

THEOREM EMEA PVT. LTD

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**



THEOREM EMEA PVT. LTD
REGISTERED NUMBER:06413401

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Current assets			
Debtors: amounts falling due within one year	4	203,500	143,733
Cash at bank and in hand	5	129,884	66,147
		<u>333,384</u>	<u>209,880</u>
Creditors: amounts falling due within one year	6	(915,889)	(1,049,415)
Net current liabilities		<u>(582,505)</u>	<u>(839,535)</u>
Total assets less current liabilities		<u>(582,505)</u>	<u>(839,535)</u>
Net liabilities		<u>(582,505)</u>	<u>(839,535)</u>
Capital and reserves			
Called up share capital	7	1	1
Profit and loss account		(582,506)	(839,536)
		<u>(582,505)</u>	<u>(839,535)</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 4 January 2022

Sanjay Kulkarni

Sanjay Kulkarni
Director

The notes on pages 2 to 6 form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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.

The following principal accounting policies have been applied:

2.2 Going concern

The company remains in a net liability position. It made a profit of £257,030 in the year under review.

The wider group, of which Theorem EMEA Pvt. Ltd is a part, had undergone an extensive strategic review and restructuring in 2019 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.

Over the year, the group has also worked to continue 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.

The director is assessing, on a daily basis, the impact of the significant uncertainty arising from the COVID-19 virus. The director appreciates that there is significant uncertainty surrounding the future economic climate. He has considered the position of the company as at the period end as well as at the date of signature of 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

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 profit or loss.

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 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.

2.6 Taxation

Tax is recognised in profit or loss 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.

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. 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 2021**

2. Accounting policies (continued)

2.7 Debtors

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

2.8 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.

2.9 Creditors

Short term creditors are measured at the transaction price.

2.10 Financial instruments

The company only enters into basic financial instrument 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 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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3. Employees

The average monthly number of employees, including directors, during the year was 4 (2020 - 3).

4. Debtors

	2021 £	2020 £
Trade debtors	170,775	142,480
Amounts owed by group undertakings	31,448	-
Other debtors	3	2
Prepayments and accrued income	1,274	1,251
	<u>203,500</u>	<u>143,733</u>

5. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>129,884</u>	<u>66,147</u>

6. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	-	4,577
Amounts owed to group undertakings	828,920	993,235
Corporation tax	36,131	-
Other taxation and social security	36,206	37,491
Other creditors	2,132	2,112
Accruals	12,500	12,000
	<u>915,889</u>	<u>1,049,415</u>

7. Share capital

	2021 £	2020 £
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.

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8. Contingent liabilities

The parent company, Theorem Inc., was previously advanced facilities from its bank. These bank facilities are secured by way of a fixed and floating charge over all present and future assets of the company.

9. 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 as the company is a wholly owned subsidiary of Theorem Inc.

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

10. Auditor's information

The audit report provided to the member of Theorem EMEA Pvt. Limited on the financial statements for the year ended 31 March 2021 was not modified, although attention was drawn to the material uncertainty related to going concern which was 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.