

THEOREM EMEA PVT. LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019



THEOREM EMEA PVT. LIMITED
REGISTERED NUMBER:06413401

BALANCE SHEET
AS AT 31 MARCH 2019

	Note	£	2019 £	£	2018 £
Fixed assets					
Tangible assets	4		-		63,783
Current assets					
Debtors: amounts falling due within one year	6	567,043		1,058,048	
Cash at bank and in hand	7	136,792		49,245	
		<u>703,835</u>		<u>1,107,293</u>	
Creditors: amounts falling due within one year	8	(1,451,204)		(1,801,088)	
Net current liabilities			<u>(747,369)</u>		<u>(693,795)</u>
Total assets less current liabilities			<u>(747,369)</u>		<u>(630,012)</u>
Provisions for liabilities					
Deferred tax		-		(5,965)	
Net liabilities			<u>(747,369)</u>		<u>(635,977)</u>
Capital and reserves					
Called up share capital	9		1		1
Profit and loss account			<u>(747,370)</u>		<u>(635,978)</u>
			<u>(747,369)</u>		<u>(635,977)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

13 December 2019

Sanjay Kulkarni
Director

The notes on pages 2 to 8 form part of these financial statements.

THEOREM EMEA PVT. LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

The principal activity of the company during the period was that of a digital marketing company.

The company is a private company limited by shares and is registered in England and Wales. The address of its registered office is Elsley Court, 20-22 Great Titchfield Street, London, W1W 8BE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

2.2 Going concern

The company remains in a net liability position, and incurred a loss of £100,624 in the year under review.

The wider group, of which Theorem EMEA Pvt. Limited is a part, has undergone extensive strategic review and restructuring over the last year in order to identify cost savings and streamline the focus of the core business back to those revenue streams with greater margin and growth potential. As part of this exercise, the company incurred exceptional one-off costs in the year totalling £158,005 (2018 - £NIL) that are included in the loss recorded.

Over the year, the group has also worked to ensure bank financing and facilities are available and related covenants have been met. In addition to this, Theorem Inc., the parent company, has committed to support the company for a period of not less than one year from the date of signing the financial statements.

As a result of the strategic review and restructuring, the group and the company's director believe that the company will be in a position to meet its liabilities as and when they fall due. On this basis, the director considers it appropriate to prepare the financial statements on a going concern basis.

2.3 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is pound sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.4 Turnover

Turnover represents amounts receivable for digital marketing and advisory services net of VAT and is recognised when the services are performed.

2.5 Operating leases

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

2.6 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold improvements	- 7 years straight line
Computer equipment	- 5 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.12 Creditors

Short term creditors are measured at the transaction price.

2.13 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the discounted amount of the cash or other

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**NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.13 Financial instruments (continued)

consideration expected to be paid or received.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 6 (2018 - 7).

4. Tangible fixed assets

	Long-term leasehold property £	Computer equipment £	Total £
Cost			
At 1 April 2018	75,213	14,990	90,203
Disposals	(75,213)	(14,990)	(90,203)
At 31 March 2019	-	-	-
At 1 April 2018	19,458	6,962	26,420
Charge for the year	10,745	2,408	13,153
Disposals	(30,203)	(9,370)	(39,573)
At 31 March 2019	-	-	-
Net book value			
At 31 March 2019	-	-	-
At 31 March 2018	55,755	8,028	63,783

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 April 2018	2,098,287
At 31 March 2019	2,098,287
Impairment	
At 1 April 2018	2,098,287
At 31 March 2019	2,098,287
Net book value	
At 31 March 2019	-
At 31 March 2018	-

In the prior year, the director impaired the company's investment in its subsidiary, as it is the intention of the subsidiary to cease trading.

6. Debtors

	2019 £	2018 £
Trade debtors	127,827	437,289
Other debtors	436,915	527,047
Prepayments and accrued income	2,301	93,712
	567,043	1,058,048

7. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	136,792	49,245

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**NOTES TO THE FINANCIAL STATEMENTS
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8. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	9,806	19,092
Amounts owed to group undertakings	1,296,114	1,422,410
Corporation tax	82,995	24,414
Other taxation and social security	40,714	153,106
Other creditors	813	121,638
Accruals and deferred income	20,762	60,428
	<u>1,451,204</u>	<u>1,801,088</u>

9. Share capital

	2019	2018
	£	£
Allotted, called up and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

There is a single class of ordinary share. There are no restrictions on the distribution of dividends and the repayment of capital.

10. Commitments under operating leases

At 31 March 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Not later than 1 year	-	146,522
Later than 1 year and not later than 5 years	-	586,088
Later than 5 years	-	293,044
	<u>-</u>	<u>1,025,654</u>

During the year the company cancelled its lease at 5th Floor, 15-19 Cavendish Place, London, W1G 0QE.

11. Related party transactions

No disclosure has been made of transactions with other wholly owned group companies in accordance with FRS 102 Section 1A paragraph 1AC.35.

The parent of the smallest group of which the company is a member and for which group accounts are prepared is Theorem Inc., a company registered in Delaware. Its registered office is 26 Main Street, 3rd Floor, Chatham, NJ 07928.

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Auditor's information

The audit report provided to the members of Theorem EMEA PVT. Limited on the financial statements for the year ended 31 March 2019 was not modified, although attention was drawn to the material uncertainty related to going concern which is disclosed in note 2.2 to the financial statements.

The audit report was signed by Marc Voulters (Senior Statutory Auditor) for and on behalf of SRLV Audit Limited.