sheet and analysed between current and non-current amounts. The interest element of the rental obligations are charged to the income statement over the periods of the leases and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the income statement on a straight line basis over the lease term.

Foreign Currencies

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. Exchange differences are recognised in the income statement.

3 Summary of Significant Accounting Policies *(continued)*

Foreign Currencies (continued)

The functional currency of the Group's principal foreign operation, Zamano Limited, is Sterling. As at the reporting date, the assets and liabilities of this subsidiary are translated into the presentation currency of zamano plc (the Euro) at the rate of exchange ruling at the balance sheet date and the income statement is translated at exchange rates representative of actual rates for the dates of the transaction. The exchange differences arising on the translation are recognised directly in a separate component of equity.

Share-based Payments - Equity-settled Transactions

The cost of equity-settled transactions with employees and directors is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by the directors using a binomial model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company ("market conditions"). No expense is recognised for awards that do not ultimately vest, unless they are subject to a market condition.

At each reporting date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions. The movement in cumulative expense since the previous reporting date is recognised in the income statement, with a corresponding entry in other reserves.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

When an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value being treated as an expense in the income statement.

Trade and Other Receivables

Trade receivables, which generally have 30-60 day terms, are recognised and carried at the lower of their original invoiced value, which approximates fair value, and recoverable amount. An impairment is made when there is objective evidence that the Group may not be able to recover balances in full. The amount of the impairment is recognised in the income statement. Balances are written off the gross receivable and the related provision is eliminated when the probability of recovery is assessed as being unlikely.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash at banks and in hand and short-term deposits with an original maturity of less than three months.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflect a current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance expense.

Segmental Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Notes
forming part of the financial statements (continued)

3 Summary of Significant Accounting Policies *(continued)*

Financial Liabilities – Loans and Borrowings

All loans and borrowings are initially recorded at fair value less directly attributable transaction costs. After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest method to consider forward contracts.

Nature and Purpose of Reserves

(i) Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

(ii) Share based payment and warrant reserve

The share based payment and warrant reserve comprises the cumulative expense of equity settled transactions with employees and directors of the Group.

4 New Standards and Interpretations

Below is a list of standards and interpretations that were required to be applied for the period ended 31 December 2015 as part of the Annual Improvements to IFRSs 2011-2013 cycle. There was no material impact to the financial statements in the period from these standards:

- IFRS 3 Business Combinations: scope exceptions for joint ventures;
- IFRS 13 Fair Value Measurement: scope of paragraph 52 (portfolio exception);
- IFRS 1 First-time adoption of IFRS: meaning of effective IFRSs;
- IFRS 3 Business Combinations: scope exceptions for joint ventures;
- IFRS 13 Fair Value Measurement: scope of paragraph 52 (portfolio exception); and
- IAS 40 Investment Property: clarifying the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

There are a number of amendments and improvements cycles to standards that have been endorsed by the EU but are not yet required (although early adoption is permitted) which are detailed as follows:

- IAS 19 Defined Benefit Plans: Employee Contributions;
- IFRS 11: Accounting for acquisitions of interests in Joint Operations;
- IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortisation;
- IAS 27 Equity method in Separate Financial Statements;
- IAS 1: Disclosure Initiative;
- The IFRS 2010-2012 Annual Improvements Cycle; and
- The IFRS 2012-2014 Annual Improvements Cycle.

None of these have been applied in the period and would not have been a material impact to the financial statements if they had been applied in the current accounting period:

5 Significant Account Judgements, Estimates and Assumptions

The preparation of financial statements in conformity with IFRS as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are renewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Notes
forming part of the financial statements (continued)

5 Significant Account Judgements, Estimates and Assumptions (continued)

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Impairment of Goodwill

The Group tests goodwill for impairment at least on an annual basis. This requires an estimation of the 'value-in-use' of the cash-generating units to which the goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying value of goodwill at 31 December 2015 was €6,065,000 *(2014 - €6,065,000)*. Further details are provided in notes 15 and 16.

6 Operating Segments

The Group is managed based on two primary reportable segments which are defined based on geographical markets as follows: Republic of Ireland "ROI" and United Kingdom "UK". It also has sales in other jurisdictions but these are not deemed to be standalone reportable segments under the requirements of IFRS 8 and are classified as "other locations" in the table below.

The Group's sales consist of the development, promotion and distribution of mobile content and interactive services directly to consumers and also facilitating the communication and interaction between businesses and consumers on mobile phones through a range of value-added mobile applications.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment results as included in the reports that are reviewed by the Group's Chief Operating Decision Maker ("CODM") which the directors have determined to be the board of directors.

The following tables present revenue and profit and certain asset and liability information regarding the Group's reportable segments:

Year ended 31 December 2015

	ROI €'000	UK €'000	Other locations €'000	**Total €'000**
External revenue	3,076	20,540	673	**24,289**
Gross profit	915	4,028	167	**5,110**
Unallocated expenses				**(2,637)**
Operating profit				**2,473**
Net finance expense				**(16)**
Profit before income tax				**2,457**
Income tax expense				**(319)**
Profit for year				**2,138**

Unallocated expenses include the following non cash items;

	€'000
Depreciation	78
Amortisation	368
Share based payment expense	76

Unallocated expenses also include central overhead and payroll costs which are not allocated to individual reporting segments.

Notes
forming part of the financial statements (continued)

6 Operating Segments (continued)

As at 31 December 2015

	ROI €'000	UK €'000	Other locations €'000	**Total €'000**
Segment assets	1,369	8,844	316	**10,528**
Unallocated assets	-	-	-	**6,878**
Total assets				**17,406**
Segment liabilities	723	4,672	167	**5,562**
Unallocated liabilities	-	-	-	**109**
Total liabilities				**5,671**

Other information	Unallocated €'000	**Total €'000**
Capital expenditure		
Property, plant and equipment	95	**95**
Intangible assets	306	**306**

Unallocated assets are assets that cannot be attributed to a specific segment and comprise property, plant and equipment, software, deferred tax and group cash. Unallocated liabilities relate to borrowings and corporation tax payable.

Year ended 31 December 2014

	ROI €'000	UK €'000	Other locations €'000	**Total €'000**
External revenue	3,586	15,175	1,102	**19,863**
Gross profit	1,084	3,551	143	**4,778**
Unallocated expenses				**(2,546)**
Operating profit				**2,232**
Net finance expense				**(55)**
Profit before income tax				**2,177**
Income tax expense				**(285)**
Profit for year				**1,892**

Unallocated expenses include the following non cash items:

	€,000
Depreciation	60
Amortisation	366
Share based payment expense	77

Unallocated expenses also include central overhead and payroll costs which are not allocated to individual reporting segments.

Notes

forming part of the financial statements (continued)

6 Operating Segments (continued)

As at 31 December 2014

	ROI €'000	UK €'000	Other locations €'000	**Total €'000**
Segment assets	2,371	6,573	185	**9,129**
Unallocated assets	-	-	-	**5,608**
Total assets				**14,737**
Segment liabilities	857	3,618	286	**4,761**
Unallocated liabilities	-	-	-	**591**
Total liabilities				**5,352**

Other information	Unallocated €'000	**Total €'000**
Capital expenditure		
Property, plant and equipment	85	**85**
Intangible assets	447	**447**

Unallocated assets are assets that cannot be attributed to a specific segment and comprise property, plant and equipment, software, deferred tax and group cash. Unallocated liabilities relate to borrowings and corporation tax payable.

7 Operating Profit

	2015 €'000	2014 €'000
This is arrived at after charging/(crediting)		
Directors' remuneration:		
- emoluments	**156**	185
- fees	**102**	102
- pension contributions	**7**	7
- social insurance	**15**	10
- share option charge	**31**	29
Depreciation	**78**	60
Amortisation	**368**	366
Auditor's remuneration:		
- Audit fees including expenses [1]	**49**	49
- Other assurance fees [2]	**10**	10
Research and development expenditure	**934**	991
Operating lease rentals – premises	**92**	95
Research and development tax credit	**(79)**	(186)

[1] Audit services include financial statement audit work performed in respect of the consolidated financial statements. €7,300 *(2014: €7,000)* relates to audit services provided to the company.

[2] Other assurance services includes review of the Group's half year results of €9,750 *(2014: €9,900)*.

Notes
forming part of the financial statements (continued)

7 Operating Profit (continued)

Employees and remuneration
The average number of monthly employees employed by the Group throughout the year was as follows:

	2015	2014
Sales and marketing	**9**	9
Research and development	**9**	9
Management and administration	**4**	4
	22	22

Staff costs comprise:	**2015 €'000**	2014 €'000
Wages and salaries	**1,435**	1,397
Social welfare	**144**	159
Pension costs	**44**	43
Healthcare	**42**	40
Other staff costs	**69**	66
Share-based payments expense	**76**	77
	1,810	1,782

8 Share-based Payments
The board may offer to grant share options to any director or employee of the Group and these are usually granted at the market price of the Group's shares at the date of grant. The following rules apply:

- Options granted to non-executive directors on admission to AIM vested 3 years after the date of admission;
- Options granted to executive directors or employees prior to October 2006 vested over a period of 3 years; and
- Options granted to executive directors and employees since October 2006 vest 3 years after the grant date and cannot be exercised more than 7 years after the grant date.

The share based payment expense for the year was €76,000 *(2014: €77,000)* and this has been recorded as part of payroll costs.

No new options were granted during the period *(31 December 2014: Nil)*.

8 Share-based Payments (continued)

The following table sets out the number of, and movements in, share options during the year and the price per share at which options are exercisable.

	2015		2014	
	Shares	**Weighted average exercise price**	Shares	Weighted average exercise price
Outstanding at 1 January	**6,118,972**	**€0.063**	6,643,458	€0.071
Expired during the year	**-**	**-**	(85,000)	€0.360
Granted during the year	**-**	**-**	-	-
Lapsed on resignation	**-**	**-**	(439,486)	€0.125
Outstanding at 31 December	**6,118,972**	**€0.063**	6,118,972	€0.063

The following table sets out the grant date, number of and exercise price of share options exercisable at the reporting date.

	2015		2014	
Date(s) of grant	**Shares**	**Exercise price**	Shares	Exercise price
March 2009	**200,000**	**€0.160**	200,000	€0.160
March 2013	**5,918,972**	**€0.059**	5,918,972	€0.059
	6,118,972		6,118,972	
Exercisable at 31 December	**200,000**		200,000	
Weighted average remaining life	**4.07 years**		5.07 years	

The share price of the group was €0.133 per ordinary share at the reporting date *(2014: €0.105).*

9 Finance Income and Finance Expense

	2015 €'000	2014 €'000
Finance income		
Bank interest receivable	**11**	6
Total finance income	**11**	6
Finance expense		
Bank interest and charges	**13**	31
Interest on long term borrowings	**14**	30
Total finance expenses	**27**	61

Notes
forming part of the financial statements (continued)

10 Income Tax Expense

(a) Analysis of charge for the year:

	2015 €'000	2014 €'000
Current tax:		
Irish corporation tax	**319**	257
Adjustment in respect of prior years	**-**	19
	319	275
Deferred tax:		
Movement in deferred tax amounts for the year (Note 10(c))	**-**	10
Income tax expense (Note 10 (b))	**319**	285

(b) Factors affecting tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the Republic of Ireland of 12.5%. The differences are explained below:

	2015 €'000	2014 €'000
Profit for the year before taxation	**2,457**	2,177
Profit for the year multiplied by the standard rate of corporation tax in the Republic of Ireland of 12.5% *(2014: 12.5%)*	**307**	272
Effects of:		
Items not deductible for tax purposes	**13**	12
Income not taxable	**(11)**	(23)
Change in estimates related to prior year	**-**	19
Other	**10**	5
Income tax expense (Note 10 (a))	**319**	285

(c) Deferred tax

Deferred tax at 31 December relates to the following

	Consolidated balance sheet		Consolidated income statement	
	2015 €'000	2014 €'000	**2015 €'000**	2014 €'000
Deferred tax asset				
Arising on property, plant and equipment and intangible assets	**107**	107	**-**	10
	107	107	**-**	10

There were no recognised or unrecognised deferred tax assets or liabilities at 31 December 2015 *(2014: €Nil)*.

Notes

forming part of the financial statements (continued)

11 Profit for the Financial Year in The Parent Entity Holding Company

	2015 €'000	2014 €'000
Profit after tax in the parent entity holding company amounted to	**15**	-

The company is availing of the exemption set out in Section 304 of the Companies Act 2014 from presenting its individual profit and loss account.

12 Earnings Per Share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighed average number of ordinary shares outstanding during the year. Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted loss per share computations:

	2015 €	2014 €
Basic EPS	**€0.022**	€0.019
Diluted EPS	**€0.021**	€0.019

	2015 €'000	2014 €'000
Net profit attributable to equity holders of the parent	**2,138**	1,892

	2015 Numbers in thousands	2014 Numbers in thousands
Basic weighted average number of shares	**99,451**	98,712
Dilutive potential ordinary shares:		
Employee share options	**1,187**	874
Diluted weighted average number of shares	**100,638**	99,586

13 Adjusted Earnings Per Ordinary Share

The following reflects adjusted earnings per share based on adjusted net income:

	2015 €	2014 €
Adjusted basic EPS	**€0.025**	€0.024
Adjusted diluted EPS	**€0.025**	€0.023

Adjusted net income is calculated as:

	2015 €'000	2014 €'000
Profit after tax	**2,138**	1,892
Share-based payments expense	**76**	76
Amortisation, net of tax	**322**	320
Adjusted net income	**2,536**	2,288

Notes
forming part of the financial statements (continued)

13 Adjusted Earnings Per Ordinary Share (continued)

Reconciliation of reported operating profit across segments to earnings before interest, tax, depreciation and amortisation ("EBITDA"), adjusted for share based payments expense is as follows:

	2015 €'000	2014 €'000
Reported operating profit	**2,473**	2,232
Depreciation	**78**	60
Share-based payment expense	**76**	77
Amortisation of intangible assets	**368**	366
Adjusted EBITDA	**2,995**	2,735

14 Property, Plant and Equipment

	Computer hardware and equipment €'000	Leased equipment €'000	Fixtures and fittings €'000	**Total €'000**
Cost				
At 1 January 2014	1,006	80	83	**1,169**
Additions	85	-	-	**85**
At 1 January 2015	1,091	80	83	**1,254**
Additions	95	-	-	**95**
At 31 December 2015	**1,186**	**80**	**83**	**1,349**
Depreciation				
At 1 January 2014	906	80	83	**1,069**
Charge	60	-	-	**60**
At 1 January 2015	966	80	83	**1,129**
Charge	78	-	-	**78**
At 31 December 2015	**1,044**	**80**	**83**	**1,207**
Net book value				
At 31 December 2015	**142**	**-**	**-**	**142**
At 31 December 2014	125	-	-	**125**

15 Intangible Assets

	Goodwill €'000	Software €'000	Other €'000	**Total €'000**
Cost				
At 1 January 2014	18,735	1,938	5,814	**26,487**
Additions	-	447	-	**447**
At 1 January 2015	18,735	2,385	5,814	**26,934**
Additions	-	306	-	**306**
At 31 December 2015	**18,735**	**2,691**	**5,814**	**27,240**
Amortisation				
At 1 January 2014	12,670	1,594	5,814	**20,078**
Charge	-	366	-	**366**
At 1 January 2015	12,670	1,960	5,814	**20,444**
Charge	-	368	-	**368**
At 31 December 2015	**12,670**	**2,328**	**5,814**	**20,812**
Carrying Value				
At 31 December 2015	**6,065**	**363**	**-**	**6,428**
At 31 December 2014	6,065	426	-	**6,491**

The additions to software of €306,000 relates to internally capitalised research and development costs of €355,000, net of a research and development tax credit of €49,000 (Note 7).

Included in other intangible assets are assets such as databases, content management systems and web portals.

16 Impairment of Goodwill

Goodwill arising from business combinations in prior years was tested for impairment at 31 December 2015. Based on this test, the directors have determined that no impairment charge *(2014: Nil)* is required in the year.

For the purposes of the impairment testing, goodwill has been allocated to Cash Generating Units ("CGUs") which correspond to significant operating segments of the Group as follows:

	2015 €'000	2014 €'000
Ireland	**1,820**	1,820
UK	**4,245**	4,245
	6,065	6,065

The recoverable amount of the goodwill for each CGU has been determined based on a value-in-use calculation using cash flow projections based on EBITDA from financial budgets approved by senior management covering a one year period which have been rolled on for a further 4 year period and includes a terminal value.

Key assumptions used in value-in-use calculations
The calculation of value-in-use for each CGU is most sensitive to the following assumptions:

- the discount rate; and
- the budgeted EBITDA growth rate.

Notes

forming part of the financial statements (continued)

16 Impairment of Goodwill (continued)

The discount rate reflects management's estimate of the risks specific to the CGU. In determining the appropriate discount rate, management has considered factors such as the average cost of capital and expected rate of return and has applied a pre-tax discount rate of 12.7% for both CGU's *(2014: 12.6%).*

Another key assumption used within the cash flow projections is that EBITDA will grow at 3% per annum for both CGUs from FY2016 to the end of the forecast period.

No reasonable change in the assumptions would result in an impairment to the carrying value of goodwill.

17 Trade and Other Receivables

	2015 €'000	2014 €'000
Trade receivables (a)	**4,210**	2,804
Prepayments	**63**	118
Research and development tax credits receivable (b)	**134**	142
	4,407	3,064

In the directors' opinion the carrying value of the trade and other receivables balances approximate their fair value at both 31 December 2015 and 31 December 2014.

(a) Trade Receivables

Trade receivables are non-interest bearing and are generally on 30-60 day terms. The amounts above represent the maximum credit exposure of the Group to customers.

As at 31 December 2015, there was an impairment provision of €114,000 *(2014: €114,000)* in respect of the trade receivable balance. Movements in the provision for impairment of receivables were as follows:

	2015 €'000	2014 €'000
At 1 January	**114**	114
Written off	**-**	-
Provided for during year	**-**	-
At 31 December	**114**	114

As at 31 December, the ageing analysis of trade receivables, net of impairment provisions, is as follows:

			Past due but not impaired			
	Total €'000	**Neither past due nor impaired €'000**	**< 30 days €'000**	**30-60 days €'000**	**60-90 days €'000**	**> 90 days €'000**
2015	**4,210**	**3,802**	**-**	**177**	**61**	**170**
2014	2,804	2,477	-	192	95	40

(b) Research and Development Tax Credits Receivable

The research and development tax credits can be carried forward and are available for offset against future corporation tax and employer tax liabilities.

Notes

forming part of the financial statements (continued)

18 Cash and Cash Equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents are comprised of the following:

	2015 €'000	2014 €'000
Cash at bank and deposits of less than 3 months maturity	**6,322**	4,950

The above cash balances are held with Irish financial institutions, which had a Standard & Poor's credit rating of BBB- and A+ as at 31 December 2015.

19 Equity Share

	2015 €'000	2014 €'000
Authorised		
3,600,000,000 Ordinary shares of €0.001 each	**3,600**	3,600

	€'000	€'000
Issued and fully paid		
99,451,244 Ordinary shares of €0.001 each	**99**	99

20 Trade and Other Payables

	2015 €'000	2014 €'000
Trade payables and accruals	**5,209**	4,397
PAYE/PRSI	**74**	162
VAT payable	**279**	202
	5,562	4,761

In the opinion of the directors the carrying value of the trade and other payables balances approximate their fair value at both 31 December 2015 and 31 December 2014.

21 Loans and Borrowings

	2015			2014		
	Effective interest rate %	**Maturity**	**Loan balance €'000**	Effective interest rate %	Maturity	Loan balance €'000
Current	**5.77%**	**2016**	**71**	5.77%	2015	271
Non-current	**-**	**-**	**-**	5.77%	2016	76

The loan outstanding at 31 December 2015 is due to Bank of Ireland and is secured by a first debenture over the assets of the company and each subsidiary company.

Notes

forming part of the financial statements (continued)

22 Commitments and Contingencies

The Group leases its premises under a non cancellable lease agreement which expires in September 2018.

The future minimum rental commitments for operating leases with non-cancellable terms are as follows:

	2015 €'000	2014 €'000
Due:		
In less than one year	**86**	86
Between one and five years	**237**	323
	323	409

23 Related Party Disclosures

Compensation of Key Management

	2015 €'000	2014 €'000
Short-term employee benefits	**569**	493
Share-based payments	**54**	54
Pension benefits	**18**	18
	641	565

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, and includes the executive and non-executive directors and certain members of senior management.

24 Financial Risk Management Objectives and Policies

The Group's principal financial liabilities comprise bank loans and trade payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group has various financial assets, such as trade receivables and cash, which arise directly from its operations. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The policies for managing each of these risks are summarised below.

Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations and cash balances. The Group's policy is to manage its interest expense where interest rate risk could have a significant impact on its financial statements. Details of debt balances held are set out in Note 21.

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the Group's profit before tax. There is no impact on the Group's equity.

	Increase/decrease	**Effect on profit before tax and equity €'000**
	+100 basis points	**(1)**
2015	**-100 basis points**	**1**
	+100 basis points	(3)
2014	-100 basis points	3

24 Financial Risk Management Objectives and Policies (continued)

Foreign Currency Risk

As a result of its activities, the Group's balance sheet can be affected by movements in the GBP/EUR exchange rates. The Group does not consider the impact of other relevant currencies, such as USD and AUD to be significant. The Group also has transactional currency exposures arising from sales or purchases in currencies other than the Group's presentation currency. To minimise this exposure, costs and the related revenue are incurred in the same currency, where this is practical.

As at 31 December 2015 and 31 December 2014, the GBP/EUR exposure was as follows:

	31 December 2015				31 December 2014			
	Trade receivables €'000	**Cash €'000**	**Trade payables €'000**	**Total €'000**	Trade receivables €'000	Cash €'000	Trade payables €'000	Total €'000
GBP	**3,201**	**1,956**	**(3,501)**	**1,657**	1,462	2,269	(1,787)	1,944

The following table demonstrates the sensitivity to a reasonably possible change in the GBP/EUR exchange rates, with all other variables held constant, of the Group's profit before tax and equity:

	Increase/decrease in GBP rate	Effect on profit before tax	Effect equity
	+10%	**(151)**	**(151)**
2015	**-10%**	**184**	**184**
	+10%	(213)	(213)
2014	-10%	260	260

Credit Risk

Credit exposures for the Group's financial assets are explained in Note 17 and 18.

Liquidity Risk

The Group monitors its risk to a shortage of funds by monitoring of the maturity of its financial assets, principally trade receivables and projected cashflows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments and inclusive of interest:

At 31 December 2015

	On demand €'000	**Less than 12 months €'000**	**1 to 2 years €'000**	**Total €'000**
Interest bearing loans and borrowings	**-**	**71**	**-**	**71**
Trade and other payables	**5,562**	**-**	**-**	**5,562**
	5,562	**71**	**-**	**5,633**

At 31 December 2014

	On demand €'000	Less than 12 months €'000	1 to 2 years €'000	Total €'000
Interest bearing loans and borrowings	-	271	76	347
Trade and other payables	4,761	-	-	4,761
	4,761	271	76	4,761

Notes
forming part of the financial statements (continued)

24 Financial Risk Management Objectives and Policies (continued)

Fair Value

The Group's trade receivables, cash and trade payables amounts, because of their short term nature, are considered to approximate fair value. The fair value of the Group's loan approximates its carrying value as at 31 December 2015.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. The Group monitors capital on the basis of the net cash ratio i.e. the ratio of net debt to net debt plus equity. Net debt is calculated as long term borrowings less cash and cash equivalents. All components of equity are included in the denominator of the calculation.

At 31 December 2015, the net cash ratio was 54% *(2014: 49%)*.

	2015 €'000	2014 €'000
Loans and borrowings	**(71)**	(347)
Cash and cash equivalents	**6,322**	4,950
Net cash	**6,251**	4,603
Equity	**11,604**	9,385
Net cash ratio (net cash/total equity)	**54%**	49%

25 Litigation

In the normal course of business, the Group is involved in various legal proceedings with third parties, the outcome of which is uncertain. Where appropriate, provision is made in the financial statements based on the directors' best estimate of the potential outcome of such proceedings. It is the policy of the Group to rigorously defend all legal actions taken against the Group.

26 Subsequent Events

There have been no significant post balance sheet events.

27 Approval of Consolidated Financial Statements

The consolidated financial statements were approved and authorised for issue by the board of directors on 9 March 2016.

Company Balance Sheet

as at 31 December 2015

	Note	2015 €'000	2014 €'000
Fixed assets			
Financial assets	2	**12,254**	12,178
Current assets			
Debtors:			
- trade and other receivables	3	**-**	16
- amount due from subsidiary undertaking	3	**6,005**	5,989
		6,005	6,011
Creditors - amounts falling due within one year:	4		
- trade and other payables		**(192)**	(354)
- amounts due to subsidiary undertakings		**(19,506)**	(19,289)
		(19,698)	(19,643)
Net current liabilities		**(13,693)**	(13,632)
Total assets less current liabilities		**(1,439)**	(1,454)
Creditors - amounts falling due after more than one year	5	**-**	(76)
Net liabilities		**(1,439)**	(1,530)
Capital and reserves			
Called up share capital	7	**99**	99
Share premium	7	**13,538**	13,538
Undenominated capital	7	**1**	1
Profit and loss account	7	**(15,530)**	(15,545)
Share-based payment reserve	7	**453**	377
Shareholders' deficit	7	**(1,439)**	(1,530)

The Company balance sheet has been prepared under FRS101 for the current and previous reporting periods (Notes 1 and 7).

On behalf of the board

Ross Conlon
Director

John Rockett
Director

Company Statement of Changes in Equity

For the year ended 31 December 2015

	Called up share capital €'000	Share premium €'000	Undenominated capital €'000	Profit and loss account €'000	Share–based payment reserve €'000	Total Equity €'000
At 1 January 2015	99	13,538	1	(15,545)	377	(1,530)
Total comprehensive profit for the year						
Profit for the year	-	-	-	15	-	15
Total comprehensive income for the year	-	-	-	15	-	15
Other transactions						
Issue of equity share capital	-	-	-	-	-	-
Share based payment expense	-	-	-	-	76	76
At 31 December 2015	**99**	**13,538**	**1**	**(15,530)**	**453**	**(1,439)**
At 1 January 2014	98	13,494	1	(15,545)	300	(1,652)
Total comprehensive profit for the year						
Profit for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-
Other transactions						
Issue of equity share capital	1	44	-	-	-	45
Share based payment expense	-	-	-	-	77	77
At 31 December 2014	**99**	**13,538**	**1**	**(15,545)**	**377**	**(1,530)**

Notes to the Company Balance Sheet

1 Accounting Policies

Basis of Preparation

(a) Statement of Compliance

zamano plc (the "Company") is a company incorporated and domiciled in Ireland. The address of its registered office is 3rd Floor Hospitality House, 16-20 Cumberland Street South, Dublin 2.

These financial statements are prepared on the historical cost basis and were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") as issued in August 2014. The amendments to FRS 101 (2014/15 Cycle), issued in July 2015 and effective for financial years commencing 1 January 2015, have also been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2014 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Effects of the transition to FRS 101 from Irish GAAP are detailed in Note 7.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs.

As the consolidated financial statements of zamano plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share based payments;
- Disclosures in respect of the compensation of Key Management Personnel.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 balance sheet at 1 January 2014 for the purposes of the transition to FRS 101.The financial statements have been prepared in euro and are rounded to the nearest thousand.

(b) Going Concern

The Company has net liabilities of €1.44 million *(2014: €1.53 million)* at the reporting date which include amounts owed to wholly owned subsidiary undertakings of €19.51 million *(2014: €19.29 million)*. As the directors are satisfied that the amounts owed at the reporting date will not be called for repayment for a period of at least twelve months from the date of approval of these financial statements, the financial statements of the Company have therefore been prepared on a going concern basis.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company financial statements.

Investments in Subsidiaries

Fixed asset investments, including investments in subsidiaries, are stated at cost less impairment. They are reviewed for impairment if there are indications that the carrying value may not be recoverable.

Foreign Currencies

The functional and presentation currency of the company is Euro. Transactions in foreign currencies are translated at the rates of exchange ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into Euro at the rates of exchange ruling at the balance sheet date with a corresponding charge or credit to the profit and loss account.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Notes to the Company Balance Sheet
(continued)

1 Accounting Policies (continued)

Current taxation is provided on the Company's taxable profits at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses of taxable profits in periods different from those in which they are recognised in the financial statements.

Share-based Payments

The accounting policy for share-based payments stated in the consolidated financial statements is applicable to the company also, except that share options granted to employees of subsidiary entities are treated as an increase in the company's investment in that entity.

2 Financial Fixed Assets

	2015 €'000	2014 €'000
Investments in subsidiary undertakings		
As at 1 January	**12,178**	12,101
Share option charge in relation to employees of subsidiaries	**76**	77
As at 31 December	**12,254**	12,178

The subsidiary undertakings of the company, together with the percentage beneficial holding of the ordinary shares, are set out below:

Company name	Shares directly held	Principal activity	Registered office
Zamano Solutions Limited	100%	Provision of mobile data value added services and technology	1
Zamano Limited	100%	Provision of mobile messaging and consultancy services	2
Red Circle Technologies Limited	100%	Provision of digital environment to mobile devices	1

1. 3rd Floor, Hospitality House, 16-20 Cumberland Street South, Dublin 2.
2. Eversheds House, 70 Great Bridgewater Street, Manchester, M15ES.

3 Debtors

	2015 €'000	2014 €'000
Trade debtors and prepayments	**-**	16
Amounts due from subsidiary undertaking	**6,005**	5,989
	6,005	6,005

Amounts owed by the subsidiary undertaking are interest free and repayable on demand.

Notes to the Company Balance Sheet
(continued)

4 Creditors: Amounts Due Within One Year

	2015 €'000	2014 €'000
Trade creditors and accruals	**107**	63
Borrowings	**71**	271
Corporation tax payable	**14**	20
Amounts owed to subsidiary undertakings	**19,506**	19,289
	19,698	19,643

5 Creditors: Amounts Falling Due After More Than One Year

	2015 €'000	2014 €'000
Borrowings	**-**	76
	-	76

6 Borrowings

The long term borrowings are secured by a first debenture over the assets and undertakings of zamano plc and each material subsidiary. All other relevant details on the loan are set out in notes 21 and 24 to the consolidated financial statements.

7 Transition to FRS 101

As stated in Note 1, these are the Company's first financial statements prepared in accordance with FRS 101. In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (Irish GAAP). An explanation of how the transition from Irish GAAP to FRS 101 has affected the Company's financial position, is set out in the following tables and the notes that accompany the tables.

Notes to the Company Balance Sheet
(continued)

7 Transition to FRS 101 (continued)

	1 January 2014			31 December 2014		
	Irish GAAP €000	Effect of transition to FRS 101 €000	FRS 101 €000	Irish GAAP €000	Effect of transition to FRS 101 €000	FRS 101 €000
Fixed assets						
Financial assets	12,101	-	12,101	**12,178**	**-**	**12,178**
	12,101	-	12,101	**12,178**	**-**	**12,178**
Current assets						
Debtors (due with one year)	19	5,976	5,995	**22**	**5,989**	**6,011**
Debtors (due after more than one year)	5,976	(5,976)	-	**5,989**	**(5,989)**	**-**
	5,995	-	5,995	**6,011**	**-**	**6,011**
Creditors: amounts due within one year	(375)	(19,373)	(19,748)	**(354)**	**(19,289)**	**(19,643)**
Net current asset/(liabilities)	5,620	-	13,753	**5,657**	**-**	**(13,662)**
Creditors: amounts falling due after more than one year	(19,373)	19,373	-	**(19,365)**	**19,289**	**(76)**
Net liabilties	(1,652)	-	(1,652)	**(1,530)**	**-**	**(1,530)**
Capital and reserves						
Called up share capital	98	-	98	**99**	**-**	**99**
Share premium account	13,538	-	13,538	**13,538**	**-**	**13,538**
Revaluation reserve	1	-	1	**1**	**-**	**1**
Profit and loss account	(15,545)	-	(15,545)	**15,545**	**-**	**15,545**
Share based payment reserve	300	-	300	**377**	**-**	**377**
Shareholders' deficit	(1,652)	-	(1,652)	**(1,530)**	**-**	**(1,530)**

Under Irish GAAP, the Company presented the amount due from a subsidiary undertaking as falling due after more than one year on the basis that it was the Company's intention not to call for repayment within 12 months of the reporting dates. In the transition to FRS 101, the Company presents the amounts due as short term reflecting the terms of the agreement with the subsidiary undertaking.

Similarly the Company previously presented amounts due to subsidiary undertakings as falling due after more than one year under Irish GAAP on the basis that these subsidiaries did not intend to call for repayment within 12 months of the reporting dates. In the transition to FRS 101, the Company presents the amounts due as short term reflecting the terms of the agreements with the subsidiary undertakings.

8 Commitments, Contingencies and Related Parties

Details of Company related commitments and contingencies are set out in Note 22 to the consolidated financial statements. Related party transactions are set out in notes 3 and 4 to the Company balance sheet, the directors' report and Note 23 to the Group financial statements.

9 Approval of Financial Statements

The Company financial statements were approved and authorised for issue by the board of directors on 9 March 2016.

Business at the Annual General Meeting to be held on 4 August 2016

Ordinary Business

Resolution 1 – Financial Statements
The Directors' report and financial statements for the year ended 31 December 2015 accompany this notice of meeting.

Resolution 2 and 3 – Directors
The Board recommends the re-election of Colin Tucker and Fergal Scully, retiring by rotation.

Resolutions 4 and 5 – Auditors' Reappointment and Remuneration
The resolutions relating to auditors' reappointment and remuneration are usual business for the Annual General Meeting.

Special Business

Resolution 6 – Allotment Authority
This is an Ordinary Resolution authorising the Directors to allot relevant securities up to the nominal value of the authorised but unissued share capital of the company at the date of this meeting. This authority will expire at the conclusion of the next Annual General Meeting following this meeting or on 4 November 2017, whichever is the earlier.

Resolution 7 – Pre-emption (options and warrants)
This is a Special Resolution authorising the Directors to issue equity securities in connection with the exercise of any options or warrants to subscribe for shares granted by the Company up to a maximum nominal value equal to 5% of the nominal value of the issued share capital of the Company at the date of this meeting. This authority will expire at the conclusion of the next Annual General Meeting following this meeting or on 4 November 2017, whichever is the earlier.

Resolution 8 – General Pre-emption
This is a Special Resolution authorising the Directors to issue equity securities up to a maximum nominal value equal to 10% of the nominal value of the issued share capital of the Company at the date of this meeting. This authority will expire at the conclusion of the next Annual General Meeting following this meeting or on 4 November 2017, whichever is the earlier.

Resolution 9 – Capital Reduction
The purpose of this Special Resolution is to restructure the Company's balance sheet by way of a capital reduction ("**the Capital Reduction**") which, if approved by the shareholders of the Company (the "**Shareholders**") and the High Court of Ireland ("**the Court**"), will partially cancel the Company's share premium account and allow the Directors of the Company to make distributions to the Shareholders in excess of the limits currently imposed by the Company's balance sheet. The Special Resolution leaves with the Directors the discretion as to whether or not to apply for the approval of the Court.

The balance on the Company's share premium account ("**the Share Premium Account**") is attributable to the difference between the nominal value of the shares issued in the capital of the Company and the price at which such shares were issued. The sum credited to the Share Premium Account is capital of the Company which is not ordinarily available for distribution to shareholders. However, Section 84 of the Companies Act, 2014 enables the Company, subject to shareholder approval and the approval of the Court, to reduce capital which is in excess of a company's requirements.

A summary of part of the Company's balance sheet as at 31 December 2015 is set out below, which shows the Company had

(i) approximately €13,538,000 credited to its share premium account; and

(ii) a retained loss of approximately €2,412,000 (the "**Retained Losses**").

The Retained Losses must be settled prior to the making of any distribution to the Shareholders.

Business at the Annual General Meeting to be held on 4 August 2016 (continued)

Resolution 9 – Capital Reduction (continued)

Zamano plc Balance Sheet Extract

	2015 €'000
Equity	
Equity Share Capital	**99**
Share premium	**13,538**
Undenominated capital	**1**
Foreign currency translation reserve	**(60)**
Share-based payment and warrant reserve	**438**
Retained loss	**(2,412)**
Total equity	**11,604**

The Board, having reviewed and considered the Company's balance sheet, currently believes that

(i) the balance credited to the Share Premium Account is capital which is surplus to the Company's requirements for the foreseeable future; and

(ii) it is in the best interests of the Shareholders to enable the Company, if and whenever decided by the Board and consistent with the law and the Company's Articles of Association, to make a distribution to the Shareholders in excess of the limits currently imposed by the Company's balance sheet.

The passing of this Special Resolution will enable the Company, subject to the discretion of the Board, to take the necessary steps, following the Annual General Meeting, to seek the approval of the Court to the cancellation of €2,412,000, being part of the amount standing to the credit of the Share Premium Account.

For illustrative purposes only, based on the balance sheet of the Company at 31 December 2015, the effect of the Capital Reduction would be as follows:

Zamano Balance Sheet Extract

	Post Capital Reduction 2015 €'000
Equity	
Equity Share Capital	**99**
Share premium	**11,126**
Undenominated capital	**1**
Foreign currency translation reserve	**(60)**
Share-based payment and warrant reserve	**438**
Retained loss	**-**
Total equity	**11,604**

The Court Process

If this Special Resolution is approved by the Shareholders, the Board intends consider seeking the approval of the Court to the Capital Reduction although no guarantee can be given that, if Court approval is sought, the Court will confirm the Capital Reduction. The Court will need to be satisfied that the interests of the Company's creditors are not prejudiced by the Capital Reduction. In order for the Capital Reduction then to become effective, the Court order confirming the Capital Reduction must be filed with the Registrar of Companies.

Business at the Annual General Meeting to be held on 4 August 2016 (continued)

Annual General Meeting

A Form of Proxy for use at the meeting is enclosed. Please complete and sign the Form of Proxy and return it to the Registrar so as to arrive no later than 48 hours before the time fixed for the meeting. The return of the Form of Proxy will not, however, prevent you from attending the meeting and voting in person should you wish to do so.

Recommendation

The Board consider that each of the Resolutions is in the best interests of the Company and they unanimously recommend to Shareholders that they should vote in favour of each of them, as the Directors intend to do in respect of their beneficial shareholdings and in respect of those shares that can be voted by them (save where they are restricted from voting in respect of their own reappointment), which together amount to 83,333 ordinary shares comprising 0.08% of the issued ordinary share capital of the Company.

Notice of Annual General Meeting zamano plc

Notice is hereby given that the Annual General Meeting of zamano plc will be held at 11.00am on 4 August 2016 at the Conrad Hotel, Earlsfort Terrace, Dublin 2 to consider and, if thought fit, pass the following Resolutions, of which Resolutions 1 to 6 will be proposed as Ordinary Resolutions and Resolutions 7, 8 and 9 will be proposed as Special Resolutions.

1. To receive and adopt the financial statements for the year ended 31 December 2015 and the reports of the Directors and auditors thereon.
2. To re-elect as a Director, Colin Tucker, who retires in accordance with article 84 of the Articles of Association.
3. To elect as a Director, Fergal Scully, who retires in accordance with article 87 (b) of the Articles of Association.
4. To reappoint KPMG as auditors of the Company.
5. To authorise the Directors to fix the remuneration of the auditors.
6. That the Directors be and are hereby authorised to allot relevant securities (within the meaning of Section 1021 of the Companies Act, 2014) up to a maximum aggregate nominal value equal to the authorised but unissued ordinary share capital of the Company on the date of the passing of this Resolution, such authority to expire at the conclusion of the Annual General Meeting of the Company next following the passing of this Resolution or on 4 November 2017, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry date and the Directors may allot relevant securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.
7. That subject to the passing of Resolution 6, the Directors be and are hereby empowered to allot equity securities, as defined by Section 1022 of the Companies Act 2014 (including, without limitation, any shares purchased by the Company and held as treasury shares) in connection with the exercise of any options or warrants to subscribe for shares granted by the Company from time to time up to a maximum nominal value equal to 5% of the nominal value of the Company's issued ordinary share capital at the date of the passing of this Resolution. The authority conferred by this Resolution shall expire at the conclusion of the Annual General Meeting of the Company next following the passing of this Resolution or on 4 November 2017, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry date and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.
8. That, in addition to the power conferred under Resolution 7, the Directors be and are hereby empowered to allot equity securities, as defined by Section 1022 of the Companies Act, 2014 (including, without limitation, any shares purchased by the Company and held as treasury shares) up to a maximum nominal value equal to 10% of the nominal value of the Company's issued ordinary share capital at the date of the passing of this Resolution. The authority conferred by this Resolution shall expire at the conclusion of the Annual General Meeting of the Company next following the passing of this Resolution or on 4 November 2017, whichever is the earlier, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry date and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.
9. That, subject to the discretion of the board of Directors of the Company as to whether or not to seek the consent of the High Court of Ireland (the "**Court**") and subject to and with the consent of the Court and in accordance with Article 40(d) of the Company's Articles of Association and Sections 84 and 85 of the Companies Act, 2014, the share capital of the Company be reduced (the "**Capital Reduction**") by the cancellation of the sum of €2,412,000, being part of the amount standing to the credit of the share premium account of the Company at the date of the passing of this special resolution and the board of Directors of the Company be and are hereby authorised to proceed, on behalf of the Company, to seek the approval of the Court to the Capital Reduction.

By order of the Board

Michael Connolly
Company Secretary

3rd Floor, Hospitality House
16 - 20 Cumberland Street South
Dublin 2

27 June 2016

Notice of Annual General Meeting zamano plc
(continued)

Notes

1. A member entitled to attend, speak and vote is entitled to appoint a proxy to attend, speak and vote on his/her behalf. A proxy need not be a member of the Company.
2. Forms of Proxy, together with any Power of Attorney or other authority under which they are executed or a notarially certified copy thereof, must be completed and, to be valid, must reach the Registrar of the Company at the address given on the Form of Proxy not less than 48 hours before the time appointed for the holding of the meeting.
3. The appointment of a proxy does not preclude a member from attending and voting at the meeting.
4. If the appointor is a corporation, the Form of Proxy must be under its common seal or under the hand of an officer or attorney duly authorised.
5. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote of the other registered holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members of the Company.
6. If you wish to appoint as proxy someone other than the Chairman of the Meeting, please delete the words 'the Chairman of the Meeting' from the Form of Proxy and insert the name and address of the person you wish to appoint in the space provided. A proxy need not be a member.
7. Pursuant to Section 1095 of the Companies Act, 2014, only those shareholders on the Register of Members at 6.00pm on 2 August 2016 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time. If the meeting is adjourned by more than 48 hours, then to be so entitled, shareholders must be entered on the Company's Register of Members at the time which is 48 hours before the time appointed for holding the adjourned meeting or, if the Company gives notice of the adjourned meeting, at the time specified in that notice.
8. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST Sponsored Members, and those CREST Members who have appointed a voting service provider(s), should refer to their CREST Sponsor or voting service provider(s), who will be able to take appropriate action on their behalf.
9. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK and Ireland (EUI)'s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must be transmitted so as to be received by Capita Asset Services, Shareholder Solutions (Ireland), as issuer's agent (ID 7RA08) by the latest time(s) for receipt of proxy appointments specified in this notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST Personal Member or Sponsored Member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Directors and Other Information

Directors
Colin Tucker (UK) (Non-Executive)
Pat Landy (Non-Executive)
Fergal Scully (Non-Executive) (*appointed 15 Feb 2016*)

Secretary
Michael Connolly

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Dublin 2

Bankers
Bank of Ireland

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