

# Thomson Reuters Mobile Products Limited

Financial Statements

for the Year Ended 31 December 2013

**Thomson Reuters Mobile Products Limited**  
**Strategic Report for the Year Ended 31 December 2013**

The directors present their strategic report for the year ended 31 December 2013.

***Fair review of the business***

The principal activity of the Company was mobile device software development until the business was sold effective 1 January 2013.

The profit for the financial year amounted to £2,799,718 (2012: loss of £383,883).

***Principal risks and uncertainties***

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of Thomson Reuters Corporation, which include those of the Company, are discussed in Thomson Reuters Corporation's annual report which does not form part of this report.

Given the nature of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Approved by the Board on 8 July 2014 and signed on its behalf by:

.....  
P .  
Director

T h o r n

# **Thomson Reuters Mobile Products Limited**

## **Directors Report for the Year Ended 31 December 2013**

The directors present their report and the financial statements for the year ended 31 December 2013.

### **Directors of the Company**

The directors who held office during the year were as follows:

S.N. Corbin

S.L. Jenner

P. Thorn

### **Statement of directors responsibilities**

The directors are responsible for preparing the 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 8 July 2014 and signed on its behalf by:

.....  
P .

Director

T h o r n

**Registered office:** 2nd Floor, Aldgate House, 33 Aldgate High Street, London, EC3N 1DL, United Kingdom

**Thomson Reuters Mobile Products Limited**  
**Independent Auditors' Report to the Members of Thomson Reuters Mobile Products Limited**

**Report on the financial statements**

**Our opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 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.

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 Thomson Reuters Mobile Products Limited, comprise:

- the Balance Sheet as at 31 December 2013;
- the Profit and Loss account 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 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 Strategic Report, Directors' report and financial statements 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.

**Thomson Reuters Mobile Products Limited**  
**Independent Auditors' Report to the Members of Thomson Reuters Mobile Products Limited**

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

**In our opinion the information given in the Directors' report and Strategic Report for the financial year 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 if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. 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 Directors' Responsibilities Statement 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 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.

.....  
James O'Brien FCA (Senior Statutory Auditor)  
For and on behalf of Reeves & Co LLP  
Chartered Accountants and Statutory Auditors  
London

Date: 10 July 2014

**Thomson Reuters Mobile Products Limited**  
**Profit and Loss Account for the Year Ended 31 December 2013**

	Note	2013 £	2012 £
Turnover	<u>2</u>	-	942,298
Cost of sales		-	(714,539)
		<hr/>	<hr/>
Gross profit		-	227,759
Administrative expenses		-	(336,780)
		<hr/>	<hr/>
Operating loss	<u>3</u>	-	(109,021)
Income on sale of intellectual property	<u>6</u>	-	25,500
Profit on sale of business	<u>9</u>	2,799,718	-
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before interest and taxation		2,799,718	(83,521)
Interest payable and similar charges	<u>7</u>	-	(300,000)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before tax		2,799,718	(383,521)
Tax credit on research and development expenditure	<u>8</u>	-	(362)
		<hr/>	<hr/>
Profit/(loss) for the financial year	<u>14</u>	2,799,718	(383,883)
		<hr/> <hr/>	<hr/> <hr/>

All results from both years arise from discontinuing operations.

The Company has no recognised gains or losses for the year other than the results above, so no separate statement of total recognised gains and losses is presented.

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

The notes on pages 7 to 13 form an integral part of these financial statements.

**Thomson Reuters Mobile Products Limited**  
**(Registration number: 06962231)**  
**Balance Sheet as at 31 December 2013**

	Note	2013 £	2012 £
<b>Current assets</b>			
Debtors	<u>10</u>	2,374,500	689,345
Creditors: amounts falling due within one year	<u>11</u>	-	( 1,114,563 )
		<hr/>	<hr/>
Net assets/(liabilities)		2,374,500	(425,218)
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	<u>12</u>	124	124
Share premium account	<u>14</u>	212,983	212,983
Profit and loss account	<u>14</u>	2,161,393	(638,325)
		<hr/>	<hr/>
Total shareholders' funds/(deficit)	<u>15</u>	2,374,500	(425,218)
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors on 8 July 2014 and signed on its behalf by:

.....  
P .  
Director

T h o r n

The notes on pages 7 to 13 form an integral part of these financial statements.



**Thomson Reuters Mobile Products Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2013**

**1 Accounting policies**

**Basis of preparation**

Effective 1 January 2013, the Company sold all its trade and trading assets to TR Organisation Limited. As at that date the Company ceased trading. Accordingly the financial statements have been prepared on a break up basis. As such, all assets and liabilities are carried at realisable values. The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

**Cash flow statement and related party disclosures**

The Company is a wholly owned subsidiary company of a group headed by Thomson Reuters Corporation, and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the Company has taken advantage of the exemption within FRS 1(5)(a) 'Cash flow statements (revised 1996)' from preparing a cash flow statement.

The Company is also exempt under the terms of FRS 8(3)(c) 'Related party disclosures' from disclosing related party transactions with entities that are part of the Thomson Reuters Group.

A summary of the significant accounting policies, which have been consistently applied throughout the year, is set out below.

**Going concern**

We acknowledge our duties as directors of the Company set out in the Companies Act 2006 and our more general fiduciary duties including, but not limited to, considering whether any additional cash transfers to group companies, including dividend payments, would impair the ability of the Company to continue as a going concern.

The financial statements disclose all matters of which we are aware that are relevant to the going concern basis of accounting. Effective 1 January 2013, the Company sold all of its trade and trading assets and thus at the date of the sale, the Company ceased trading. Accordingly, the going concern basis of accounting is no longer appropriate. As such, in the financial statements all assets are recorded at their realisable value, and all liabilities arising from the decision have been provided for.

**Use of estimates**

Management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on historical information and other factors which management consider reasonable. The accounts affected by these are accruals, revenue recognition and depreciation.

**Turnover**

Turnover comprises revenue recognised by the Company in respect of services supplied during the year, exclusive of Value Added Tax.

**Interest**

Interests payable are recorded in the profit and loss account as they accrue.

**Thomson Reuters Mobile Products Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2013**

**Operating leases**

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**Research and development**

Costs incurred in the initial development of a software product prior to the establishment of commercial feasibility are written off as research costs. Once commercial feasibility has been reasonably established, any subsequent development costs incurred prior to general release are capitalised and amortised using the straight-line method over the economic life of the product, which is under five years.

**Foreign currencies**

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

**Current taxation**

Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in equity. In this case the tax is directly recognised in equity.

The current tax expense is based on the results for the year as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

**Shared-based payments**

In accordance with FRS 20 'Share-based payment', the fair value of equity-settled and cash-settled share-based payments to employees is initially determined at the date of the grant. The fair value of equity-settled share-based payments is not re-measured after the grant date. The fair value of cash-settled share-based payments is re-measured at each reporting date until settled and changes in fair value are recognised in the profit and loss account. The fair value of equity-settled and cash-settled share-based payments is expensed in the profit and loss account over the vesting period, based on the Company's best estimate of shares or options that will eventually vest. There is a corresponding entry to equity in relation to equity-settled payments, and cash-settled payments are recognised as a liability.

**2 Segmented information**

The Company's turnover arises principally in the United Kingdom.

	2013	2012
	£	£
United Kingdom	-	875,298
United States	-	67,000
	<hr/>	<hr/>



**Thomson Reuters Mobile Products Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2013**

Effective 1 January 2013, the Company sold all of its trade and trading assets to a fellow group undertaking. Thus all turnover in prior year arose from discontinuing operations.

**3 Operating loss**

Operating loss is stated after charging:

	2013	2012
	£	£
<u>Employment: costs (note 4)</u>	-	646,949
Rent - operating leases	-	128,621
Provision for permanent diminution in all fixed assets (note 9)	-	19,303
Auditors remuneration	-	5,500
	<u>          </u>	<u>          </u>

Audit fees of £3,600 were paid by the Group.

**4 Employees**

The average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	2013	2012
	No.	No.
Administration and support	-	11

  

	2013	2012
	£	£
Wages and salaries	-	582,280
Social security costs	-	64,669
	<u>          </u>	<u>          </u>

-	646,949
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## 5 Directors' emoluments

	2013	2012
	£	£
Aggregate emoluments	-	28,400
Directors national insurance	-	3,088
	-	31,488

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2013	2012
	No.	No.
Received or were entitled to receive shares under long term incentive schemes	-	1
Exercised share options	-	1

**Thomson Reuters Mobile Products Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2013**

**6 Income on sale of intellectual property**

	2013	2012
	£	£
Exceptional profit on sale of intellectual property	-	25,500
	<u>          </u>	<u>          </u>

**7 Interest payable and similar charges**

	2013	2012
	£	£
Other interest payable	-	300,000
	<u>          </u>	<u>          </u>

**8 Taxation**

**Tax on profit/(loss) on ordinary activities**

	2013	2012
	£	£
<b>Current tax</b>		
Adjustment in respect of previous periods	-	362
	<u>          </u>	<u>          </u>
Total current tax	-	362
	<u>          </u>	<u>          </u>

The table below reconciles tax calculated at the UK standard rate on the profit/(loss) on ordinary activities before tax to the actual tax charge recognised in the profit and loss account. The differences were attributed to the following factors:

2013	2012
£	£

Profit/(loss) on ordinary activities before tax	2,799,718	( 383,521 )
Corporation tax at standard rate of 23.25% (2012: 24.5%)	650,934	(93,952)
Expenses not deductible for tax purposes	-	4,729
Tax losses arising in the period - not recognised	-	67,932
Income not taxable for tax purposes	(650,934)	(74,375)
Group relief surrendered for no payment	-	95,666
Adjustment to the tax charge in respect of previous periods	-	362
Total current tax	-	362

The Finance Act 2013, which received Royal Assent on 17 July 2013, includes legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 and from 21% to 20% from 1 April 2015.

The rate reductions have been reflected in the financial statements since they had been substantively enacted at the balance sheet date.

**Thomson Reuters Mobile Products Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2013**

**9 Disposals**

On 1 January 2013 the Company sold the trade and assets of its business for £2,374,500. This resulted in a profit on disposal of £2,799,718. No tax arose on the profit on disposal as it was a transfer between group companies.

	£
Debtors	689,345
Creditors	(1,114,563)
Net liabilities	(425,218)
Profit on disposal	2,799,718
Tax on disposal	-
Intercompany loan consideration	2,374,500

**10 Debtors**

	2013 £	2012 £
Amounts owed by fellow group undertakings	2,374,500	689,345

**11 Creditors: amounts falling due within one year**

2013 £	2012 £
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Trade creditors	-	637
Amounts owed to fellow group undertakings	-	1,070,871
Other taxes and social security	-	25,402
Accruals and deferred income	-	17,653
		<hr/>
	-	1,114,563
		<hr/> <hr/>

Amounts owed to fellow group undertakings are unsecured, non-interest bearing and repayable on demand.

## 12 Called up share capital

### Allotted, called up and fully paid shares

	2013		2012	
	No.	£	No.	£
Series A ordinary shares of €0.001	100,000	97	100,000	97
Ordinary shares of €0.001	33,333	27	33,333	27
Deferred shares of £0.0001	1	-	1	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	133,334	124	133,334	124
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Thomson Reuters Mobile Products Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2013**

**13 Share-based payments**

In 2012 options over ordinary shares were granted to the Company's employees. All share options were exercised by employees in 2012. No share options were issued in 2013 and no share options remained at 31 December 2013.

	<b>2013</b>	<b>2012</b>
	Number of shares	Number of shares
Number of share options outstanding at the beginning of the year	-	14,500
Granted	-	18,833
Exercised	-	(33,333)
	<hr/>	<hr/>
Number of share options outstanding at the end of the year	-	-
	<hr/> <hr/>	<hr/> <hr/>

**14 Reserves**

	<b>Share premium account £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
At 1 January 2013	212,983	(638,325)	(425,342)
Profit for the financial year	-	2,799,718	2,799,718
	<hr/>	<hr/>	<hr/>
At 31 December 2013	212,983	2,161,393	2,374,376
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**15 Reconciliation of movements in shareholders' funds**

**2013**  
**£**

**2012**  
**£**

Profit/(loss) for the financial year	2,799,718	( 383,883 )
New share capital subscribed	-	27
	<hr/>	<hr/>
Net movement to shareholders' funds	2,799,718	( 383,856 )
Shareholders' deficit at 1 January	(425,218)	(41,362 )
	<hr/>	<hr/>
Shareholders' funds/(deficit) at 31 December	2,374,500	( 425,218 )
	<hr/> <hr/>	<hr/> <hr/>

**Thomson Reuters Mobile Products Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2013**

**16 Related party transactions**

The Company has taken exemption under the terms of FRS 8(3)(c) 'Related party disclosures' from disclosing related party transactions with entities that are part of the Thomson Reuters Group.

**17 Company status and ultimate parent undertaking**

The Company's immediate parent company is TR Organisation Limited. Within the meaning of the Companies Act 2006 ("CA2006"), Thomson Investments Limited ("TIL") is regarded by the Directors of the Company as being the Company's ultimate parent company and controlling party. Within the meaning of CA2006, Thomson Reuters Corporation ("Thomson Reuters") is the parent undertaking of the only group of undertakings for which group financial statements were drawn up and of which the Company was a member for the year ended 31 December 2013. TIL and Thomson Reuters are incorporated under the laws of the Province of Ontario, Canada.

Copies of Thomson Reuters' annual reports are available from: The Thomson Reuters Building, South Colonnade, Canary Wharf, London E14 5EP, and are publicly available at [www.thomsonreuters.com](http://www.thomsonreuters.com).

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