
MULTOS LIMITED

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

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COMPANIES HOUSE

MULTOS LIMITED

COMPANY INFORMATION

DIRECTORS

H Berg
L S Smith

COMPANY NUMBER

06556367

REGISTERED OFFICE

GPS House
1st Floor
215 Great Portland Street
London
W1W 5PN

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditor
Oceana House
3rd Floor
39-49 Commercial Road
Southampton
Hampshire
SO15 1GA

MULTOS LIMITED

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MULTOS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements of Multos Limited ("the company") for the financial year ended 31 December 2014.

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

PRINCIPAL ACTIVITY, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The company's principal activity during the year was that of a holding company, owner of patents and other tangible and intangible assets and the design, development and provision of security software in relation to the transit and storage of digital content.

The financial statements have been prepared on a going concern basis despite the loss in the current year, which was largely attributable to restructuring charges, and losses in prior years. Following the reorganisation described below, the business of the company is forecast to be profitable for the foreseeable future. The company also had net current liabilities and net liabilities at the balance sheet date. The Company's main liability at 31 December 2014 of £4,079,000 was owed to its subsidiary, Stepnexus Limited. This was repaid in 2015 and the profitability of the company has meant it has returned to a net current asset and net asset position at the date of the signing of these financial statements. The directors therefore consider it appropriate to adopt the going concern assumption in the preparation of these financial statements.

On 31 March 2014, as part of an internal reorganisation, the company acquired the business and substantially all of the assets and liabilities of one of its subsidiaries, StepNexus Limited, at a book value of £4,079,983. As noted above, due to the current and forecast profitability of the company and its acquired business, the directors continue to consider it appropriate to adopt the going concern basis for the company in preparing these financial statements.

MULTOS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

RESULTS AND DIVIDENDS

The loss for the financial year amounted to £141,204 (2013 - loss of £379,094).

The directors are unable to make and do not recommend the payment of a dividend (2013 - £Nil).

DIRECTORS

The directors who served during the year were:

H Berg
L S Smith

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

INDEPENDENT AUDITOR

The auditor, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This Directors' Report has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



L S Smith
Director

Date: 29 September 2015

MULTOS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MULTOS LIMITED

Report on the financial statements

Our opinion

In our opinion, Multos Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss 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 comprise:

- the Balance Sheet as at 31 December 2014;
- 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 the preparation of the financial statements 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.

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.

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 in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

MULTOS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MULTOS LIMITED (continued)

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 1, 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 and 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 judgements, and evaluating the disclosures in the financial statements.

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.



Helen Orton (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton

Date: 30th September 2015

MULTOS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
TURNOVER	1,3	1,292,678	-
Administrative expenses		(1,073,094)	(359,765)
Exceptional administrative expenses	4	(420,602)	-
Total administrative expenses		<u>(1,493,696)</u>	<u>(359,765)</u>
OPERATING LOSS	4	(201,018)	(359,765)
Interest receivable and similar income	6	1,750	-
Interest payable and similar charges	7	(2)	(19,329)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(199,270)	(379,094)
Tax on loss on ordinary activities	8	58,066	-
LOSS FOR THE FINANCIAL YEAR	18,19	£ (141,204)	£ (379,094)

All amounts relate to continuing operations (see Note 2).

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss Account.

There are no material differences between the loss on ordinary activities before taxation and the retained loss for the financial year stated above and their historical cost equivalents.

The notes on pages 7 to 19 form part of these financial statements.

MULTOS LIMITED
REGISTERED NUMBER: 06556367

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Intangible fixed assets	9		650,443		911,113
Tangible fixed assets	10		19,833		39,498
Investments	11		149,017		149,017
			<u>819,293</u>		<u>1,099,628</u>
CURRENT ASSETS					
Debtors	12	3,838,099		384	
Cash at bank and at hand		114,784		46,951	
		<u>3,952,883</u>		<u>47,335</u>	
CREDITORS: amounts falling due within one year	13	(4,617,255)		(27,724)	
NET CURRENT (LIABILITIES)/ASSETS			<u>(664,372)</u>		<u>19,611</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>154,921</u>		<u>1,119,239</u>
CREDITORS: amounts falling due after more than one year	14		-		(1,619,483)
PROVISIONS FOR LIABILITIES					
Other provisions	16		(796,369)		-
NET LIABILITIES			<u>£ (641,448)</u>		<u>£ (500,244)</u>
CAPITAL AND RESERVES					
Called up share capital	17		1,700,100		1,700,100
Profit and loss account	18		(2,341,548)		(2,200,344)
TOTAL SHAREHOLDERS' (DEFICIT)	19		<u>£ (641,448)</u>		<u>£ (500,244)</u>

The financial statements on pages 5 to 19 were approved by the Board of Directors and signed on its behalf by:



L S Smith
Director

Date: 29 September 2015

The notes on pages 7 to 19 form part of these financial statements.

MULTOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, the Companies Act 2006 and in accordance with applicable accounting standards in the United Kingdom. The accounting policies have been consistently applied in both the current and comparative financial years.

The company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 GOING CONCERN

The financial statements have been prepared on a going concern basis despite the loss in the current year, which was largely attributable to restructuring charges, and losses in prior years. Following the reorganisation described below, the business of the company is forecast to be profitable for the foreseeable future. The company also had net current liabilities and net liabilities at the balance sheet date. The Company's main liability at 31 December 2014 of £4,174,000 was owed to its subsidiary, Stepnexus Limited. This was repaid in 2015 and the profitability of the company has meant it has returned to a net current asset and net asset position at the date of the signing of these financial statements. The directors therefore consider it appropriate to adopt the going concern assumption in the preparation of these financial statements.

On 31 March 2014, as part of an internal reorganisation, the company acquired the business and substantially all of the assets and liabilities of one of its subsidiaries, StepNexus Limited, at a book value of £4,174,983. As noted above, due to the current and forecast profitability of the company and the acquired business, the directors continue to consider it appropriate to adopt the going concern basis for the company in preparing these financial statements.

1.3 CASH FLOW

The company has taken advantage of the exemptions available to wholly owned UK subsidiaries under FRS 1 (Revised 1996) "Cash Flow Statements" and accordingly has not prepared a cash flow statement.

1.4 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts, during the year. Turnover is recognised upon delivery of the products and/or services to customers and when the appropriate terms and conditions of sale have been met. Where sales invoices have been presented by the company but the related products and/or services have not been provided to the customer in full, a deferral is made for that portion of products and/or services still to be provided to the customer.

MULTOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.5 INTANGIBLE FIXED ASSETS AND AMORTISATION

Intangible fixed assets are stated at historic purchase cost less accumulated amortisation.

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and Loss Account over its useful economic life.

Acquired trademarks, patents and brand names are capitalised as intangible fixed assets.

Amortisation is provided at the following rates:

Patents	-	11.1% straight line
Brand names	-	11.1% straight line
Goodwill	-	13.5% straight line

Where events or changes in circumstances indicate that the carrying amount of an intangible fixed asset may not be recoverable, an impairment review is undertaken and a provision is made to reduce the asset value to its recoverable amount.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

S/Term Leasehold Property	-	25% straight line
Fixtures & fittings	-	33% straight line
Computer equipment	-	33% straight line
Software	-	16.6% straight line

1.7 INVESTMENTS

Investments in subsidiaries are valued at cost less provision for impairment, if any.

1.8 OPERATING LEASES

Rentals under operating leases are charged to 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.

1.9 FOREIGN CURRENCIES

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the date of the balance sheet. Transactions in foreign currency are converted to sterling at the rate ruling on the date of the transaction. All differences on exchange are taken to the Profit and Loss Account.

MULTOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.10 TAXATION INCLUDING DEFERRED TAXATION

Corporation tax payable is provided for on taxable profits at the current rate.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet dates where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted. Deferred tax is measured on a non-discounted basis at the average 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.

1.11 RESEARCH AND DEVELOPMENT

Research and development primarily consists of costs associated with the company's activities and exploitation of smartcard technology applications.

Expenditure on research and development is included in administrative expenses and written off against profits in the year in which it is incurred.

1.12 PENSIONS

The company makes contributions to a defined contribution pension scheme. The pension cost recognised in the Profit and Loss Account represents the contributions payable to the scheme in the year.

1.13 TRADEMARKS AND PATENTS

Research and development costs associated with the application and registration of internally generated trademarks and patents are written off to the Profit and Loss Account as incurred.

MULTOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

2. ACQUISITION OF BUSINESS

On 31 March 2014, as part of an internal reorganisation, the company acquired the business and substantially all of the assets and liabilities of one of its subsidiaries, StepNexus Limited, at a book value of £4,174,983 settled through an inter-company loan. Prior to the acquisition, the company held the intangible fixed assets in respect of the business carried on by StepNexus Limited and all of the company's administration expenses were related to these intangible fixed assets. Following the acquisition, the directors consider that the company has a single business consisting of the elements previously held separately by the company and StepNexus Limited. Consequently they do not consider an analysis of the business between acquired and continuing elements would provide any meaningful information.

A provisional analysis of the assets and liabilities acquired is as follows:

	£
Tangible fixed assets	39,096
Trade, Other debtors and Prepayments	54,341
Amounts owed by fellow group undertakings	4,747,134
Other creditors and Accruals	(249,729)
Trade creditors	(34,501)
Amounts owed to fellow group undertakings	(591)
Dilapidation provision	(475,767)
Deferred tax	95,000
Total assets and liabilities acquired	<u>4,174,983</u>
Consideration	<u>(4,174,983)</u>
Goodwill arising	<u>£ -</u>

3. TURNOVER

The whole of the turnover is attributable to the company's principal activity.

An analysis of turnover by geographical market destination is as follows:

	2014 £	2013 £
Far East	333,804	-
United States of America	171,189	-
Middle East	6,796	-
Europe (excluding UK)	780,889	-
	<u>£ 1,292,678</u>	<u>£ -</u>

All turnover originates from the United Kingdom.

MULTOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

4. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2014 £	2013 £
Amortisation - intangible fixed assets	260,670	259,728
Depreciation of tangible fixed assets:		
- owned by the company	58,761	75,364
Audit fees - statutory audit	3,000	3,000
Operating lease rentals:		
- other operating leases	65,990	-
Difference on foreign exchange	(71,635)	(13)
	<u> </u>	<u> </u>

Exceptional administrative expenses consist of:

	2014 £	2013 £
Redundancy costs	£ 420,602	£ -
	<u> </u>	<u> </u>

During the year the Multos business relocated from Warrington, Cheshire, to Fareham. This resulted in restructuring costs of £420,602 principally relating to redundancy costs.

5. STAFF COSTS

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	468,607	-
Social security costs	52,165	-
Other pension costs (Note 19)	45,371	-
	<u> </u>	<u> </u>
	£ 566,143	£ -
	<u> </u>	<u> </u>

The average monthly number of employees, including the directors, during the year was as follows:

	2014 No.	2013 No.
Directors	2	2
Administration	3	-
Research & Development	5	-
	<u> </u>	<u> </u>
	10	2
	<u> </u>	<u> </u>

During the year no directors received any emoluments in respect of their services to the company (2013: £Nil) as their remuneration is deemed to be wholly attributable to other group companies.

MULTOS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2014 £	2013 £
Interest receivable from group undertakings	£ 1,750	£ -

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £	2013 £
Interest payable to group undertakings	£ 2	£ 19,329

8. TAX ON LOSS ON ORDINARY ACTIVITIES

	2014 £	2013 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX (see note below)		
UK corporation tax charge on loss for the financial year	-	-
Foreign tax on income for the year	25,022	-
TOTAL CURRENT TAX	25,022	-
DEFERRED TAX (see note 15)		
Origination and reversal of timing differences	(83,088)	-
TAX ON LOSS ON ORDINARY ACTIVITIES	£ (58,066)	£ -

MULTOS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

8. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2013 - *higher than*) the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Loss on ordinary activities before tax	£ (199,270)	£ (379,094)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%)	(42,843)	(88,126)
EFFECTS OF:		
Expenses not deductible for tax purposes	2,814	4,649
Difference between capital allowances for the year and depreciation	24,721	10,078
Other short term timing differences	4,748	-
Current year losses not utilised	16,316	-
Group relief surrendered for nil consideration	19,266	73,399
CURRENT TAX CHARGE FOR THE YEAR (see note above)	£ 25,022	£ -

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Other than the deferred tax asset shown in Note 15 and the changes to the UK main income tax rate detailed below, there are no factors that may affect future tax charges.

The Finance Act 2013 was enacted and included a reduction in the UK main income tax rate from 23% to 21% from 1 April 2014 and a further reduction from 21% to 20% from 1 April 2015. As a result, the relevant deferred tax balance sheet amounts have been remeasured to 20% as this is the period when they are forecast to be utilised. On 8 July 2015 it was announced that the main rate of corporation tax in the UK would be reduced to 19% from 1 April 2017 and to 18% from 1 April 2020. As the changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements.

MULTOS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

9. INTANGIBLE FIXED ASSETS

	Patents £	Brand names £	Goodwill £	Total £
COST				
At 1 January 2014 and 31 December 2014	1,822,983	127,208	321,341	2,271,532
ACCUMULATED AMORTISATION				
At 1 January 2014	1,112,820	77,660	169,939	1,360,419
Charge for the year	203,293	14,120	43,257	260,670
At 31 December 2014	1,316,113	91,780	213,196	1,621,089
NET BOOK VALUE				
At 31 December 2014	£ 506,870	£ 35,428	£ 108,145	£ 650,443
At 31 December 2013	£ 710,163	£ 49,548	£ 151,402	£ 911,113

10. TANGIBLE FIXED ASSETS

	S/Term Leasehold Property £	Fixtures & fittings £	Computer equipment £	Software £	Total £
COST					
At 1 January 2014	-	-	-	454,000	454,000
Additions	252	1,108	37,736	-	39,096
At 31 December 2014	252	1,108	37,736	454,000	493,096
ACCUMULATED DEPRECIATION					
At 1 January 2014	-	-	-	414,502	414,502
Charge for the year	252	1,108	17,903	39,498	58,761
At 31 December 2014	252	1,108	17,903	454,000	473,263
NET BOOK VALUE					
At 31 December 2014	£ -	£ -	£ 19,833	£ -	£ 19,833
At 31 December 2013	£ -	£ -	£ -	£ 39,498	£ 39,498

MULTOS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

11. FIXED ASSET INVESTMENTS

	Shares in group undertaking s £
COST	
At 1 January 2014 and 31 December 2014	£ 149,017

SUBSIDIARY UNDERTAKINGS

The following companies, which are registered in England and Wales, were wholly owned subsidiary undertakings of the company at the year end:

Name	Principal activity
StepNexus Limited	Software design, development and provision
Maosco Limited	Maintenance of MAOSCO Consortium

The directors believe that the carrying value of the investments is supported by their underlying assets.

12. DEBTORS

	2014 £	2013 £
Trade debtors	68,319	-
Amounts owed by group undertakings	3,534,823	-
Other debtors	6,270	-
Prepayments and accrued income	50,599	384
Deferred tax asset (see note 15)	178,088	-
	<u>£ 3,838,099</u>	<u>£ 384</u>

**13. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014 £	2013 £
Trade creditors	35,953	-
Amounts owed to group undertakings	4,199,040	1,669
Other taxation and social security	18,014	-
Other creditors	27,312	-
Accruals and deferred income	336,936	26,055
	<u>£ 4,617,255</u>	<u>£ 27,724</u>

MULTOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

14. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014 £	2013 £
Amounts owed to group undertakings	£ -	£ 1,619,483

Amounts owed to group undertakings after more than one year are unsecured, bore interest at LIBOR + 0.75% and were repayable between 1 and 2 years.

MULTOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

15. DEFERRED TAXATION

	2014 £	2013 £
At beginning of year	-	-
Recognised during the year (Note 8)	83,088	-
Transfer intra group	95,000	-
At end of year	<u>£ 178,088</u>	<u>£ -</u>

The deferred taxation balance is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	38,526	-
Tax losses carried forward	39,991	-
Short-term timing differences	99,571	-
	<u>£ 178,088</u>	<u>£ -</u>

16. PROVISIONS FOR LIABILITIES

	Dilapidations £	Restructuring £	Total £
At 1 January 2014	-	-	-
Additions	475,767	420,602	896,369
Amount released in year	(100,000)	-	(100,000)
At 31 December 2014	<u>£ 375,767</u>	<u>£ 420,602</u>	<u>£ 796,369</u>

DILAPIDATIONS PROVISION

The dilapidation provision relates to the expected cost of returning the leasehold premises occupied by the company at St. Andrew's House, Warrington, Cheshire to their former condition at the end of the lease term in September 2015.

RESTRUCTURING PROVISION

The restructuring provision relates to expected redundancy and relocation costs connected to the relocation of the Multos business from Warrington, Cheshire to Fareham.

17. SHARE CAPITAL

	2014 £	2013 £
ALLOTTED, CALLED UP AND FULLY PAID		
1,700,100 (2013 - 1,700,100) Ordinary shares of £1 each	<u>£ 1,700,100</u>	<u>£ 1,700,100</u>

MULTOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

18. RESERVES

	Profit and loss account £
At 1 January 2014	(2,200,344)
Loss for the financial year	(141,204)
At 31 December 2014	<u>£(2,341,548)</u>

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2014 £	2013 £
Opening shareholders' deficit	(500,244)	(121,150)
Loss for the financial year	(141,204)	(379,094)
Closing shareholders' deficit	<u>£ (641,448)</u>	<u>£ (500,244)</u>

20. PENSION COMMITMENTS

The company contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £45,371 (2013 - £Nil). Contributions totaling £Nil (2013 - £Nil) were payable to the fund at the balance sheet date.

21. OPERATING LEASE COMMITMENTS

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2014 £	2013 £
EXPIRY DATE:		
Within 1 year	<u>62,911</u>	<u>-</u>

22. RELATED PARTY TRANSACTIONS

The company, being a wholly owned subsidiary of the ultimate parent undertaking, is exempt from the requirement to disclose details of transactions or balances between the company and the ultimate parent undertaking or its other wholly owned subsidiaries in accordance with FRS 8 "Related Party Transactions".

MULTOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

As at the balance sheet date, the ultimate parent undertaking and ultimate controlling party was Gemalto NV, a company registered in The Netherlands which owns 100% of the issued share capital of the company. *Gemalto NV is the smallest and largest group to consolidate these results.* The immediate parent undertaking at the balance sheet date was Gemalto UK Limited. Copies of the consolidated financial statements of Gemalto NV can be obtained from Barbara Strozzi aan 382, 1083 HN, Amsterdam, The Netherlands.