

eMERIT SOLUTIONS (UK) LIMITED

**ANNUAL REPORT
for the period ended 30 June 2014**

Registration number: 07741101

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The Directors present their report and the audited financial statements of eMerit Solutions (UK) Ltd (the "Company") for the period from 1st September 2013 to 30 June 2014 (2013: year ended 31 August 2013).

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

Principal activity

The Company has not traded during the year. Details of the results are set out in the profit and loss account on page 5.

Review of the business

The result for the financial period is £nil (2013: loss £63). The Directors do not recommend the payment of a dividend (2013: £nil).

It is the intention of the Directors that the Company will become dormant in the near future.

Directors

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

T Corke	(resigned 3 May 2014)
T Spurgeon	
R Waller	

Going concern

The ability of the Company to continue as a going concern is dependent upon the continuing financial support of Monitise Group Limited. Monitise Group Limited has confirmed its financial support to the Company to enable it to continue trading and to meet its day to day commitments for at least twelve months from the date of signing the financial statements.

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.

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 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

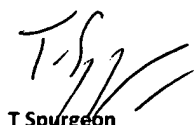
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies 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.

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.

By order of the Board



T Spurgeon
Director

18 December 2014

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 2014 and of its result for the period 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by eMerit Solutions (UK) Ltd, comprise:

- the balance sheet as at 30 June 2014;
- the profit and loss account for the period 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 their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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.

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.

Opinion on other matter prescribed by the Companies Act 2006

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

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.


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, 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 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.



Nigel Reynolds (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
18 December 2014

PROFIT AND LOSS ACCOUNT

for the period ended 30 June 2014

		Period ended 30 June 2014	Year ended 31 August 2013
	Note	£	£
Administrative expenses		-	(63)
Operating result/(loss)		-	(63)
Interest receivable and similar income		-	-
Result/(loss) on ordinary activities before taxation	2	-	(63)
Tax on result/(loss) on ordinary activities	3	-	-
Result/(loss) for the financial period/year		-	(63)

All amounts derive from continuing operations.

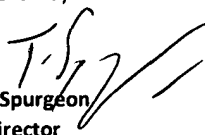
There are no recognised gains or losses other than as shown above. Accordingly, no statement of total recognised gains and losses is given.

There is no difference between the result/(loss) on ordinary activities before taxation and the result/(loss) for the financial period/year stated above and their historical cost equivalents.

BALANCE SHEET
as at 30 June 2014

	Note	30 June 2014 £	31 August 2013 £
Current Assets			
Cash at bank and in hand		993	1,107
		993	1,107
Creditors			
Amounts falling due within one year	4	(1,057)	(1,171)
Net current liabilities		(64)	(64)
Total assets less current liabilities		(64)	(64)
Net liabilities		(64)	(64)
Capital and reserves			
Called up share capital	5	1	1
Profit and loss account		(65)	(65)
Total shareholders' deficit	6	(64)	(64)

The financial statements on pages 5 to 9 were approved by the Board of Directors on 18 December 2014 and signed on its behalf by:


T Spurgeon
Director

eMerit Solutions (UK) Ltd
Registered number: 07741101

18 December 2014

The notes on pages 7 to 9 are an integral part of these financial statements.

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements:

1.1 Basis of preparation

The financial statements are prepared in accordance with applicable United Kingdom accounting standards, the Companies Act 2006 and under the historical cost convention.

The Company is a wholly owned subsidiary of eMerit Solutions Limited and is included in the consolidated financial statements of Monitise plc which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

Going concern

The ability of the Company to continue as a going concern is dependent upon the continuing financial support of Monitise Group Limited. Monitise Group Limited has confirmed its financial support to the Company to enable it to continue trading and to meet its day to day commitments for at least twelve months from the date of signing the financial statements.

The financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern on the basis that the Company's ultimate parent has indicated that it will continue to provide this support for the foreseeable future. In the opinion of the Directors, the going concern basis is appropriate for the preparation of these financial statements.

1.2 Statement of cash flows

The Company has taken advantage of the exemption available under FRS1 'Cash flow statements' (revised 1996) not to prepare a statement of cash flows on the grounds that the ultimate parent undertaking includes the Company in its own published consolidated financial statements.

1.3 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences as a residual interest in the assets of the Company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the Company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

1.4 Taxation

Current tax, including UK corporation tax and overseas tax, is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax in the future, or a right to pay less tax in the future, with the following exceptions:

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2 Result/(loss) on ordinary activities before taxation

The audit fee has been borne by other Monitise Group companies (2013: £nil). There were no non-audit fees payable to the Company's auditors (2013: £nil)

Emoluments for the directors of the Company are paid by another group undertaking. No amount has been recharged to the company during the year (2013: £nil) on the basis that the amount attributable to the Company is negligible.

The Company had no other employees during the period (2013: nil).

The cost of the annual return fee was borne by the company's parent undertaking without any right of reimbursement.

3 Tax on result/(loss) on ordinary activities

	Period ended 30 June 2014 £	Year ended 31 August 2013 £
<i>Recognised in the profit and loss account:</i>		
UK corporation tax	-	-
Deferred tax	-	-
Total current tax charge for the period/year	-	-

Reconciliation of effective tax rate:

The tax assessed is the same (2013 - higher) as that resulting from applying the standard rate of UK corporation tax of 22.40% (2013 - 23.58%). The differences are explained below:

	Period ended 30 June 2014 £	Year ended 31 August 2013 £
Result/(loss) on ordinary activities before taxation	-	(63)
Tax at 22.40% (2013: 23.58%) thereon	-	(15)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	15
Total current tax charge for the period/year	-	-

With effect from 1 April 2014, the UK main corporation tax rate changed from 23% to 21%. The main corporation tax rate will further reduce from 21% to 20% effective from 1 April 2015. These rate changes were substantively enacted on 2 July 2013.

4 Creditors: Amounts falling due within one year

	30 June 2014 £	31 August 2013 £
Amounts owed to group undertakings	1,057	1,171

Amounts owed to group undertakings are non-interest bearing loans and are repayable on demand.

5 Called up share capital

	30 June 2014 £	31 August 2013 £
Allotted, called up and fully paid		
100 Ordinary shares of £0.01 (2013: 100 Ordinary shares of £0.01)	1	1

6 Reconciliation of movements in total shareholders' deficit

	Period ended 30 June 2014 £	Year ended 31 August 2013 £
Result/(loss) for the financial period/year	-	(63)
Net movement in shareholders' deficit	-	(63)
Opening shareholders' deficit	(64)	(1)
Closing shareholders' deficit	(64)	(64)

7 Related party transactions

The Company is a wholly owned subsidiary of Monitise plc and has taken advantage of the exemption contained in FRS 8 '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 Limited.

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.