

**eMERIT SOLUTIONS (UK) LTD**  
**ANNUAL REPORT**  
**for the year ended 30 June 2015**

Registration number: 07741101

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The Directors present their report and the audited financial statements of eMerit Solutions (UK) Ltd for the year ended 30 June 2015 (2014: period from 1st September 2013 to 30 June 2014).

The company's registered number is 07741101. The registered office is 95 Gresham Street, London EC2V 7NA.

The Company has adopted Financial Reporting Standards 101, 'Reduced Disclosure Framework' ("FRS 101") in preparing these financial statements. Further information regarding the transition from old UK generally accepted accounting practice ("UK GAAP") is presented in notes 2 and 9 of the financial statements.

**Principal activities, review of the business and position of the Company at the financial year end**

The company has not traded during the year or in the prior period. It is the intention of the Directors that the company will remain non-trading. The Company released £64 to the profit and loss account during the current financial year as a result of settling intercompany balances on the termination of the Company's trade.

The Directors do not recommend the payment of a dividend (2014: £nil). The financial position of the Company at 30 June 2015 is set out on page 6.

**Financial risk management**

The Company is non-trading and has no assets or liabilities. There is no exposure to financial risk.

**Directors**

The Directors who served during the year and up to date of signing the financial statements were as follows:

T Spurgeon  
R Waller

**Directors' indemnities**

During the year, the company has maintained liability insurance in respect of its Directors and Officers. Further, subject to the provisions of the Companies Act 2006, the company's Articles of Association provide that the Directors are entitled to be indemnified against certain liabilities incurred in the execution or discharge of his or her duties.

**Statement of Directors' responsibilities**

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditors**

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Re-appointment of Independent Auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue and a resolution that they be reappointed was passed at a meeting of the Board of Directors.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Board



**T Spurgeon**

Director

14 March 2016

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## Report on the financial statements

### Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 30 June 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### What we have audited

The financial statements, included within the Annual Report, comprise:

- the Statement of Financial Position as at 30 June 2015;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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### Other matters on which we are required to report by exception

#### Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

#### Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

#### Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

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**Responsibilities for the financial statements and the audit**

**Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK & Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). 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 company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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



Nigel Reynolds (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

14 March 2016

**STATEMENT OF COMPREHENSIVE INCOME**  
 for the year ended 30 June 2015

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|  |   | Year ended<br>30 June<br>2015<br>£ | Period ended<br>30 June<br>2014<br>£ |
|--|---|------------------------------------|--------------------------------------|
| Administrative expenses  |   | 64                                 | -                                    |
| <b>Profit/result on ordinary activities before income tax</b>          | 4 | 64                                 | -                                    |
| Income tax expense on ordinary activities                              |   | -                                  | -                                    |
| <b>Profit/result for the financial year/period</b>                     |   | 64                                 | -                                    |
| Other comprehensive income   |   | -                                  | -                                    |
| <b>Total comprehensive income/result for the financial year/period</b> |   | 64                                 | -                                    |

All amounts derive from continuing operations.

There is no difference between the profit/result on ordinary activities before income tax and the total comprehensive income/result for the financial year/period stated above and their historical cost equivalents.

**STATEMENT OF FINANCIAL POSITION**  
 as at 30 June 2015

|   | Note | 30 June<br>2015<br>£ | 30 June<br>2014<br>£ |
|---|------|----------------------|----------------------|
| <b>Current assets</b>                                 |      |                      |                      |
| Cash at bank and in hand                              |      | -                    | 993                  |
|   |      | -                    | 993                  |
| <b>Creditors: amounts falling due within one year</b> |      |                      |                      |
| Amounts owed to group undertakings                    |      | -                    | (1,057)              |
| <b>Net current liabilities</b>                        |      | -                    | (64)                 |
| <b>Total assets less current liabilities</b>          |      | -                    | (64)                 |
| <b>Net liabilities</b>                                |      | -                    | (64)                 |
| <b>Equity</b>   |      |                      |                      |
| Called up share capital                               | 6    | 1                    | 1                    |
| Accumulated losses                                    |      | (1)                  | (65)                 |
| <b>Total shareholders' deficit</b>                    |      | -                    | (64)                 |

The notes on pages 8 to 10 are an integral part of these financial statements.

The financial statements on pages 5 to 10 were approved by the Board of Directors on 14 March 2016 and signed on its behalf by:

  
**T Spurgeon**  
 Director

eMerit Solutions (UK) Ltd  
 Registered number: 07741101

14 March 2016

**STATEMENT OF CHANGES IN EQUITY**  
 for the year ended 30 June 2015

|   | Called up<br>share<br>capital<br>£ | Accumulated<br>losses<br>£ | Total<br>shareholders'<br>deficit<br>£ |
|---|------------------------------------|----------------------------|--|
| As at 1 September 2013  | 1                                  | (65)                       | (64)                                   |
| Result for the financial period and total<br>comprehensive income | -                                  | -                          | -                                      |
| <b>As at 30 June 2014</b>   | <b>1</b>                           | <b>(65)</b>                | <b>(64)</b>                            |
| As at 1 July 2014   | 1                                  | (65)                       | (64)                                   |
| Profit for the financial year and total<br>comprehensive income   | -                                  | 64                         | 64                                     |
| <b>As at 30 June 2015</b>   | <b>1</b>                           | <b>(1)</b>                 | <b>-</b>                               |

All equity is attributable to the owners of the Company.



**1 General information**

eMerit Solutions (UK) Ltd is a private limited company and is incorporated and domiciled in the United Kingdom. The address of its registered office is 95 Gresham Street, London EC2V 7NA.

The Company is non-trading.

These financial statements are presented in pounds sterling, which is the functional currency. Items within the financial statements are rounded to the nearest pound.

**2 Summary of significant accounting policies**

The financial statements of the Company until 30 June 2014 had been prepared in accordance with previous UK Generally Accepted Accounting Practice (UK GAAP). These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) for the first time. Descriptions of the effect of the transition from previous UK GAAP to FRS 101 on the Company's equity and results are given in note 9. None of the mandatory exceptions or optional exemptions from full retrospective application of IFRS were applicable to the Company.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**2.1 Basis of preparation**

The financial statements of the Company have been prepared on a going concern basis in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in preparation of these financial statements, in accordance with FRS 101.

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - (i) paragraph 79(a)(iv) of IAS 1;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (statement of cash flows),
  - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
  - 16 (statement of compliance with all IFRS),
  - 38A (requirement for minimum of two primary statements, including cash flow statements),
  - 38B-D (additional comparative information),
  - 40A-D (requirements for a third statement of financial position),
  - 111 (cash flow statement information), and
  - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

**2 Summary of significant accounting policies (continued)****2.2 Changes in accounting policy and disclosures***New and amended standards adopted by the Company:*

The Company has adopted Financial Reporting Standards 101, 'Reduced Disclosure Framework' (FRS 101) in the preparation of these financial statements. During the financial year the Company has adopted Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income, and IFRS 13, 'Fair value measurement', and these standards do not have a material impact on these financial statements.

**2.3 Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

**2.4 Share Capital**

Ordinary shares are classified as equity at nominal value.

**3 Critical accounting estimates and judgements**

The preparation of the financial statements requires the Company to make estimates, judgements and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. The Directors base their estimates on historical experience and various other assumptions that they believe are reasonable under the circumstances, the results of which form the basis for making judgements about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. There are no critical accounting estimates and judgements relevant to the preparation of these financial statements.

**4 Profit/result on ordinary activities before income tax**

Emoluments for the directors of the company are paid by another group undertaking. No amount has been recharged to the company during the year (2014: £nil) on the basis that the amount attributable to the company is negligible.

The company had no other employees during the year (2014: nil).

The cost of the annual return fee was borne by another group undertaking without any right of reimbursement.

**5 Income tax expense on ordinary activities**

|   | Year ended<br>30 June<br>2015<br>£ | Period ended<br>30 June<br>2014<br>£ |
|---|------------------------------------|--------------------------------------|
| <i>Recognised in the profit and loss account:</i> |                                    |                                      |
| UK corporation tax                                | -                                  | -                                    |
| Deferred tax                                      | -                                  | -                                    |
| <b>Total tax charge for the year/period</b>       | <b>-</b>                           | <b>-</b>                             |

*Reconciliation of effective tax rate:*

The tax assessed is lower (2014 - the same) than that resulting from applying the standard rate of UK corporation tax of 20.75% (2014 - 22.40%).

|  | Year ended<br>30 June<br>2015<br>£ | Period ended<br>30 June<br>2014<br>£ |
|--|------------------------------------|--------------------------------------|
| Profit/result on ordinary activities before income tax | 64                                 | -                                    |
| Tax at 20.75% (2014: 22.40%) thereon                   | 13                                 | -                                    |
| <i>Effects of:</i>                                     |                                    |                                      |
| Tax effect of group relief                             | (13)                               | -                                    |
| <b>Total tax charge for the year/period</b>            | <b>-</b>                           | <b>-</b>                             |

At 30 June 2015, the Company had no unrecognised deferred tax asset (2014: £nil).

**6 Called up share capital**

|   | 2015 | 2014 |
|---|------|------|
|   | £    | £    |
| Allotted, called up and fully paid                                |      |      |
| 100 Ordinary shares of £0.01 (2014: 100 Ordinary shares of £0.01) | 1    | 1    |

**7 Related party transactions**

The company is a wholly owned subsidiary of Monitise plc and has taken advantage of the exemption contained in IAS 24 'Related party disclosures'. It has therefore not disclosed transactions or balances with other entities within the Monitise Group which are also wholly owned.

**8 Ultimate parent company and controlling party**

The immediate parent company undertaking is eMerit Solutions Ltd.

The ultimate parent company and controlling party, and the smallest and largest group for which group financial statements are prepared is Monitise plc, a company incorporated in England and Wales, the financial statements of which can be obtained from the Registered Office, 95 Gresham Street, London, EC2V 7NA.

**9 Transition to FRS 101**

The Company previously prepared its financial statements in accordance with United Kingdom generally accepted accounting practice (UK GAAP). These financial statements, for the period ended 30 June 2015, are the first the Company has prepared in accordance with FRS 101. Accordingly, the Company has prepared individual financial statements which comply with FRS 101 applicable for periods beginning on or after 1 September 2012 and the significant accounting policies meeting those requirements are described in the relevant notes.

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 August 2013, the Company's date of transition to FRS101, and made those changes in accounting policies and other restatements required for the first-time adoption of FRS 101. On transition to FRS 101, the company has applied the requirements of paragraphs 6-33 of IFRS 1 "First time adoption of International Financial Reporting Standards".

There have been no adjustments necessary to the financial statements for the year ended 31 August 2013 and the period ended 30 June 2014 as a result of the restatement from UK GAAP to FRS 101.