zamano
COMPELLING MOBILE INTERACTION™

Annual Report & Accounts 2013

for the Year Ended 31 December 2013

Contents

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

2013 Highlights

Revenue
€16.0M

EBITDA*
€2.6M

Operating profit
€2.2M

Pre-tax profit
€1.9M

Net cash
€2.1M

- Revenue of €16.0M (down 16.5% on revenue of €19.2M, 2012).
- EBITDA* of €2.6M (up 4.1% on EBITDA of €2.5M, 2012).
- Operating profit of €2.2M (up 8.5% on operating profit of €2.0M, 2012).
- Pre-tax profit €1.9M (up 10.8% on adjusted pre-tax profit of €1.7M, 2012).
- Significant improvement in net cash during 2013 (net cash of €2.1M at 31 December 2013 versus net cash of €0.1M at 31 December 2012).

* EBITDA is calculated as earnings before interest, tax,depreciation, amortisation and share-based payment amounts.

Chairman's Statement
John Rockett

zamano is pleased to report on its performance for the financial year ended 31 December 2013.

The Group has recorded an improved earnings outcome for the year with growth in EBITDA* of 4.1% compared to 2012. In addition, the Group also achieved a considerable increase in its net cash position. These improvements were made despite a number of operational setbacks which impacted our revenues.

In 2013, the Group had to contend with the effective closedown of our US business and the ongoing impact of regulation in our two principal markets, Ireland and the UK. These factors contributed to a €3.0 million fall in revenues during the year ended 31 December 2013.

Group operating profits for the year at €2.224 million were €0.175 million (8.5%) ahead of the corresponding figure for 2012 (€2.049 million). The Group achieved a reduction in administrative expenses primarily due to the one-off nature of legal expenses incurred in 2012.

The Group's net cash position improved dramatically to €2.139 million at 31 December 2013, an increase of just over €2.0 million on the net cash figure at 31 December 2012. This is indicative of the strong cash generative capabilities of the business, its relatively high gross margins and inherent operational efficiencies.

In my statement with last year's results, I alluded to the fact that, while the Group was in a relatively strong financial position compared to previous years, the effects on revenues and margins of market and regulatory changes demonstrated the risks which characterise the business. Consequently, I indicated that zamano needed to move quickly to expand its geographic footprint and broaden its product-market base.

2013 has provided a sharp reminder of the need for the Group to introduce new products and expand into new territories. In November, due to additional regulatory constraints, we had to effectively withdraw from all activities in the US, having spent over a year trialling a new web and mobile offering there. Furthermore, in the UK, regulation continued to have a negative impact on revenue levels. In Ireland, web and mobile sales remain relatively robust, although the regulatory environment is demanding.

On a more positive note, zamano entered, or re-entered, a number of territories during 2013. We are now operating in Eastern Europe, Australia and Norway and will explore a number of other new markets in 2014. As with all new markets, it takes time and resources to get established, but sales are now starting to develop in the above geographies and we anticipate further growth in 2014.

In the new product area, the Group launched a messaging service, branded Messagehero.com, in the final quarter of 2013 to assist small and medium-sized businesses to market their products and services to end users. This service, which is not regulated, has been developed from scratch by the in-house product development team and will be rolled out in the UK once the Irish market launch proves successful.

While the growth in financial performance of the Group achieved in 2012 was sustained in the year ended 31 December 2013, zamano's dependency on the UK and Ireland for sales and gross profit contribution is becoming more pronounced. Recent green shoots in new territories and the launch of the new bulk messaging product for small and medium-sized enterprises demonstrates the increasing capability of the Group to enter new markets and develop new products. This will become an increasing feature of zamano's business strategy in the future. To this end, our business development team will continue to actively pursue joint venture, strategic partnership, acquisition and merger opportunities in order to strategically re-align the Group.

Since the year end, Ross Conlon has assumed the position of Chief Executive Officer replacing Pat Landy who fulfilled the role for the past two years.

The Group's focus throughout 2013 and beyond will be to seek to broaden the Group's product-market base.

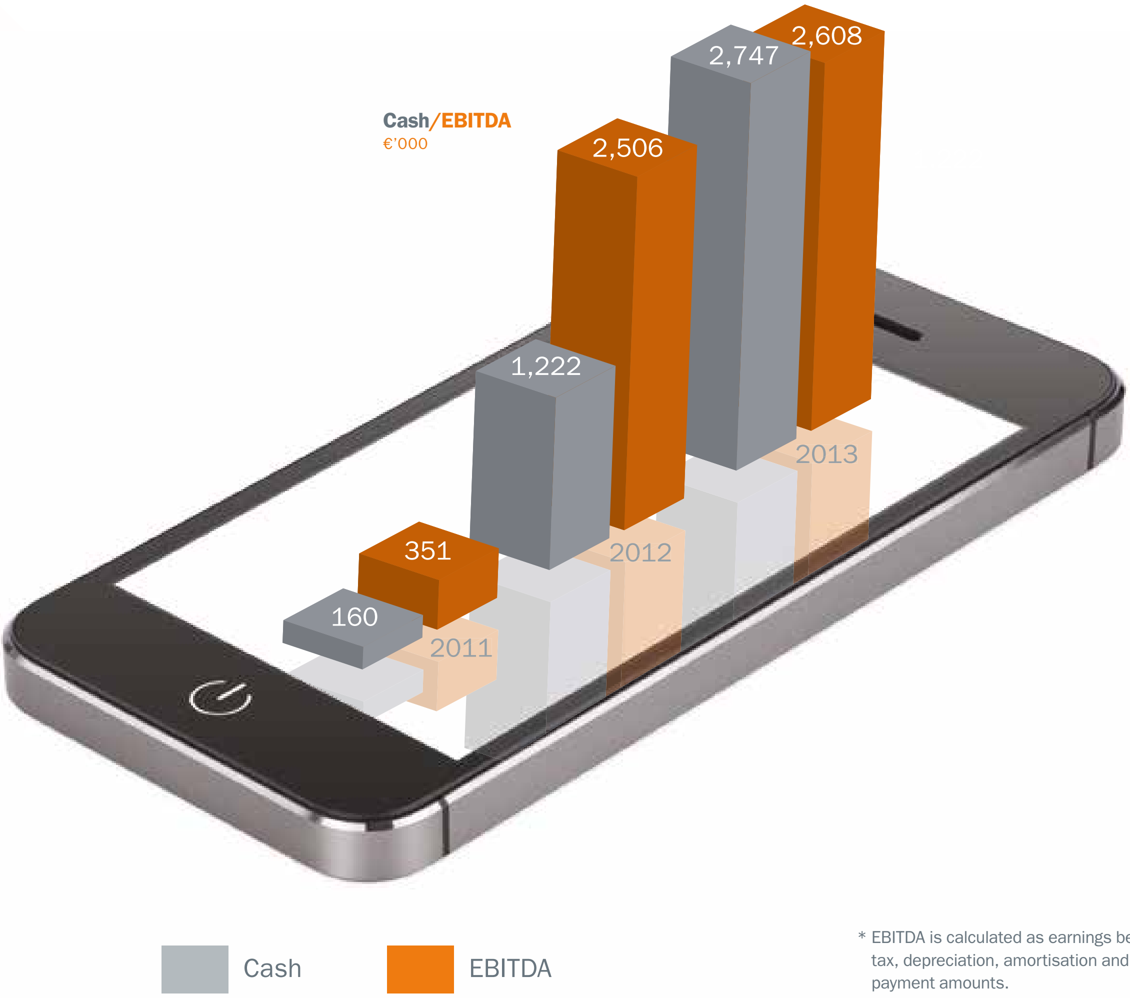
On behalf of the Board, I would like to thank Pat for his efforts in significantly improving the financial health of the Group during his time in charge and wish him well in his future endeavours. He will remain on the Board in a non-executive capacity where he will continue to advise in the area of strategic planning and corporate affairs. I am very pleased to welcome Ross to the Board. Ross has been with zamano for six years and has an intimate knowledge of the Group's products, capabilities and ambitions. I am confident that his appointment will enable a seamless transition to take place and I look forward to working with him in managing the strategic development of the business in the years ahead.

Finally, I would like to thank all the Group's employees for their commitment and dedication to the business over the past year and commend them for all their efforts in overcoming the challenges that presented themselves in 2013.

John Rockett
Chairman

	2011 €'000	2012 €'000	**2013 €'000**
Turnover	15,009	19,207	**16,034**
EBITDA	351	2,506	**2,608**
Gross Profit	3,721	5,424	**4,976**
Gross Debt at 31 December	4,541	1,084	**608**
Cash at 31 December	160	1,222	**2,747**
Net Cash/(Debt) at 31 December	(4,381)	138	**2,139**

Cash/EBITDA
€'000



* EBITDA is calculated as earnings before interest, tax, depreciation, amortisation and share-based payment amounts.

Chief Executive Officer's Statement
Ross Conlon

Introduction
The financial year ended 31 December 2013 was a year during which the Group continued to improve its financial performance, particularly in the areas of earnings and cash generation. However, revenues were negatively impacted primarily as a result of ongoing regulation in the US and the UK. Nevertheless, zamano delivered a satisfactory overall performance during the year, bearing in mind the many commercial challenges it faced.

The UK and Ireland continue to be the mainstays of the business. However, the Group's activities in the US were severely disrupted by a change in policy of the mobile network operators which resulted in our effective withdrawal from the market.

The overall market environment for web and mobile products remain buoyant. Smartphones remain at the forefront of this growth, with global smartphone penetration forecast to exceed 60% by 2016. The smartphone revolution is a key driver of the mobile entertainment/mobile commerce markets in which zamano operates.

Analysts predict that there will be in excess of five billion active mobile phone users globally by 2016 of which in excess of four billion will be smartphone users. This growth in mobile users gives zamano a larger base of users to potentially target via our global aggregator partners. In 2014, zamano is seeking to capitalise on these relationships by developing strategic partnership, licencing and joint venture arrangements with content providers and product owners.

Market Review
The UK business, which specialises in web and mobile entertainment products, performed well during the course of 2013. Revenues for the year were €9.698 million representing an increase of 2.9% over 2012 (€9.426 million). This resulted in an excellent outcome at gross profit level, with UK gross profit for 2013 coming in at €3.394 million, 9.7% ahead of 2012.

The Irish business, which is comprised of web and mobile products and business-to-business services, performed satisfactorily during 2013. At the interim stage, we flagged the fact that the introduction of a new Code of Practice by Comreg in July 2012 effectively eliminated our Irish subscription based revenues. As a result, revenues in Ireland for the year ended 31 December 2013 were €4.133 million or 42.6% down on 2012. As a consequence, the gross profit contribution from the Irish business for 2013 was €1.179 million as against €1.764 million in 2012, a fall of 33.2%. In October 2013, we launched a messaging service called Messagehero.com targeted at small and medium-sized enterprises. While it is too early to predict how this service will perform, it is expected to enhance sales in the Irish business during 2014.

US sales in 2013 were €0.8 million as against €2.1 million in 2012. In November 2013, we suffered a major setback in this market when our aggregation partner informed us that the mobile operators were no longer running traffic in the US because of a change in regulatory policy. In the light of this, we have withdrawn from all operational activity in this market.

During 2013, the Group entered a number of new territories in Eastern Europe and Norway offering web and mobile services. It also re-entered the Australian market in late 2012. Turnover of €1.4 million was achieved from these territories during the year ended 31 December 2013. The Group expects to increase this turnover figure in 2014.

Financial Review
You will have read earlier in the Chairman's Statement that the Group's financial performance in 2013 improved by comparison with 2012. In particular, growth was achieved in EBITDA, operating profit, adjusted profit before tax and, adjusted profit after tax. While revenues and, consequently, gross profits were down, tight cost controls and operating efficiencies ensured that the Group achieved an increase in earnings for the year.

The UK and Irish web and mobile marketing businesses underpinned the financial performance of the Group in 2013. While revenues were down to €16.034 million from €19.207 million in 2012, a fall of 16.5%, UK revenues at €9.698 million exceeded the 2012 figure of €9.426 million. Irish revenues at €4.133 million were, as expected, down on the 2012 figure of €7.205 million, but were creditable given the demise of the Irish web and mobile subscription business during the second half of 2012.

During 2014, zamano will strive to capitalise on the opportunities which abound in the web and mobile marketing space.

Group gross profit was a respectable €4.976 million. The gross profit margin for the year at 31% was three percentage points greater than 2012, while EBITDA at €2.608 million was 4.1% up on the corresponding figure of €2.506 million in 2012.

The Group recorded an operating profit of €2.224 million in 2013, 8.5% ahead of the operating profit of €2.049 million recorded in 2012. After adjusting for the one off benefit of the debt settlement in 2012, pretax profits for 2013 of €1.918 million were 10.8% ahead of the 2012 outturn of €1.731 million. Again, adjusting for the debt settlement gains referred to above, profit after tax at €1.711 million was 2.1% ahead of the 2012 figure of €1.675 million, and adjusted basic earnings per share in 2013 at €0.021 equalled the adjusted basic earnings per share figure recorded in 2012.

At the end of 2012, zamano concluded a debt settlement arrangement with its bankers which considerably strengthened its financial position by effectively eliminating its bank debt. The debt settlement arrangement included the drawdown of a mezzanine type loan facility from Pageant Holdings, the largest shareholder in the Group. This loan was refinanced on a term loan basis at commercial rates with our bank in March 2013. The cash impact of this arrangement, taken with the strong operational efficiency of the business, increased gross and net cash balances to €2.747 million and €2.139 million respectively at 31 December 2013 compared to €1.222 million and €0.138 million at the end of 2012. The availability of this cash gives the Group greater flexibility in funding its product-market development programmes in 2014 and beyond.

Outlook

The Group performed solidly in 2013, despite a challenging operating environment. In the circumstances, the growth recorded in EBITDA, operating, pre and post tax profit was an accomplishment for the business.

The Group managed to establish a toehold in Central and Eastern Europe during the year and also broadened its product base via the launch of Messagehero.com, an innovative messaging product targeted at small and medium-sized businesses. These achievements point the way to the future of the business – a multi-territory, multi-product business with offerings attractive to web, mobile and smartphone users.

During 2014, zamano will strive to capitalise on the opportunities which abound in the web and mobile marketing space. The Group will place an increased emphasis on strategic partnerships and joint ventures as a means of achieving its growth objectives. zamano intends to maintain a solid core operation in its main area of web and mobile marketing, while gradually re-aligning the business via strategic partnerships and new product development.

Ross Conlon

Ross Conlon
Chief Executive Officer

Board of Directors

John Rockett
Non-Executive Chairman

John is a Chartered Accountant with extensive business experience obtained throughout his career. Prior to his current role as an independent financial consultant he was Head of AIB Private Banking between 1995 and 2008.

Ross Conlon
Chief Executive Officer

Ross held a number of senior roles in zamano since joining the Group in 2007. He has a Bachelor of Science degree in Finance, Enterprise & Computing from DCU and brings a wealth of technical, regulatory, operational and industry experience to the Group.

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.

Colin Tucker
Non-Executive Director

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. He is a Non-Executive Director of FTSE-listed technology company Monitise plc.

Peter Furlong
Non-Executive Director

Peter is an experienced investor and is currently a Director of Pageant Holdings, zamano's largest shareholder, prior to which he was a Debt/Equity proprietary trader at RBS and Morgan Stanley between 2002 and 2007.

Directors' Report for the Year Ended 31 December 2013

The Directors present the annual report and consolidated financial statements of zamano plc ('the company' or 'zamano') for the year ended 31 December 2013.

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, United States, Australia, Eastern Europe and Norway. 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 2013. 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').

Principal Risks and Uncertainties and Key Performance Indicators

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 to 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, 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 EBITDA all of which are noted elsewhere herein.

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 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, Dividends and State of Affairs

Group turnover decreased to €16.0 million (2012: €19.2 million) and the Group's operating profit was €2.2 million (2012: operating profit of €2.0 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 (2012: £Nil).

Future Developments

The continued growth of mobile data services worldwide presents opportunities for the Group. It is likely that the Group will further expand the 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 15 months from the balance sheet date, the Directors consider that it continues to be appropriate to prepare the financial statements on a going concern basis.

Subsidiaries

Information on the Group's principal subsidiaries is set out in Note 2 to the Company's balance sheet.

Political Donations

The Group and Company did not make any donations during the year disclosable in accordance with the Electoral Act 1997.

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 and 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 €1,069,205 (2012: €739,000) of which an amount of €300,000 (2012: €300,000) was capitalised. This was primarily focused on the continued development of zamano's platform for mobile applications and content.

Directors' Report (continued)

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 currently comprises of one Executive and four Non-Executive Directors. Biographical details on the Board members are set out on page 6. The Board are satisfied that, between them, 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.

There are clear divisions of responsibilities between the roles of Chairman and Chief Executive Officer.

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 two times 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 external auditors;
- reviewing the financial reporting and internal control procedures;
- reviewing the management of financial matters and 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 John Rockett 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 and Secretary
The current serving Directors and Secretary are set out on page 36. On 21 January 2014 Pat Landy resigned as Chief Executive Officer but remained on the Board and was replaced by Ross Conlon who was also appointed as a Director of the Company on that date. In accordance with the Company's articles of association at its annual general meeting on 13 June 2013 Pat Landy retired by rotation and was re-elected to the Board.

Directors' and Secretary's Interests in Shares
The interests of the Directors and Secretary who held office at 31 December 2013, in the issued share capital of the Company at the beginning and end of the year were as follows:

	31 December 2013			31 December 2012		
	Ordinary shares	**Share options**	**Exercise price**	Ordinary shares	Share options	Exercise price
Director						
John Rockett	**300,000**	**–**	**–**	–	–	–
Pat Landy	**–**	**1,000,000**	**€0.0595**			
Colin Tucker	**83,333**	**–**	**–**	83,333	350,000	€0.355
Company Secretary						
Michael Connolly	**–**	**1,400,000**	**€0.0595**	–	–	–

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

	2013				2012		
	Consultancy €	**Fees €**	**Share-based payment compensation €**	**Total €**	Consultancy €	Fees €	Total €
Director							
Colin Tucker	**–**	**19,500**	**–**	**19,500**	–	18,000	18,000
Mike Watson	**–**	**–**	**–**	**–**	–	3,000	3,000*
Pat Landy	**75,500**	**87,000**	**10,186**	**172,686**	144,000	36,000	180,000
Peter Furlong	**–**	**19,500**	**–**	**19,500**	–	15,000	15,000
John Rockett	**–**	**26,250**	**–**	**26,250**	–	21,000	21,000
Total	**75,500**	**152,250**	**10,186**	**237,936**	144,000	93,000	237,000

* Mike Watson resigned as a Director on 29 February 2012.

Books of Account

The Directors are responsible for ensuring that proper books and accounting records, as outlined in Section 202 of the Companies Act 1990, are kept by the Company. The measures taken by the Directors to ensure compliance with these obligations are the use of appropriate systems and the employment of competent personnel. The books and accounting records are maintained at the Company's premises at 23 Shelbourne Road, Ballsbridge, Dublin 4.

Auditor

In accordance with Section 160(2) of the Companies Act 1963, KPMG, Chartered Accountants, will continue in office.

On behalf of the board

Ross Conlon

Ross Conlon
Director
4 March 2014

John Rockett

John Rockett
Director

Statement of Directors' Responsibilities in Respect of the Annual Report and 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 the AIM and ESM rules and as permitted by law, the Directors are required to prepare the Group financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union ('EU') and applicable law and have elected to prepare the Company financial statements in accordance with Generally Accepted Accounting Practice in Ireland ('Irish GAAP'), comprising applicable law and the accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland.

The Group financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position and performance of the Group. The Companies Acts 1963 to 2013 provide in relation to such financial statements that references in the relevant part of those Acts to financial statements giving a true and fair view are references to their achieving a fair presentation. The Company financial statements are required by law to give a true and fair view of the state of affairs of the Company.

In preparing the financial statements 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;
- comply with applicable IFRSs as adopted by the EU, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

Under applicable law and the requirements of the AIM rules issued by the London Stock Exchange and ESM rules issued by the Irish Stock Exchange, the Directors are also responsible for preparing a Directors' report including details of Directors' remuneration that comply with the law and the rules of the London and Irish stock exchange.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that its financial statements comply with the Companies Acts 1963 to 2013. They are also responsible 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.

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

Ross Conlon

Ross Conlon
Director
4 March 2014

John Rockett

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 2013 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the Group and Company balance sheets, the consolidated 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's) as adopted by the European Union. The Company financial statements have been prepared in accordance with accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland, as applied in accordance with the provisions of the Companies Acts 1963 to 2013.

This report is made solely to the Company's members, as a body, in accordance with Section 193 of the Companies Act 1990. 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.

Respective Responsibilities of Directors and Auditor

As explained more fully in the Statement of Directors' Responsibilities the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Ethical Standards for Auditors issued by the Auditing Practices Board.

Scope of the Audit of the Financial Statements

An audit 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 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Group's affairs as at 31 December 2013 and of its profit for the year then ended;
- the Company balance sheet gives a true and fair view, in accordance with Irish GAAP as applied in accordance with the provisions of the Companies Acts 1963 to 2013, of the state of the Company's affairs as at 31 December 2013; and
- the financial statements have been properly prepared in accordance with the Companies Acts 1963 to 2013.

Matters on Which We are Required to Report by the Companies Acts 1963 to 2013

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

The Company balance sheet is in agreement with the books of account and, in our opinion, proper books of account have been kept by the Company.

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

The balance sheet of the Company shows an excess of liabilities over assets and, in our opinion, on that basis there did exist at 31 December 2013 a financial situation which under Section 40(1) of the Companies (Amendment) Act, 1983 may require the convening of an extraordinary general meeting of the Company.

Matters on Which We are Required to Report by Exception

We have nothing to report in respect of the following:

Under the Companies Acts 1963 to 2013 we are required to report to you if, in our opinion the disclosures of Directors' remuneration and transactions specified by law are not made.

Eamonn Russell
for and on behalf of

KPMG

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

4 March 2014

Consolidated Income Statement for the Year Ended 31 December 2013

	Notes	2013 €'000	2012 €'000
Revenue	6	**16,034**	19,207
Cost of sales		**(11,058)**	(13,783)
Gross profit		**4,976**	5,424
Other administrative expenses		**(2,432)**	(2,916)
Amortisation of intangible assets		**(276)**	(413)
Depreciation		**(44)**	(46)
Total administrative expenses		**(2,752)**	(3,375)
Operating profit	7	**2,224**	2,049
Finance income	9	**1**	1,843
Finance expense	9	**(307)**	(326)
Profit before income tax		**1,918**	3,566
Income tax expense	10	**(207)**	(56)
Profit for the year attributable to equity holders of the parent		**1,711**	3,510
Earnings per share			
– basic	12	**€0.017**	€0.036
– diluted	12	**€0.017**	€0.036

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2013

	2013 €'000	2012 €'000
Profit for the year	**1,711**	3,510
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation adjustment	**(2)**	–
Total comprehensive profit all attributable to equity holders of the parent	**1,709**	3,510

On behalf of the Board

Ross Conlon

Ross Conlon
Director

John Rockett

John Rockett
Director

Consolidated Balance Sheet at 31 December 2013

	Notes	**2013 €'000**	2012 €'000
Assets			
Non-current assets			
Property, plant and equipment	14	**100**	50
Intangible assets	15	**6,409**	6,334
Deferred tax asset	10	**117**	137
Total non-current assets		**6,626**	6,521
Current assets			
Trade and other receivables	17	**2,224**	3,127
Cash and cash equivalents	18	**2,747**	1,222
Total current assets		**4,971**	4,349
Total assets		**11,597**	10,870
Equity			
Equity share capital	19	**98**	98
Share premium		**13,494**	13,494
Capital conversion reserve		**1**	1
Foreign currency translation reserve		**(66)**	(64)
Share-based payment and warrant reserve		**300**	236
Retained loss		**(6,458)**	(8,169)
Total equity		**7,369**	5,596
Liabilities			
Non-current liabilities			
Loans and borrowings	21	**352**	–
Total non-current liabilities		**352**	–
Current liabilities			
Trade and other payables	20	**3,429**	4,067
Loans and borrowings	21	**256**	1,084
Current tax liabilities		**191**	123
Total current liabilities		**3,876**	5,274
Total liabilities		**4,228**	5,274
Total equity and liabilities		**11,597**	10,870

On behalf of the Board

Ross Conlon
Director

John Rockett
Director

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2013

	Equity share capital €'000	Share premium €'000	Capital conversion reserve €'000	Retained earnings €'000	Foreign currency translation reserve €'000	Share-based payment and warrant reserve €'000	Total equity €'000
At 1 January 2013	98	13,494	1	(8,169)	(64)	236	5,596
Total comprehensive profit for the year							
Profit for the year	–	–	–	1,711	–	–	1,711
Other comprehensive income							
Currency translation adjustment	–	–	–	–	(2)	–	(2)
Total comprehensive profit for the year	–	–	–	1,711	(2)	–	1,709
Other transactions							
Issue of equity share capital	–	–	–	–	–	–	–
Transfer of share option reserve	–	–	–	–	–	–	–
Issue of warrants	–	–	–	–	–	–	–
Share-based payment expense	–	–	–	–	–	64	64
At 31 December 2013	**98**	**13,494**	**1**	**(6,458)**	**(66)**	**300**	**7,369**
At 1 January 2012	96	13,442	1	(11,453)	(64)	3	2,025
Total comprehensive profit for the year							
Loss for the year	–	–	–	3,510	–	–	3,510
Other comprehensive income							
Currency translation adjustment	–	–	–	–	–	–	–
Total comprehensive loss for the year	–	–	–	3,510	–	–	3,510
Other transactions							
Issue of equity share capital	2	52	–	–	–	–	54
Transfer of share option reserve	–	–	–	(226)	–	226	–
Issue of warrants	–	–	–	–	–	9	9
Share-based payment credit	–	–	–	–	–	(2)	(2)
At 31 December 2012	**98**	**13,494**	**1**	**(8,169)**	**(64)**	**236**	**5,596**

On behalf of the Board

Ross Conlon
Director

John Rockett
Director

Consolidated Cash Flow Statement for the Year Ended 31 December 2013

	2013 €'000	2012 €'000
Cash flows from operating activities		
Profit after tax	**1,711**	3,510
Adjustments to reconcile profit for the year to net cash inflow from operating activities		
Income tax expense	**207**	56
Depreciation	**44**	46
Amortisation of intangible assets	**276**	413
Share-based payments expense/(credit)	**64**	(2)
Decrease in trade and other receivables	**903**	1,073
(Decrease) in trade and other payables	**(751)**	(293)
Finance income	**(1)**	(1,843)
Finance expense	**307**	326
Cash generated from operations	**2,760**	3,286
Interest paid	**(41)**	(197)
Income tax paid	**(7)**	(8)
Net cash inflow from operating activities	**2,712**	3,081
Cash flows from investing activities		
Purchase of property, plant and equipment	**(94)**	(39)
Purchase of intangible assets	**(51)**	–
Capitalisation of internally generated intangible assets	**(300)**	(300)
Interest received	**1**	9
Net cash outflow from investing activities	**(444)**	(330)
Cash flows from financing activities		
Proceeds from issue of share capital	**–**	54
Repayment of debt	**(1,543)**	(1,743)
Cash inflow from loan financing	**800**	–
Net cash outflow from financing activities	**(743)**	(1,689)
Net increase in cash and cash equivalents	**1,525**	1,062
Cash and cash equivalents at 1 January	**1,222**	160
Cash and cash equivalents at 31 December	**2,747**	1,222

On behalf of the Board

Ross Conlon
Director

John Rockett
Director

Notes to the Consolidated Financial Statements for the Year Ended 31 December 2013

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 23 Shelbourne Road, Ballsbridge, Dublin 4.

The consolidated financial statements of the Company as at and for the year ended 31 December 2013 comprise 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. 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 5. The consolidated financial statements were authorised for issue by the Board of Directors on 4 March 2014.

(b) Going Concern
The Directors have considered the latest cash flow projections in light of the revised facilities which were restructured prior to the end of 2012. Having regard to the Group's projected earnings over the next 15 months from the balance sheet date, 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 2013 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 2013. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group attains control.

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. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

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

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.

3 Summary of Significant Accounting Policies (continued)

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 net of revenue share payments to third parties and network operators. Project revenue is recognised by reference to the stage of completion. Where the project outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

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

Finance income is recognised as interest accrues using the effective interest rate method.

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 schemes 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 schemes.

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 balance sheet date.

Income tax is charged or credited directly to equity if it relates to items that are credited or charged to 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 balance sheet 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 balance sheet 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.

Notes to the Consolidated Financial Statements (continued)

3 Summary of Significant Accounting Policies (continued)

Leasing (continued)
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 balance sheet date. Exchange differences are recognised in the income statement.

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 year. The exchange differences arising on the translation are recognised directly in a separate component of equity.

Cumulative translation differences on foreign operations were deemed to be zero at 1 January 2006. Any gains and losses recognised in the consolidated income statement on subsequent disposals of foreign operations will therefore exclude translation differences arising prior to this date.

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 binominal 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.

At each balance sheet 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 balance sheet 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 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.

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.

4 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.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet 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:

4 Significant Account Judgements, Estimates and Assumptions (continued)

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 2013 was €6,065,000 (2012 – €6,065,000). Further details are provided in Notes 15 and 16.

Share-based Payments

The Group measures the cost of equity-settled transactions with employees and Directors by reference to the fair value of the equity instruments at the grant date. Estimating fair values requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model, including the expected life of the options, volatility and dividend yield, and making relevant assumptions thereon.

5 New Standards and Interpretations

Below is a list of standards and interpretations that were required to be applied for the period ended 31 December 2013 or which the Company has elected to early adopt. There was no material impact to the financial statements in the period from these standards.

- IAS 16: Property, plant and equipment
- IAS 32: Financial instruments: presentation
- IAS 19: Employee benefits (amended 2011)
- IAS 36: Impairment of assets (amendment)
- IFRS 1: Government Grants
- IFRS 13: Fair value measurement
- Disclosures offsetting financial assets and financial liabilities (amendment to IFRS 7)
- Presentation of items of Other Comprehensive Income (amendment to IAS 1)
- IFRIC 20: Stripping costs in the production phase of a surface mine

The Directors are satisfied that there are no significant differences between the carrying value and fair value of assets and liabilities which require further disclosure in these financial statements.

There are a number of standards that are not yet required to be applied but can be early adopted. None of these standards have been applied in the period. There would not have been a material impact to the financial statements if these statements had been applied in the current accounting period.

6 Operating Segments

The Group is managed based on three reportable segments which are defined based on geographical markets as follows: Republic of Ireland (ROI), United Kingdom (UK) and United States of America (USA). 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 consumer and also facilitating the communication and interaction between businesses and consumers on mobile phone 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 is determined to be the Board of Directors.

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

Year ended 31 December 2013

	ROI €'000	UK €'000	USA €'000	Other locations €'000	**Total €'000**
External revenue	4,133	9,698	798	1,405	**16,034**
Gross profit	1,179	3,394	225	178	**4,976**
Unallocated expenses*					**(2,752)**
Operating profit					**2,224**
Net finance expense					**(306)**
Profit before income tax					**1,918**
Income tax expense					**(207)**
Profit for year					**1,711**

* Unallocated expenses comprise payroll costs, amortisation of intangibles and central overheads such as rent, administration, overhead costs which are not allocated to individual reportable segments.

Notes to the Consolidated Financial Statements (continued)

6 Operating Segments (continued)

As at 31 December 2013

	ROI €'000	UK €'000	USA €'000	Other locations €'000	Total €'000
Segment assets	2,392	5,591	111	195	**8,289**
Unallocated assets*					**3,308**
Total assets					**11,597**
Segment liabilities	884	2,074	170	300	**3,428**
Unallocated liabilities*					**800**
Total liabilities					**4,228**

Other Segment Information

	Unallocated €'000	Total €'000
Capital expenditure		
Property, plant and equipment	94	**94**
Intangible assets	351	**351**
Other		
Depreciation	44	**44**
Amortisation	276	**276**
Share-based payment expense	64	**64**

* The unallocated assets principally comprise intangibles and Group cash and deferred tax. The unallocated liabilities principally relate to loan liabilities.

Year ended 31 December 2012

	ROI €'000	UK €'000	USA €'000	Other locations €'000	Total €'000
External revenue	7,205	9,426	2,149	427	**19,207**
Gross profit	1,764	3,093	464	103	**5,424**
Unallocated expenses*					**(3,375)**
Operating profit					**2,049**
Net finance income					**1,517**
Profit before income tax					**3,566**
Income tax expense					**(56)**
Profit for year					**3,510**

* Unallocated expenses comprise payroll costs, amortisation of intangibles and central overheads such as rent, administration, overhead costs which are not allocated to individual reportable segments.

As at 31 December 2012

	ROI €'000	UK €'000	USA €'000	Other locations €'000	Total €'000
Segment assets	3,171	5,861	146	15	**9,193**
Unallocated assets*					**1,677**
Total assets					**10,870**
Segment liabilities	2,938	1,009	30	90	**4,067**
Unallocated liabilities*					**1,207**
Total liabilities					**5,274**

Other Segment Information

	Unallocated €'000	Total €'000
Capital expenditure		
Property, plant and equipment	39	**39**
Intangible assets	300	**300**
Other		
Depreciation	46	**46**
Amortisation	413	**413**
Share-based payment credit	(2)	**(2)**

* The unallocated assets principally comprise intangibles and Group cash and deferred tax. The unallocated liabilities principally relate to loan liabilities.

6 Operating Segments (continued)

Geographical Information

The following tables present revenue and assets based on the geographical location of customers and assets.

Year ended 31 December 2013

	ROI €'000	Rest of UK €'000	Europe €'000	USA €'000	Rest of world €'000	**Total €'000**
Revenue						
Sales to external customers	4,133	9,698	1,031	798	374	**16,034**
Other segment information						
Non-current assets (excluding deferred tax)	6,509	–	–	–	–	**6,509**

Year ended 31 December 2012

	ROI €'000	Rest of UK €'000	Europe €'000	USA €'000	Rest of world €'000	**Total €'000**
Revenue						
Sales to external customers	7,205	9,426	318	2,149	109	**19,207**
Other segment information						
Non-current assets (excluding deferred tax)	6,384	–	–	–	–	**6,384**

7 Operating Profit

	2013 €'000	2012 €'000
This is arrived at after charging		
Directors' remuneration:		
– emoluments	**76**	144
– fees	**152**	93
– pension contributions	**–**	–
– social insurance	**7**	6
– share option charge	**10**	–
Depreciation	**44**	46
Amortisation	**276**	413
Auditor's remuneration:		
– Audit fees (1)	**49**	49
– Other assurance fees (2)	**15**	10
– Tax compliance services	**15**	15
Research and development expenditure	**1,069**	739
Operating lease rentals – premises	**86**	89

1. Audit services include financial statement audit work performed in respect of the consolidated financial statements. €7,000 (2012: €7,000) relates to audit services provided to the Company.
2. Other assurance services includes review of the Group's half year results (2013: €9,900, 2012: €9,900) and other accounting services (2013: €5,000, 2012: €Nil).

Employees and Remuneration

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

	2013	2012
Sales and marketing	**12**	13
Research and development	**10**	10
Management and administration	**4**	4
	26	27

Staff costs comprise:

	2013 €'000	2012 €'000
Wages and salaries	**1,423**	1,560
Social welfare	**169**	163
Pension costs	**32**	26
Healthcare	**35**	30
Other staff costs	**83**	72
Share-based payments expense/(credit)	**64**	(2)
Research and development tax credit	**(62)**	(224)
Redundancy costs	**–**	26
Payroll costs capitalised (Note 15)	**(338)**	(372)
	1,406	1,279

Notes to the Consolidated Financial Statements (continued)

8 Share-based Payments

i) With Employees

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 cannot be exercised within a year of or more than seven years after the grant date;
- options granted to Executive Directors or employees prior to October 2006 vest over a period of three years;
- options granted to Executive Directors and employees since October 2006 vest three years after the grant date; and
- options granted to Non-Executive Directors on admission to AIM vest three years after the date of admission.

The share-based payment expense for the year was €64,000 (2012: credit of €2,000) and this has been recorded as part of payroll costs.

6,278,458 new options were granted during the period (31 December 2012: no share options granted). The fair value of these options granted was calculated at the date of grant using an option pricing model (the Black Scholes option pricing model), taking into account the terms and conditions upon which the options were granted. Set out below are the principal amounts to the model for these options:

Vesting period (years)	3
Dividend yield	0%
Expected share price volatility	60%
Risk-free interest rate	5.50%
Expected life of options (years)	7

The resulting fair value of share options granted during the period was €0.04 per share.

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.

	2013		2012	
	Shares	**Weighted average exercise price**	Shares	Weighted average exercise price
Outstanding at 1 January	**759,800**	**€0.298**	2,212,400	€0.268
Lapsed during the year	**(394,800)**	**€0.330**	(45,500)	€0.134
Granted during the year	**6,278,458**	**€0.059**	–	–
Lapsed on resignation	**–**	**–**	(1,407,100)	€0.262
Outstanding at 31 December	**6,643,458**	**€0.071**	759,800	€0.298

The following table sets out the grant date, number of and exercise price of share options exercisable at 31 December:

	2013		2012	
Date(s) of grant	**Shares**	**Exercise price**	Shares	Exercise price
August 2006	**–**	**–**	44,800	€0.134
November 2006	**–**	**–**	350,000	€0.355
March 2007	**80,000**	**€0.420**	80,000	€0.420
December 2007	**85,000**	**€0.360**	85,000	€0.360
March 2009	**200,000**	**€0.160**	200,000	€0.160
March 2013	**6,278,458**	**€0.059**	–	–
	6,643,458		759,800	
Exercisable at 31 December	**365,000**		759,800	
Weighted average remaining life	**5.94 years**		1.62 years	

ii) With Non-employees

During the prior year the company issued 1,533,333 warrants to Pageant Holdings Limited ('Pageant') (Note 23) which granted Pageant the right to purchase 1,533,333 ordinary shares at a price of €0.03 per share at any date up until 30 June 2014.

The fair value of the warrants was estimated at €0.006 per share using the Black Scholes option pricing model.

9 Finance Income and Finance Expense

	2013 €'000	2012 €'000
Finance income		
Gain on restructuring of loan, net	–	1,835
Bank interest receivable	1	8
Total finance income	1	1,843
Finance expense		
Bank interest and charges	56	115
Interest on long-term borrowings	251	137
Amortisation of debt issue costs	–	65
Fair value of warrants issued (Note 8)	–	9
Total finance expenses	307	326

In December 2012, Pageant Holdings Limited ('Pageant'), a related party (see Note 23) acquired the Company's existing bank loans of €4.0 million for €2.1 million, which resulted in a write down of approximately €1.9 million of the loan balance. This amount was credited to the income statement in the prior year, as part of finance income with associated costs and legal fees incurred under the arrangement being set off against the write down of the loan balance.

10 Income Tax Expense

(a) Analysis of Charge for the Year:

	2013 €'000	2012 €'000
Current tax:		
Irish corporation tax	187	124
	187	124
Deferred tax:		
Movement in deferred tax amounts for the year (Note 10(c))	20	(68)
Income tax expense (Note 10(b))	207	56

(b) Factors Affecting Tax Charge for the Year

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

	2013 €'000	2012 €'000
Profit for the year before taxation	1,918	3,566
Profit for the year multiplied by the standard rate of corporation tax in the Republic of Ireland of 12.5% (2012: 12.5%)	240	446
Effects of:		
Items not deductible for tax purposes	14	4
Income not taxable	(58)	(255)
Passive income taxed at a higher rate	–	2
Unutilised losses carried forward	–	–
Losses recognised	–	(149)
Other	11	8
Income tax expense (Note 10(a))	207	56

(c) Deferred Tax

Deferred tax at 31 December relates to the following:

	Consolidated balance sheet		Consolidated income statement	
	2013 €'000	2012 €'000	2013 €'000	2012 €'000
Deferred tax asset				
Arising on property, plant and equipment and intangible assets	117	137	20	(68)
	117	137	20	(68)

At 31 December 2013, there was unrecognised deferred tax assets of €23,000 (2012: €Nil) arising on intangible assets. There were no recognised or unrecognised deferred tax liabilities (2012: €Nil).

Notes to the Consolidated Financial Statements (continued)

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

	2013 €'000	2012 €'000
Profit after tax in the parent entity holding company amounted to	**16**	1,948

The Company is availing of the exemption set out in Section 148 (8) of the Companies Act 1963 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:

	2013 €	2012 €
Basic EPS	**€0.017**	€0.036
Diluted EPS	**€0.017**	€0.036

	2013 €'000	2012 €'000
Net profit attributable to equity holders of the parent	**1,711**	3,510

	2013 Numbers in thousands	2012 Numbers in thousands
Basic weighted average number of shares	**97,918**	96,171
Dilutive potential ordinary shares:		
Employee share options and warrants	**1,701**	4
Diluted weighted average number of shares	**99,619**	96,175

13 Adjusted Earnings per Ordinary Share

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

	2013 €	2012 €
Adjusted basic EPS	**€0.021**	€0.021
Adjusted diluted EPS	**€0.020**	€0.021

Adjusted net income is calculated as:

	2013 €'000	2012 €'000
Profit after tax	**1,711**	–
Gain on restructuring of loan	**–**	(1,835)
Share-based payments expense (credit)	**64**	(2)
Amortisation, net of tax	**241**	346
Redundancy costs, net of tax	**–**	22
	2,016	2,041

Reconciliation of reported operating loss across segments to earnings before interest, tax, depreciation and amortisation.

	2013 €'000	2012 €'000
Reported operating profit	**2,224**	2,049
Depreciation	**44**	46
Share-based payment expense/(credit)	**64**	(2)
Amortisation of intangible assets	**276**	413
EBITDA	**2,608**	2,506

14 Property, Plant & Equipment

	Computer hardware & equipment €'000	Leased equipment €'000	Fixtures & fittings €'000	**Total €'000**
Cost:				
At 1 January 2012	873	80	83	**1,036**
Additions	39	–	–	**39**
At 1 January 2013	912	80	83	**1,075**
Additions	94	–	–	**94**
At 31 December 2013	**1,006**	**80**	**83**	**1,169**
Depreciation:				
At 1 January 2012	825	80	74	**979**
Charge	38	–	8	**46**
At 1 January 2013	863	80	82	**1,025**
Charge	43	–	1	**44**
At 31 December 2013	**906**	**80**	**83**	**1,069**
Net book value:				
At 31 December 2013	**100**	**–**	**–**	**100**
At 31 December 2012	49	–	1	**50**

15 Intangible Assets

	Goodwill €'000	Software €'000	Other* €'000	**Total €'000**
Cost:				
At 1 January 2012	18,735	1,287	5,814	**25,836**
Additions	–	300	–	**300**
Disposals	–	–	–	**–**
At 1 January 2013	18,735	1,587	5,814	**26,136**
Additions	–	351	–	**351**
Disposals	–	–	–	**–**
At 31 December 2013	**18,735**	**1,938**	**5,814**	**26,487**
Amortisation:				
At 1 January 2012	12,670	905	5,814	**19,389**
Charge	–	413	–	**413**
At 1 January 2013	12,670	1,318	5,814	**19,802**
Charge	–	276	–	**276**
At 31 December 2013	**12,670**	**1,594**	**5,814**	**20,078**
Carrying value:				
At 31 December 2013	**6,065**	**344**	**–**	**6,409**
At 31 December 2012	6,065	269	–	**6,334**

The additions to software of €351,000 relates to third party costs of €51,000 and internally capitalised research and development costs of €300,000, net of a research and development tax credit of €38,000 (Note 7).

* Included in other intangible assets are assets such as databases, content management systems and web portals which were acquired through historical acquisitions.

16 Impairment of Goodwill

Goodwill arising from business combinations in prior years was tested for impairment at 31 December 2013. Based on this test, the Directors have determined that no impairment charge is required (2012: €Nil) in the year. Details regarding the underlying assumptions for the impairment review are laid out below.

The recoverable amount of the goodwill has been determined based on a value-in-use calculation using cash flow projections based on EBITDA less capitalised research and development costs from financial budgets approved by senior management covering a one year period which have been rolled on for a further four year period. The pre tax discount rate applied to cash flow projections is 13.9%.

Key Assumptions Used in Value-in-Use Calculations

The calculation of value-in-use for the Group is most sensitive to the following assumptions:

- projected cash flows for 2014 through to 2018; and
- discount rate.

Notes to the Consolidated Financial Statements (continued)

16 Impairment of Goodwill (continued)

Discount Rate
The discount rate reflects management's estimate of the risks specific to the Group. In determining the appropriate discount rate, management has considered the average cost of capital for the Group.

EBITDA
Forecast EBITDA estimates are principally based on management's experience of and expectation for the Group.

The principal assumption used within the cash flows is that EBITDA will grow at 3% per annum from FY2014 forecasted levels.

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

17 Trade and Other Receivables

	2013 €'000	2012 €'000
Trade receivables (a)	1,959	2,749
Prepayments	103	84
Research and development tax credits receivable (b)	162	294
	2,224	3,127

In the Directors' opinion the carrying value of the trade and other receivables balance approximately to its fair value at both 31 December 2013 and 31 December 2012.

(a) Trade Receivables
Trade receivables are non-interest bearing and are generally on 30 days terms. The amounts above represent the maximum credit exposure of the Group to customers.

As at 31 December 2013, there was an impairment provision of €114,000 (2012: €77,000) in respect of the trade receivable balance. Movements in the provision for impairment of receivables were as follows:

	2013 €'000	2012 €'000
At 1 January	77	52
Written off	–	(46)
Provided for during year	37	71
At 31 December	114	77

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
2013	1,959	1,808	–	94	38	19
2012	2,749	2,640	–	94	1	14

(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.

18 Cash and Cash Equivalents

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

	2013 €'000	2012 €'000
Cash at bank and deposits of less than 3 months maturity	2,747	1,222

The majority of the above cash balance is held with Irish financial institutions.

19 Issued Capital

	2013 €'000	2012 €'000
Authorised		
3,600,000,000 ordinary shares of €0.001 each	3,600	3,600

19 Issued Capital (continued)

	Numbers in thousands	€'000
Issued and fully paid		
At 1 January 2012	96,118	96
Issued for cash:		
On 21 December 2012	1,800	2
At 31 December 2012 and 2013	**97,918**	**98**

In December 2012, the Company issued 1,800,000 new ordinary shares to Pageant Holdings Limited ('Pageant') at a price of €0.03 per share. The Company also issued warrants to Pageant pursuant to which Pageant will be entitled to acquire an additional 1,533,333 new ordinary shares at a price of €0.03 per share for the period up to 30 June 2014 (Note 8).

20 Trade and Other Payables

	2013 €'000	2012 €'000
Trade payables and accruals	**3,149**	3,727
PAYE/PRSI	**186**	143
VAT payable	**94**	197
	3,429	4,067

In the opinion of the Directors' the carrying value of the trade and other payables balance approximates to its fair value at both 31 December 2013 and 31 December 2012.

21 Loans and Borrowings

	2013			2012		
	Effective rate %	**Maturity**	**Loan balance €'000**	Effective rate %	Maturity	Loan balance €'000
Current	**5.77%**	**2014**	**256**	25%	2013	1,084
Non-current	**5.77%**	**2016**	**352**	–	–	–

The loan outstanding at 31 December 2013 is due to Bank of Ireland and is secured by a first debenture over the assets of zamano plc and each material subsidiary. The Bank of Ireland loan was drawn down during the current year. The loan balance as at 31 December 2012 was due to Pageant Holdings Limited, a related party undertaking (refer to Note 23).

22 Commitments and Contingencies

Government grants of €1,086,507 (2012: €1,086,507) may become repayable in the event that certain grant conditions are not adhered to.

The Group leases its premises under a non-cancellable lease agreement which expires in June 2014.

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

	2013 €'000	2012 €'000
Less than one year	**43**	86
Between one and five years	**–**	43
	43	129

23 Related Party Disclosures

Compensation of key management

	2013 €'000	2012 €'000
Short-term employee benefits	**673**	666
Share-based payments	**64**	(2)
Pension benefits	**10**	8
	747	672

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.

Related Party Transactions

During the year ended 31 December 2013, the Group made payments totalling €1,264,500 to Pageant Holdings Limited ('Pageant'). The payments were made to discharge an existing loan due to Pageant which was drawn down in December 2012. Pageant holds 29.35% of the issued share capital of the company as at 31 December 2013. Peter Furlong is a common director to both companies.

The amounts paid to Pageant discharged the liability due under this loan agreement except for an amount of €46,000 which remains outstanding as at 31 December 2013.

Notes to the Consolidated Financial Statements (continued)

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. The Group's policy is to manage its interest expense where possible. Details of debt balances held are set out in Note 21.

The following table demonstrates the sensitivity to a reasonably 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
2013	**+100 basis points**	**(3)**
	-100 basis points	**3**
2012	+100 basis points	(28)
	-100 basis points	28

Foreign Currency Risk

As a result of its activities in the United Kingdom and United States, the Group's balance sheet can be affected by movements in the UK£/Euro and Euro/US$ exchange rates. 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 2013 and 31 December 2012, those exposures were as follows:

	31 December 2013				31 December 2012			
	Trade receivables €'000	**Cash €'000**	**Trade payables €'000**	**Total €'000**	Trade receivables €'000	Cash €'000	Trade payables €'000	Total €'000
GBP	**1,010**	**328**	**(966)**	**372**	1,415	285	(895)	805
USD	**39**	**631**	**(127)**	**543**	146	205	(30)	321
	1,049	**959**	**(1,093)**	**915**	1,561	490	(925)	1,126

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

	Increase/decrease in US$ rate	Effect on profit before tax €'000	Effect equity €'000	Increase/decrease in UK £ rate	Effect on profit before tax	Effect equity
2013	**+10%**	**54**	**54**	**+10%**	**(34)**	**(34)**
	-10%	**(54)**	**(54)**	**-10%**	**41**	**41**
2012	+10%	36	36	+10%	90	73
	-10%	(29)	(29)	-10%	(73)	(65)

Credit Risk

Credit exposures for the Group's financial assets are explained in Notes 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 cash flows 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 2013

	On demand €'000	Less than 12 months €'000	1 to 2 years €'000	**Total €'000**
Interest-bearing loans and borrowings	–	291	364	**655**
Trade and other payables	3,429	–	–	**3,429**
	3,429	291	364	**4,084**

At 31 December 2012

	On demand €'000	Less than 12 months €'000	1 to 2 years €'000	Total €'000
Interest-bearing loans and borrowings	–	1,334	–	1,334
Trade and other payables	4,067	–	–	4,067
	4,067	1,334	–	5,401

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 2013, as the Group drew down on a new facility during the year ended 31 December 2013.

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 debt 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 2013, the net cash ratio was 29% (2012: 2.5%).

	2013 €'000	2012 €'000
Loans and borrowings	**(608)**	(1,084)
Cash and cash equivalents	**2,747**	1,222
Net cash	**2,139**	138
Equity	**7,369**	5,596
Net cash ratio	**29%**	2.5%

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 4 March 2014.

Company Balance Sheet at 31 December 2013

	Notes	2013 €'000	2012 €'000
Fixed assets			
Financial assets	2	**12,101**	12,037
Current assets			
Debtors			
– within one year	3	**19**	8
– after more than one year	3	**5,976**	5,938
		5,995	5,946
Creditors (amounts falling due within one year)	4	**(375)**	(1,131)
Net current assets		**5,620**	4,815
Total assets less current liabilities		**17,721**	16,852
Creditors (amounts falling due after more than one year)	5	**(19,373)**	(18,584)
Net liabilities		**(1,652)**	(1,732)
Capital and reserves			
Called up share capital	7	**98**	98
Share premium	7	**13,494**	13,494
Capital conversion reserve	7	**1**	1
Profit and loss account	7	**(15,545)**	(15,561)
Share-based payment reserve	7	**300**	236
Shareholders' deficit	7	**(1,652)**	(1,732)

On behalf of the Board

Ross Conlon
Director

John Rockett
Director

Notes to the Company Balance Sheet

1 Accounting Policies

Basis of Preparation

The Company financial statements are prepared under the historical cost convention in accordance with the Companies Acts 1963 to 2013 and Generally Accepted Accounting Practice in the Republic of Ireland ('Irish GAAP'), comprising applicable law and the accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland. The Company has availed of the exemption not to publish a Company only profit and loss account as the Company financial statements are presented with consolidated financial statements which include the Group income statement. Details of the Company only profit for the year are disclosed in Note 11 to the consolidated financial statements.

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.

Cash Flow Statement

Under FRS1 'Cash Flow Statements', the Company is exempt from preparing a cash flow statement as its cash flows are included in the Group cash flow statement, as presented in the consolidated financial statements.

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.

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

	2013 €'000	2012 €'000
Investments in Group companies		
As at 1 January	**12,037**	12,039
Share option charge/(credit) in relation to employees of subsidiaries	**64**	(2)
As at 31 December	**12,101**	12,037

The principal operating 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% added services and technology	Provision of mobile data value	1
zamano Limited	100% and consultancy services	Provision of mobile messaging	2
Red Circle Technologies Limited	100% to mobile devices	Provision of digital environment	1

1. 23 Shelbourne Road, Ballsbridge, Dublin 4.
2. Eversheds House, 70 Great Bridgewater Street, Manchester, M15ES.

Notes to the Company Balance Sheet (continued)

3 Debtors

	2013 €'000	2012 €'000
Amounts falling due within one year		
Trade debtors and prepayments	**13**	2
Corporation tax	**6**	6
	19	8
Amounts falling due after more than one year		
Amounts owed by subsidiary undertakings	**5,976**	5,938
	5,995	5,946

Amounts owed by subsidiary undertakings are interest free and repayable after more than one year.

4 Creditors – Amounts Due Within One Year

	2013 €'000	2012 €'000
Trade creditors and accruals	**119**	27
Borrowings (Note 6)	**256**	1,084
Corporation tax payable	**–**	20
	375	1,131

5 Creditors – Amounts Falling Due After More Than One Year

	2013 €'000	2012 €'000
Amounts owed to subsidiary undertakings	**19,021**	18,584
Long-term borrowings (Note 6)	**352**	–
	19,373	18,584

Amounts owed to subsidiary undertakings are interest free and repayable after more than one year.

6 Long-term 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 Reconciliation of Movements in Shareholders' Deficit

	Share capital €'000	Share premium €'000	Capital conversion reserve €'000	Profit and loss account €'000	Share-based payment and warranty reserve €'000	Total shareholders' deficit €'000
At 1 January 2013	98	13,494	1	(15,561)	236	(1,732)
Share capital issued	–	–	–	–	–	–
Profit for the year	–	–	–	16	–	16
Transfer of share option reserve	–	–	–	–	–	–
Share-based payment	–	–	–	–	64	64
At 31 December 2013	**98**	**13,494**	**1**	**(15,545)**	**300**	**(1,652)**

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 5 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 4 March 2014.

Business at the Annual General Meeting to be held on 6 August 2014

Ordinary Business

Resolution 1 – Financial Statements
The Directors' report and financial statements for the year ended 31 December 2013 accompany this notice of meeting.

Resolution 2 and 3 – Directors
The Board recommends the re-election of John Rockett and Peter Furlong, retiring by rotation. Further information about John Rockett and Peter Furlong is given on page 6.

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. This authority will expire at the conclusion of the next Annual General Meeting following this meeting or on 6 November 2015, whichever is the earlier.

Resolution 7 – Pre-emption
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 issued share capital of the Company at the date of the meeting. This authority will expire at the conclusion of the next Annual General Meeting following this meeting or on 6 November 2015, whichever is the earlier.

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 29,129,962 ordinary shares comprising 29.75% 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 6 August 2014 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 Resolution 7 will be proposed as a Special Resolution.

1. To receive and adopt the financial statements for the year ended 31 December 2013 and the reports of the Directors and auditors thereon.
2. To re-elect as a Director John Rockett, who retires by rotation in accordance with article 84 of the Articles of Association.
3. To re-elect as a Director Peter Furlong, who returns in accordance with article 84 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 20 of the Companies (Amendment) Act 1983) 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 6 November 2015, 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 23 of the Companies (Amendment) Act 1983 (including, without limitation, any shares purchased by the Company pursuant to the provisions of the Companies Act, 1990 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 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 6 November 2015, 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.

By order of the Board

Michael Connolly
Company Secretary
23 Shelbourne Road
Ballsbridge
Dublin 4
27 June 2014

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 it is 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, this 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.
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 Regulation 14 of the Companies Act 1990 (Uncertificated Securities) Regulations 1996, only those shareholders on the Register of Shareholders at 6.00pm on 4 August 2014 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 Shareholders 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.
11. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35 (5) (a) of the Companies Act 1990 (Uncertificated Securities) Regulations 1996.

Directors and Other Information

Directors
John Rockett (Non-Executive Chairman)
Ross Conlon (Chief Executive Officer)
Colin Tucker (UK) (Non-Executive)
Pat Landy (Non-Executive)
Peter Furlong (Non-Executive)

Secretary
Michael Connolly

Bankers
Bank of Ireland

Solicitors
Eversheds
1 Earlsfort Centre
Earlsfort Terrace
Dublin 2

Auditor
KPMG
1 Stokes Place
St. Stephen's Green
Dublin 2

Registered Office
23 Shelbourne Road
Ballsbridge
Dublin 4

Nominated Advisor and Broker – AIM
Cenkos Securities plc
6.7.8 Tokenhouse Yard
London EC2R 6AS

Nominated Advisor and Broker – ESM
Investec
The Harcourt Building
Harcourt Street
Dublin 2

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