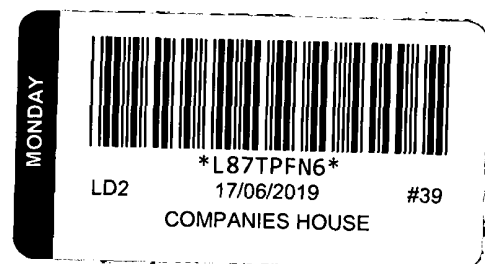


**THEOREM EMEA PVT. LIMITED**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2018**



**THEOREM EMEA PVT. LIMITED**  
**REGISTERED NUMBER:06413401**

**BALANCE SHEET**  
**AS AT 31 MARCH 2018**

|  | Note | 2018<br>£          | 2018<br>£        | 2017<br>£          | 2017<br>£        |
|--|------|--------------------|------------------|--------------------|------------------|
| <b>Fixed assets</b>                            |      |                    |                  |                    |                  |
| Tangible assets                                | 4    |                    | <b>63,783</b>    |                    | 76,936           |
| Investments                                    | 5    |                    | -                |                    | 2,098,287        |
|  |      |                    | <b>63,783</b>    |                    | <b>2,175,223</b> |
| <b>Current assets</b>                          |      |                    |                  |                    |                  |
| Debtors: amounts falling due within one year   | 6    | <b>1,058,048</b>   |                  | 1,104,795          |                  |
| Cash at bank and in hand                       | 7    | <b>49,245</b>      |                  | 29,646             |                  |
|  |      | <b>1,107,293</b>   |                  | <b>1,134,441</b>   |                  |
| Creditors: amounts falling due within one year | 8    | <b>(1,801,088)</b> |                  | <b>(2,089,252)</b> |                  |
| <b>Net current liabilities</b>                 |      |                    | <b>(693,795)</b> |                    | <b>(954,811)</b> |
| <b>Total assets less current liabilities</b>   |      |                    | <b>(630,012)</b> |                    | <b>1,220,412</b> |
| <b>Provisions for liabilities</b>              |      |                    |                  |                    |                  |
| Deferred tax                                   |      | <b>(5,965)</b>     |                  | -                  |                  |
|  |      |                    | <b>(5,965)</b>   |                    | -                |
| <b>Net (liabilities)/assets</b>                |      |                    | <b>(635,977)</b> |                    | <b>1,220,412</b> |
| <b>Capital and reserves</b>                    |      |                    |                  |                    |                  |
| Called up share capital                        | 9    |                    | <b>1</b>         |                    | <b>1</b>         |
| Profit and loss account                        |      |                    | <b>(635,978)</b> |                    | <b>1,220,411</b> |
|  |      |                    | <b>(635,977)</b> |                    | <b>1,220,412</b> |

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 14 June 2019.

**Sanjay Kulkarni**  
Director

The notes on pages 2 to 7 form part of these financial statements.

## **THEOREM EMEA PVT. LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

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#### **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 principal place of business is 5th Floor, 15-19 Cavendish Place, London, W1G 0QE.

#### **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 has made a loss in year and has net current liabilities at the year end. As at 31 March 2018, the parent of the group, Theorem Inc., was not in compliance with certain financial covenants contained in its lines of credit and long term debt obligation agreements. The assets of the company are held as security on these loans, therefore raising doubt for the company to continue as a going concern.

Theorem Inc. has completed negotiations with its lenders to obtain a forbearance agreement, indicating that the lender will not exercise remedies available to them with regard to the default. The forbearance agreement will end with the final payment due from Theorem Inc. in October 2019. A report provided to the lenders regarding the group's core business has given them confidence in the group's ability to recover.

In addition, Theorem Inc. has committed to support the company for a period of not less than one year from the date of signing the financial statements. On this basis, the director considers it appropriate to prepare the financial statements on the 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 profit and loss account.

##### **2.4 Turnover**

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

## THEOREM EMEA PVT. LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 2. Accounting policies (continued)

##### 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 profit and loss account 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.

## THEOREM EMEA PVT. LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 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 profit or loss 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. Other financial liabilities are measured initially at fair value and are measured subsequently at amortised cost using the effective interest method.

##### 2.13 Financial instruments

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

**THEOREM EMEA PVT. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**2. Accounting policies (continued)**

**2.13 Financial instruments (continued)**

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 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 7 (2017 -8).

**4. Tangible fixed assets**

|                       | Long-term<br>leasehold<br>property<br>£ | Computer<br>equipment<br>£ | Total<br>£ |
|-----------------------|---|----------------------------|------------|
| <b>Cost</b>           |   |                            |            |
| At 1 April 2017       | 75,213                                  | 14,990                     | 90,203     |
| At 31 March 2018      | 75,213                                  | 14,990                     | 90,203     |
| <b>Depreciation</b>   |   |                            |            |
| At 1 April 2017       | 8,713                                   | 4,554                      | 13,267     |
| Charge for the year   | 10,745                                  | 2,408                      | 13,153     |
| At 31 March 2018      | 19,458                                  | 6,962                      | 26,420     |
| <b>Net book value</b> |   |                            |            |
| At 31 March 2018      | 55,755                                  | 8,028                      | 63,783     |
| At 31 March 2017      | 66,500                                  | 10,436                     | 76,936     |

**THEOREM EMEA PVT. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**5. Fixed asset investments**

|                     | <b>Investments<br/>in subsidiary<br/>companies<br/>£</b> |
|---------------------|--|
| At 1 April 2017     | <b>2,098,287</b>   |
| Amounts written off | <b>(2,098,287)</b>                                       |
| At 31 March 2018    | <b>-</b>   |

The directors have impaired the company's investment in its subsidiary, as it is the intention of the subsidiary to cease trading.

**6. Debtors**

|                                | <b>2018<br/>£</b> | <b>2017<br/>£</b> |
|--------------------------------|-------------------|-------------------|
| Trade debtors                  | <b>437,289</b>    | 368,419           |
| Other debtors                  | <b>527,047</b>    | 566,887           |
| Prepayments and accrued income | <b>93,712</b>     | 169,489           |
|                                | <b>1,058,048</b>  | 1,104,795         |

**7. Cash and cash equivalents**

|                          | <b>2018<br/>£</b> | <b>2017<br/>£</b> |
|--------------------------|-------------------|-------------------|
| Cash at bank and in hand | <b>49,245</b>     | 29,646            |

**8. Creditors: Amounts falling due within one year**

|                                    | <b>2018<br/>£</b> | <b>2017<br/>£</b> |
|------------------------------------|-------------------|-------------------|
| Trade creditors                    | <b>19,092</b>     | 37,868            |
| Amounts owed to group undertakings | <b>1,422,410</b>  | 1,704,969         |
| Corporation tax                    | <b>24,414</b>     | 602               |
| Other taxation and social security | <b>153,106</b>    | 56,638            |
| Other creditors                    | <b>121,638</b>    | 220,173           |
| Accruals and deferred income       | <b>60,428</b>     | 69,002            |
|                                    | <b>1,801,088</b>  | 2,089,252         |

## THEOREM EMEA PVT. LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

#### 9. Share capital

|   | 2018<br>£ | 2017<br>£ |
|---|-----------|-----------|
| <b>Shares classified as equity</b>        |           |           |
| <b>Allotted, called up and fully paid</b> |           |           |
| 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 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

|  | 2018<br>£               | 2017<br>£        |
|--|-------------------------|------------------|
| Not later than 1 year                        | <b>146,522</b>          | 146,522          |
| Later than 1 year and not later than 5 years | <b>586,088</b>          | 586,088          |
| Later than 5 years                           | <b>293,044</b>          | 439,566          |
|  | <u><b>1,025,654</b></u> | <u>1,172,176</u> |

#### 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.

#### 12. Auditors' information

The audit report provided to the members of Theorem EMEA PVT. Limited on the financial statements for the year ended 31 March 2018 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.