

# **SYNTHEO LIMITED**

**Registered in England and Wales  
Company number 09636646**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
31 DECEMBER 2018**



## REPORT OF THE DIRECTORS

The Directors submit their report together with the audited financial statements for the year ended 31 December 2018.

This Report of the Directors has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemptions under Sections 415A (1) & (2) of the Companies Act 2006. The Company is also exempt from preparing a Strategic Report in accordance with Section 414B of the Companies Act 2006.

### Principal activities and review of the period

The principal activity of Syntheo Limited (the Company) was that of a fintech venture builder with the aim of prototyping and scaling new business initiatives. The Company is a 50/50 joint venture between Santander UK plc and Monitise International Limited.

As part of a wider legal reorganisation under Banking Reform, Santander UK Group Holdings plc (together with its subsidiaries, the HoldCo Group) was required to separate certain retail banking activities from certain wholesale or investment banking activities by 1 January 2019. As part of the reorganisation the Company was transferred out of the ring fenced bank on 12 December 2018 to Santander Equity Investments Limited.

Following a strategic review with the Company's shareholders, the Company ceased trading during the period. It is expected for the entity to be liquidated in the near future.

### Results and dividends

The loss for the period amounted to £30,308 (2017: £90,334). The Directors do not recommend the payment of a final dividend.

### Directors

The Directors who served throughout the period and at the date of this report (except as noted) were as follows:

LJH Cameron	(resigned 30 January 2018)
RS Waller	(appointed 30 January 2018)
JE Faura	(resigned 31 July 2018)
J Olaizola	(resigned 31 July 2018)
T Spurgeon	(resigned 31 July 2018)
SE Gray	(appointed 31 July 2018, resigned 17 March 2019)
T Hunter	(appointed 31 July 2018)
CJ Wise	(appointed 31 July 2018)
RJ Morrison	(appointed 17 April 2019)

### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

### Statement of Going Concern

The financial position of the Company, its cash flows, liquidity position and borrowing facilities are set out in the financial statements. In addition, notes 2 and 13 to the financial statements include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; and its exposures to market risk, liquidity risk and other risks.

It is the intention to liquidate the Company in the near future, and as required by IAS 1 "Presentation of Financial Statements" the Directors have prepared the financial statements on a basis other than that of a going concern. Preparation of the financial statements on an "other than going concern" basis has had no material impact on the amounts reported.

## REPORT OF THE DIRECTORS *(continued)*

### Qualifying Third Party Indemnities

Enhanced indemnities are provided to certain Directors of the Company by Santander UK Group Holdings plc (where such person has been nominated in writing by Santander UK Group Holdings plc as its representative on the board) against liabilities and associated costs which they could incur in the course of their duties to the Company. All of the indemnities remain in force during the financial period and at the date of approval of the Report and Financial Statements. A copy of each of the indemnities is kept at the registered office address of Santander UK Group Holdings plc.

A qualifying third party indemnity is provided to certain Directors of the Company through Monitise International Limited (where such person has been nominated by Monitise International Limited as its representative on the board) against liabilities and associated costs which they could incur in the course of their duties to the Company. This indemnity remains in force as at the date of the Report and financial statements. A copy of the indemnity is available at the registered office address of Monitise International Limited.

### Independent Auditors

Each of the Directors as at the date of approval of this report has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

In accordance with Sections 485 and 487 of the Companies Act 2006, PricewaterhouseCoopers LLP are re-appointed as auditors of the Company.

By Order of the Board

  
C. Samuels

For and on behalf of  
Santander Secretariat Services Limited  
Secretary

11 September 2019

Registered Office Address: 2 Triton Square, Regents Place, London, NW1 3AN

# ***Independent auditors' report to the members of Syntheo Limited***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Syntheo Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2018; the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Emphasis of matter - financial statements prepared on a basis other than going concern**

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Report of the Directors*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Report of the Directors for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Report of the Directors.

## ***Independent auditors' report to the members of Syntheo Limited (continued)***

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

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities set out on page 1, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

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.

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### **Other required reporting**

#### **Companies Act 2006 exception reporting**

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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### **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.



Hamish Anderson (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
12 September 2019

**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 31 December 2018 and 18 month period ended 31 December 2017

Discontinued operations	Note	Year ended 31 December 2018	18 month Period ended 31 December 2017
		£	£
Other operating income		-	49,999
Administrative expenses	3	(33,361)	(202,152)
<b>Operating loss</b>		<b>(33,361)</b>	<b>(152,153)</b>
Interest income	4	879	52,060
<b>Loss before tax</b>		<b>(32,482)</b>	<b>(100,093)</b>
Tax credit on loss for the year/period	5	2,174	9,759
<b>Net loss for the year/period after tax</b>		<b>(30,308)</b>	<b>(90,334)</b>
<b>Total comprehensive loss for the year/period attributable to the equity holders of the Company</b>		<b>(30,308)</b>	<b>(90,334)</b>

The accompanying notes form an integral part of the financial statements.

**STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 December 2018 and 18 month period ended 31 December 2017

	Share capital £	Accumulated losses £	Total equity £
At 1 July 2016	7,050,000	(4,678,124)	2,371,876
Total comprehensive loss for the period	-	(90,334)	(90,334)
At 31 December 2017	7,050,000	(4,768,458)	2,281,542

	Share capital £	Accumulated losses £	Total equity £
At 1 January 2018	7,050,000	(4,768,458)	2,281,542
Total comprehensive loss for the year	-	(30,308)	(30,308)
At 31 December 2018	7,050,000	(4,798,766)	2,251,234

The accompanying notes form an integral part of the financial statements.

## BALANCE SHEET

As at 31 December 2018 and 31 December 2017

	Note	As at 31 December 2018 £	As at 31 December 2017 £
<b>Current assets</b>			
Cash and cash equivalents	8	2,286,648	1,755,739
Financial assets at amortised cost	9	5,586	533,803
<b>Total current assets</b>		<b>2,292,234</b>	<b>2,289,542</b>
<b>Current Liabilities</b>			
Trade and other payables	10	(41,000)	(8,000)
<b>Net current assets</b>		<b>2,251,234</b>	<b>2,281,542</b>
<b>Net assets</b>		<b>2,251,234</b>	<b>2,281,542</b>
<b>Equity</b>			
Share capital	11	7,050,000	7,050,000
Accumulated losses		(4,798,766)	(4,768,458)
<b>Total equity</b>		<b>2,251,234</b>	<b>2,281,542</b>

The accompanying notes form an integral part of the financial statements.

These financial statements have been prepared in accordance with the special provisions relating to the small companies regime and the directors make this statement in accordance with section 414(3) of the Companies Act 2006.

The financial statements were approved by the Board of Directors, authorised for issue and signed on its behalf by:

  
Chris Wise  
Director  
11 September 2019

  
Tom Hunter  
Director  
11 September 2019

**CASH FLOW STATEMENT**

For the year ended 31 December 2018 and 18 month period ended 31 December 2017

	Note	Year ended 31 December 2018	18 month Period ended 31 December 2017
		£	£
<b>Operating activities</b>			
Loss before tax		(32,482)	(100,093)
Decrease in financial assets at amortised cost		530,391	1,068,065
Increase/ (decrease) in trade and other payables		33,000	(34,000)
<b>Cash flows from operating activities</b>		<b>530,909</b>	<b>933,972</b>
<b>Net increase in cash and cash equivalents during the year/ period</b>		<b>530,909</b>	<b>933,972</b>
Cash and cash equivalents at beginning of the year/ period		1,755,739	821,767
Cash and cash equivalents at end of year/ period	8	2,286,648	1,755,739

The accompanying notes form an integral part of the financial statements.



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

### 1. ACCOUNTING POLICIES

#### General information

The Company is a private company limited by shares, domiciled and incorporated in the United Kingdom and is a joint venture between Santander Equity Investments Limited and Monitise International Limited.

#### Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have also been prepared under the historic cost convention. The Company has also complied with its legal obligation to comply with International Financial Reporting Standards as adopted by the European Union as there are no applicable differences between the two frameworks for the periods presented.

The functional and presentation currency of the Company is sterling.

#### Going Concern

The Company no longer trades and is expected to be liquidated in the near future. IAS 1 requires that financial statements for any Company that has ceased to trade, or where there is an intention for the Company to cease to trade in the next twelve months, are prepared on an "other than going concern" basis. Accordingly the financial statements have been prepared on an "other than going concern" basis using the historical cost convention. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

#### Recent accounting developments

On 1 January 2018, the Company adopted IFRS 9 'Financial Instruments' (IFRS 9) and IFRS 15 'Revenue from Contracts with Customers' (IFRS 15). The new or revised accounting policies are set out below. The application of IFRS 9 had no material impact on the Company as there are no significant financial instruments. The application of IFRS 15 had no material impact on the Company as there were no significant changes in the recognition of in scope income.

#### Future accounting developments

At 31 December 2018, the Company had not yet adopted the following significant new or revised standards and interpretations, and amendments thereto, which have been issued but which are not yet effective:

IFRS 16 'Leases' (IFRS 16) – In January 2016, the IASB issued IFRS 16. The standard is effective for annual periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. For lessee accounting, IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise a right-of-use (ROU) asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments for all leases with a term of more than 12 months, unless the underlying asset is of low value. For lessor accounting, IFRS 16 substantially carries forward the lessor accounting requirements from the existing leasing standard (IAS 17) and a lessor continues to classify its leases as operating leases or finance leases and to account for those two types of leases differently.

The application of IFRS 16 is not expected to have any material impact upon the Company's results.

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

#### Revenue recognition

The Company's other operating income represents recharges and services provided to Banco Santander SA and Santander UK plc.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of VAT and other sales related taxes.

#### Cash and cash equivalents

Cash and cash equivalents comprise balances held with banks. The bank account is held with Santander UK plc.

#### Financial assets at amortised cost

Financial assets at amortised cost are measured at initial recognition at fair value, and are subsequently measured at amortised cost.

#### Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

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

### 1. ACCOUNTING POLICIES (*continued*)

#### Interest income

Interest income consists of bank and other interest income receivable for the period. Interest income is recognised as it accrues.

#### Intangible assets and impairment of intangible asset

The intangible asset represented a licence for the Monitise Enterprise Platform (MEP). The licence was granted for a lifetime. Since the Company no longer intended to make use of the licence, it was fully impaired in 2016.

Intangible assets are assessed by the Company for indicators of impairment at each balance sheet date. Indicators of impairment are where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the asset, the carrying amount of the asset is greater than its considered value in use, equal to the discounted future net pre-tax cash flows arising from the continuing use of the asset.

#### Income taxes, including deferred taxes

Income tax payable on profits, based on the applicable tax law in each jurisdiction is recognised as an expense in the period in which profits arise. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is the tax expected to be payable or recoverable on income tax losses available to carry forward and on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the assets may be utilised as they reverse. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill. Deferred tax assets and liabilities are not recognised from the initial recognition of other assets (other than in a business combination) and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on rates enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

#### Critical accounting policies and areas of significant management judgement

The preparation of the Financial Statements requires management to make estimates and judgements that affect the reported amount of assets and liabilities at the date of the Financial Statements and the reported amount of income and expenses during the reporting period. Management evaluates its estimates and judgements on an ongoing basis. Management bases its estimates and judgements on historical experience and on various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions.

No material judgements or assumptions were used in the year.

### 2. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks. The Company's risk management focuses on the major areas of credit risk, liquidity risk and market risk.

The Company's Risk Framework ensures that risk is managed and controlled on behalf of its stakeholders. Effective and efficient risk governance and oversight provide management with assurance that the Company's business activities will not be adversely impacted by risks that could have been reasonably foreseen. This in turn reduces the uncertainty of achieving the Company's strategic objectives. The Company adopts the governance structures of both its owners in order to mitigate any threat posed by adverse risk. Management is responsible for overseeing risk management within the Company.

#### Credit risk

Credit risk is the risk that counterparties will not meet their financial obligations and may result in the Company losing the principal amount lent, the interest accrued and any unrealised gains, less any security held. It occurs where the Company has significant financial exposure to amounts due from fellow related parties or third parties. Credit risk arising from fellow related parties failing to meet all or part of their obligations is considered to be of low risk. Receivables from third parties are unsecured.

Maximum exposure to credit risk without taking into account collateral or credit enhancements can be found in note 9 to the financial statements, trade and other receivables.

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

2. FINANCIAL RISK MANAGEMENT *(continued)*

## Liquidity risk

Liquidity risk is the potential that, although remaining solvent, the Company does not have sufficient liquid financial resources to enable it to meet its obligations as they fall due, or can secure them only at excessive cost.

The Company manages liquidity risk by maintaining sufficient liquid resources to ensure it can meet obligations as they fall due. Liquidity risk is managed through engagement and agreement with both joint venture partners, Santander UK plc and Monitise International Limited. The Company holds significant cash balances at the reporting date to meet its current obligations, which are shown in the table below.

The table below analyses the Company's financial assets and financial liabilities into relevant maturity groupings based on the remaining period at balance sheet date to contractual maturity date.

At 31 December 2018	On demand £	1-3 months £	3- 12 months £	1-5 years £	5+ years £	31 December 2018 £
Trade and other receivables	5,586	-	-	-	-	5,586
<b>Total financial assets</b>	<b>5,586</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,586</b>

At 31 December 2018	On demand £	1-3 months £	3- 12 months £	1-5 years £	5+ years £	31 December 2018 £
Trade and other payables	-	41,000	-	-	-	41,000
<b>Total financial liabilities</b>	<b>-</b>	<b>41,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>41,000</b>

At 31 December 2017	On demand £	1-3 months £	3- 12 months £	1-5 years £	5+ years £	31 December 2017 £
Trade and other receivables	533,803	-	-	-	-	533,803
<b>Total financial assets</b>	<b>533,803</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>533,803</b>

At 31 December 2017	On demand £	1-3 months £	3- 12 months £	1-5 years £	5+ years £	31 December 2017 £
Trade and other payables	-	8,000	-	-	-	8,000
<b>Total financial liabilities</b>	<b>-</b>	<b>8,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,000</b>

## Market risk

Market risk is the potential for loss of income or decrease in the value of net assets caused by movements in the levels and prices of financial instruments. The Company holds no such assets that would give rise to any significant market risk.

## 3. ADMINISTRATIVE EXPENSES

The Company had no employees during the period and no amortisation was charged during the period.

Under administrative expenses is rental of office space. The rent paid in the period was £nil (2017: £78,000). The rental agreement was terminated during 2017.

Directors' emoluments are borne by the joint venture partners. The Directors' services to the Company are an incidental part of their duties. No Directors were remunerated for their services to the Company. No emoluments were paid by the Company to any of the Directors during the period.

Administration expenses are shown after charging the audit fee payable to the Company's auditors for the audit of the Company's financial statements for the period, totalling £8,000 (2017: £8,000) excluding VAT and disbursements.

Fees payable to the Company's auditors and their associates for non-audit services to the company are not required to be disclosed as the Company is considered a small entity.

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

## 4. INTEREST INCOME

	Year ended 31 December 2018	18 month period ended 31 December 2017
	£	£
Bank interest income	879	1,593
Other interest income	-	50,467
Interest income for the period	879	52,060

Other interest income comprises interest received from HMRC.

## 5. TAX CREDIT ON LOSS FOR THE PERIOD

	Year ended 31 December 2018	18 month period ended 31 December 2017
	£	£
Current tax:		
UK corporation tax on loss of the period	(2,174)	(9,759)
Tax credit on loss for the period	(2,174)	(9,759)

UK corporation tax is calculated at 19.00% (2017: 19.50%) of the estimated assessable profits for the period.

The Finance Act 2016 introduced a further reduction in the corporation tax rate to 17% from 2020. The effects have been reflected in the deferred tax balances at the 31 December 2018 and 2017.

The tax on the Company's loss before tax differs from the theoretical amount that would arise using the basic tax rate of the Company as follows:

	Year ended 31 December 2018	18 month period ended 31 December 2017
	£	£
Loss before tax:	(32,482)	(100,093)
Tax calculated at a tax rate of 19.00% (2017: 19.50%)	(6,172)	(19,518)
Non-deductible expenses	1,824	-
Tax losses not recognised	2,174	9,759
Tax credit for the period	(2,174)	(9,759)

## 6. DEFERRED TAX

	Not provided Balance sheet 31 December 2018 £	Not provided Balance sheet 31 December 2017 £
Tax losses carried forward	452,276	450,331
Total deferred tax – not provided	452,276	450,331

The deferred tax assets scheduled above have not been recognised in the Company on the basis that sufficient future taxable profits are not forecast within the foreseeable future, in excess of the profits arising from the reversal of existing taxable temporary differences, to allow for the utilisation of the assets as they reverse.

As the Company is not now expected to be profitable in the foreseeable future, the unprovided tax losses carried forward have been valued at the long term deferred tax rate of 17% (2017: 17%).

## 7. INTANGIBLE ASSETS

The company holds a licence for use of the Monitise Enterprise Platform (MEP). This licence had a historical cost of £5,000,000 and was fully impaired in 2016. The Company does not expect to make use of the licence.

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

## 8. CASH AND CASH EQUIVALENTS

	31 December 2018 £	31 December 2017 £
Cash at bank and in hand	2,286,648	1,755,739
Total cash and cash equivalents	2,286,648	1,755,739

Cash is held in the bank account operated by Santander UK plc and is accessible on demand.

## 9. FINANCIAL ASSETS AT AMORTISED COST

	31 December 2018 £	31 December 2017 £
Consortium group relief (note 12)	2,174	529,551
Other debtors	3,412	4,252
Total financial assets at amortised cost	5,586	533,803

The Directors consider that the carrying amount of financial assets at amortised cost approximates to their fair value.

## 10. TRADE AND OTHER PAYABLES

	31 December 2018 £	31 December 2017 £
Trade and other payables	41,000	8,000
Total trade and other payables	41,000	8,000

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

## 11. SHARE CAPITAL

	31 December 2018 £	31 December 2017 £
Issued and fully paid:		
7,050,000 (2017: 7,050,000) ordinary shares of £1 each	7,050,000	7,050,000

3,525,000 shares issued are held by Santander Equity Investments Limited with the remaining 3,525,000 held by Monitise International Limited.

## 12. RELATED PARTY TRANSACTIONS

The following were the balances with related parties as at:

	Income		Amounts owed from related parties	
	Year ended 31 December 2018 £	Period ended 31 December 2017 £	31 December 2018 £	31 December 2017 £
Santander UK plc - bank account	879	1,593	2,286,648	1,755,739
Santander UK plc - other income	-	-	-	-
Santander UK plc - consortium group relief	-	-	2,174	529,551
Banco Santander SA	-	50,000	-	-
Total	879	51,593	2,288,822	2,285,290

There were no related party transactions during the period, or existing at the balance sheet date, with the Company's or its controlling partner's key management personnel, except in the ordinary course of business.

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

### 13. CAPITAL MANAGEMENT AND RESOURCES

The Company is responsible for managing its own capital and through mutual agreement from both joint venture partners. Total capital comprises share capital and reserves and can be found in the Balance Sheet. The Company is currently not actively trading.

### 14. PARENT UNDERTAKING AND CONTROLLING PARTY

The Company is a joint venture with 50% of ownership held by Santander Equity Investments Limited. The remaining 50% is owned by Monitise International Limited. Neither party retains overall control. Syntheo Limited is domiciled in the United Kingdom.

The ultimate parent undertaking and controlling party of Santander Equity Investments Limited is Banco Santander SA, a company registered in Spain. Banco Santander SA is the parent undertaking of the largest group of undertakings for which the Group financial statements are drawn up and of which the Company is a member. Santander UK Group Holdings plc is the parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the Company is a member. Copies of all sets of group financial statements which include the results of the Company, are available from Secretariat, Santander UK plc, 2 Triton Square, Regent's Place, London, NW1 3AN.

The immediate parent undertaking of Monitise International Limited is Monitise Group Limited, which is itself a wholly owned subsidiary of Monitise Limited, a company registered in England and Wales. The ultimate parent undertaking and controlling party Monitise Limited is Fiserv Inc., a company registered in the United States of America. Fiserv Inc. prepares consolidated financial statements that includes Monitise Limited and its subsidiary undertakings. Copies of these financial statements can be obtained in the investor relations section of [Fiserv.com](http://Fiserv.com).