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MER TELEMANAGEMENT SOLUTIONS LTD

Form 6-K

March 11, 2008

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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F O R M 6-K  
REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16  
UNDER THE SECURITIES EXCHANGE ACT OF 1934  
For the month of March 2008

MER TELEMANAGEMENT SOLUTIONS LTD.  
(Name of Registrant)

22 Zarhin Street, Ra'anana 43662, Israel  
(Address of Principal Executive Office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F  Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes  No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-\_\_\_\_\_

This Form 6-K is being incorporated by reference into the Registrant's Form F-3 Registration Statement File No. 333-128225 and Form S-8 Registration Statements File Nos. 333-12014 and 333-123321.

MER Telemangement Solutions Ltd.

6-K Items

1. Pro Forma Balance Sheet as of December 31, 2007 to reflect the sale of the Company's investment in cVidya Networks Inc. and the sale of 750,000 ordinary shares, both in the first quarter of 2008.

CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands

As of December 31, 2007

| Actual | As Adjusted (1) |
|--------|-----------------|
|--------|-----------------|

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ASSETS

CURRENT ASSETS:

|   |         |         |
|---|---------|---------|
| Cash and cash equivalents   | \$1,437 | \$2,790 |
| Short term bank deposits  | -       | -       |
| Marketable securities   | 169     | 169     |
| Trade receivables (net of allowance for doubtful accounts of \$ 505 and \$ 882 at December 31, 2006 and 2007, respectively) | 1,172   | 1,172   |
| Unbilled receivables  | 129     | 129     |
| Other accounts receivable and prepaid expenses  | 544     | 544     |
| Investment in other companies   | 221     | -       |
| Inventories   | 66      | 66      |
|   | -----   | -----   |

|                      |       |       |
|----------------------|-------|-------|
| Total current assets | 3,738 | 4,870 |
|                      | ----- | ----- |

LONG-TERM ASSETS:

|                             |       |       |
|-----------------------------|-------|-------|
| Investments in an affiliate | -     | -     |
| Severance pay fund          | 730   | 730   |
| Other investments           | 3     | 3     |
| Deferred income taxes       | 123   | 123   |
|                             | ----- | ----- |

|                        |       |       |
|------------------------|-------|-------|
| Total long-term assets | 856   | 856   |
|                        | ----- | ----- |

|                             |       |       |
|-----------------------------|-------|-------|
| PROPERTY AND EQUIPMENT, NET | 283   | 283   |
|                             | ----- | ----- |

OTHER ASSETS:

|                              |       |       |
|------------------------------|-------|-------|
| Goodwill                     | 2,796 | 2,796 |
| Other intangible assets, net | 805   | 805   |

|                    |       |       |
|--------------------|-------|-------|
| Total other assets | 3,601 | 3,601 |
|                    | ----- | ----- |

|              |         |         |
|--------------|---------|---------|
| Total assets | \$8,478 | \$9,610 |
|              | =====   | =====   |

(1) As adjusted to reflect the sale of the Company's investment in cVidya Networks Inc. for 603,000 and the gain of \$382,000 recorded from that sale and the sale of 750,000 ordinary shares at \$1.00 per share, and the receipt of \$ 750,000 in proceeds, both in February 2008.

CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands (except share and per share data)

|  |                                   |
|--|-----------------------------------|
|  | As of December 31                 |
|  | -----                             |
|  | Actual                      As Ad |
|  | -----                             |

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## LIABILITIES AND SHAREHOLDERS' EQUITY

### CURRENT LIABILITIES:

|  |    |       |    |
|--|----|-------|----|
| Short term bank credit and current maturities on bank loan | \$ | 606   | \$ |
| Trade payables   |    | 447   |    |
| Accrued expenses and other liabilities                     |    | 3,309 |    |
| Deferred revenues  |    | 1,390 |    |
|  |    | ----- |    |

|                           |  |       |  |
|---------------------------|--|-------|--|
| Total current liabilities |  | 5,752 |  |
|                           |  | ----- |  |

### LONG-TERM LIABILITIES:

|                       |  |       |  |
|-----------------------|--|-------|--|
| Long term bank loan   |  | -     |  |
| Accrued severance pay |  | 1,157 |  |
|                       |  | ----- |  |

|                             |  |       |  |
|-----------------------------|--|-------|--|
| Total long-term liabilities |  | 1,157 |  |
|                             |  | ----- |  |

### COMMITMENTS AND CONTINGENT LIABILITIES

### SHAREHOLDERS' EQUITY:

|   |  |          |  |
|---|--|----------|--|
| Share capital -   |  |          |  |
| Ordinary shares of NIS 0.01 par value - Authorized: 12,000,000 shares at December 31, 2007; Issued: 5,784,645 shares at December 31, 2007; Outstanding: 5,773,845 shares at December 31, 2007 |  |          |  |
|   |  | 17       |  |
| Additional paid-in capital  |  | 16,201   |  |
| Treasury shares (10,800 Ordinary shares at December 31, 2007)   |  | (29)     |  |
| Accumulated other comprehensive income  |  | 12       |  |
| Accumulated deficit   |  | (14,632) |  |
|   |  | -----    |  |

|                            |  |       |  |
|----------------------------|--|-------|--|
| Total shareholders' equity |  | 1,569 |  |
|                            |  | ----- |  |

|  |    |       |    |
|--|----|-------|----|
| Total liabilities and shareholders' equity | \$ | 8,478 | \$ |
|  |    | ===== |    |

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(1) As adjusted to reflect the sale of the Company's investment in cVidya Networks Inc. for 603,000 and the gain of \$382,000 recorded from that sale and the sale of 750,000 ordinary shares at \$1.00 per share, and the receipt of \$ 750,000 in proceeds, both in February 2008.

SIGNATURES

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MER TELEMANAGEMENT SOLUTIONS LTD.  
(Registrant)

By: /s/ Eytan Bar  
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Eytan Bar  
President and  
Chief Executive Officer

Date: March 11, 2008