

Registered number: 06556367

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**MULTOS LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**MULTOS LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

H Berg  
L S Smith

**COMPANY SECRETARY**

M Seabrook

**COMPANY NUMBER**

06556367

**REGISTERED OFFICE**

350 Longwater Avenue  
Reading  
RG2 6GF

**INDEPENDENT AUDITOR**

Rawlinson & Hunter Audit LLP  
Chartered Accountants & Statutory Auditor  
Eighth Floor  
6 New Street Square  
New Fetter Lane  
London  
EC4A 3AQ

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**MULTOS LIMITED**

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## MULTOS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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The directors present their report and the audited financial statements of Multos Limited ("the company") for the year ended 31 December 2020.

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited 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, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), 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 audited financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments 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 audited 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 to enable them to ensure that the audited 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of audited financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

#### PRINCIPAL ACTIVITIES

The company's principal activities during the year were 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.

#### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £2,629,641 (2019 - £2,799,958).

The directors declared and paid an interim dividend of £Nil during the financial year (2019 - £2,500,000).

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**MULTOS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**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 the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the 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.

**COVID-19**

The Covid-19 (coronavirus) pandemic continues to generate market uncertainty. The directors have performed a review of the impact of the Covid-19 global crisis in the first half of 2021, including updating the cash flow forecast of the company, the effect that this has had up to the date of signing this report, and the effect it is expected to have on the company's operational activities and financial performance for the years to 31 December 2021 and 31 December 2022. The directors have made operational arrangements which enable company operations to continue and staff to work in a healthy and safe environment. The company has continued to operate within its existing funding arrangements which provide liquidity through participation in the Thales SA Group cash pooling arrangement.

The effects of these events and the consideration of these on the company's ability to continue on the going concern basis have been considered in Note 3.2.

**SMALL COMPANIES NOTE**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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



**L S Smith**  
Director

Date: 28<sup>th</sup> September 2021

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## MULTOS LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MULTOS LIMITED

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#### OPINION

We have audited the financial statements of Multos Limited ("the company") for the year ended 31 December 2020, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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.

#### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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## MULTOS LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MULTOS LIMITED (CONTINUED)

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#### OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Financial Statements, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

#### OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

#### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

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## MULTOS LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MULTOS LIMITED (CONTINUED)

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#### RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement 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, and for such internal control as the directors 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.

#### AUDITOR'S 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 Auditor's 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.

Irregularities, including fraud, are instances of non compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Our assessment of the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur, is considered to be low. This conclusion was reached after the consideration of the following:

- due to the relatively simple business model and low volume of transactions within the company there are comparatively few unexpected fluctuations in the reported results and balances and any such unexpected items would be specifically enquired into by us; and
- there are a number of individuals which comprise "management" and therefore there is no single individual who is likely to be able to override controls to effect a fraud.

We designed our audit procedures to respond to identified audit risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements. Some of the specific procedures performed to detect irregularities, including fraud, are detailed below:

- the review of control accounts and journal entries for large, unusual or unauthorised entries;
- the analytical review of the detailed profit and loss account for variances that are either unexpected or felt not to be in accordance with our understanding of the business during the year;
- obtaining and reviewing for completeness a list of entities and persons considered to be related parties (as defined by Financial Reporting Standard 102) and reviewing the ledgers of the company for previously unreported related party transactions; and
- review of transactions and journals for any indication of fraud or management override.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.



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**MULTOS LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MULTOS LIMITED (CONTINUED)**

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The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

**USE OF OUR REPORT**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kulwara Nagra (Senior Statutory Auditor)  
for and on behalf of

**Rawlinson & Hunter Audit LLP**

Chartered Accountants

Statutory Auditor

Eighth Floor

6 New Street Square

New Fetter Lane

London

EC4A 3AQ

Date: 28 September 2021

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MULTOS LIMITED

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PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2020

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	Note	2020 £	2019 £
Turnover	5	3,361,757	3,528,350
Administrative expenses		(573,022)	(624,985)
Exceptional items	12	(149,017)	-
<b>Operating profit</b>	6	<b>2,639,718</b>	<b>2,903,365</b>
Dividend income	15	86,581	-
Interest receivable and similar income	8	16,982	49,575
Interest payable and similar expenses	9	(172)	(29)
<b>Profit before tax</b>		<b>2,743,109</b>	<b>2,952,911</b>
Tax on profit	10	(113,468)	(152,953)
<b>Profit for the financial year</b>		<b>2,629,641</b>	<b>2,799,958</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the profit and loss account.

The notes on pages 10 to 25 form part of these financial statements.

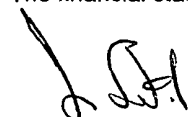
**MULTOS LIMITED**  
**REGISTERED NUMBER: 06556367**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	13	-	3,886
Tangible assets	14	99,333	42,342
Investments	15	-	149,017
		<u>99,333</u>	<u>195,245</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	16	7,206,320	5,072,468
Cash at bank and in hand	17	1,070,054	536,791
		<u>8,276,374</u>	<u>5,609,259</u>
Creditors: amounts falling due within one year	18	(345,049)	(403,487)
<b>Net current assets</b>		<u>7,931,325</u>	<u>5,205,772</u>
<b>Total assets less current liabilities</b>		<u>8,030,658</u>	<u>5,401,017</u>
<b>Net assets</b>		<u><u>8,030,658</u></u>	<u><u>5,401,017</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	1,700,100	1,700,100
Profit and loss account	22	6,330,558	3,700,917
		<u>8,030,658</u>	<u>5,401,017</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



**L S Smith**  
Director

*September 28<sup>th</sup> 2021.*

The notes on pages 10 to 25 form part of these financial statements.

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**MULTOS LIMITED**

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Called up share capital £	Retained earnings £	Total shareholder s' funds £
At 1 January 2020	1,700,100	3,700,917	5,401,017
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the financial year	-	2,629,641	2,629,641
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	2,629,641	2,629,641
<b>At 31 DECEMBER 2020</b>	<u>1,700,100</u>	<u>6,330,558</u>	<u>8,030,658</u>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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	Called up share capital £	Retained earnings £	Total shareholder s' funds £
At 1 January 2019	1,700,100	3,400,959	5,101,059
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the financial year	-	2,799,958	2,799,958
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	2,799,958	2,799,958
Dividends: Equity capital (Note 11)	-	(2,500,000)	(2,500,000)
<b>At 31 DECEMBER 2019</b>	<u>1,700,100</u>	<u>3,700,917</u>	<u>5,401,017</u>

The notes on pages 10 to 25 form part of these financial statements.

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## MULTOS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1. GENERAL INFORMATION

Multos Limited ("the company") is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of the registered office is 350 Longwater Avenue, Reading, RG2 6GF.

#### 2. STATEMENT OF COMPLIANCE

The individual financial statements of Multos Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### 3.1 Basis of preparation of financial statements

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" and the Companies Act 2006.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in "Critical accounting judgements and key sources of estimation uncertainty" section included within Note 4.

##### 3.2 Going concern

The Covid-19 (coronavirus) pandemic continues to generate market uncertainty. The directors have performed a review of the impact of the Covid-19 global crisis in the first half of 2021, including updating the cash flow forecast of the company, the effect that this has had up to the date of signing this report, and the effect it is expected to have on the company's operational activities and financial performance for the years to 31 December 2021 and 31 December 2022. The directors have made operational arrangements which enable company operations to continue and staff to work in a healthy and safe environment. The company has continued to operate within its existing funding arrangements which provide liquidity through participation in the Thales SA Group cash pooling arrangement. Therefore, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and hence consider the adoption of the going concern basis in preparing these financial statements is appropriate.

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## MULTOS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 3.3 Exemption for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The company is a qualifying entity as its results are consolidated into the financial statements of Thales S.A which are publicly available.

As a qualifying entity, the company has taken advantage of the following exemptions:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

##### 3.4 Consolidation policy

No consolidated financial statements are submitted, as the company is a wholly-owned subsidiary of Thales DIS UK Limited, a company registered in England and Wales, and is therefore exempt under section 400 of the Companies Act 2006.

##### 3.5 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.

##### 3.6 Dividend income

Dividend income is recognised when the right to receive payment is established.

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## MULTOS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 3.7 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Goodwill represents the difference between amounts paid on the cost of a business combination and the fair value of its identifiable assets and liabilities at the date of acquisition. Goodwill is amortised on a straight line basis 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 on the following bases:

Patents	-	11 % straight line
Brand names	-	11 % straight line
Goodwill	-	11 % straight line
Software	-	17 % 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.

##### 3.8 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

S/Term Leasehold Property	-	25.0% straight line
Fixtures & fittings	-	33.0% straight line
Computer equipment	-	33.0% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

##### 3.9 Operating leases

Rentals paid under operating leases (net of any incentives received from the lessor) are charged to the Profit and Loss Account on a straight line basis over the period of the lease.

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## MULTOS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 3.10 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 3.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 3.12 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### 3.13 Foreign currency translation

The company's functional and presentational currency is Pound Sterling.

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.

##### 3.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.



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## MULTOS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### 3.15 Pensions

###### Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

##### 3.16 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

##### 3.17 Current and deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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MULTOS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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**4. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION  
UNCERTAINTY**

In preparing the financial statements, management has to make judgements on how to apply the company's accounting policies and make estimates about the future.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The critical judgements that have been made in arriving at the amounts recognised in the financial statements and the key areas of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the next financial year, are discussed below:

**Impairment of tangible and intangible fixed assets**

Management assesses annually whether there are indicators of impairment of the company's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

**Recoverability of trade and group debtors**

Management regularly assess the carrying value of trade debtors and amounts owed from group undertakings. Factors taken in reach such a decision include the financial position of counter parties and the adherence of any payment terms by the counter parties.

**5. TURNOVER**

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

Analysis of turnover by country of destination:

	2020 £	2019 £
Rest of Europe	3,208,237	2,740,045
Rest of the world	153,520	788,305
	<u>3,361,757</u>	<u>3,528,350</u>

All turnover originates from the United Kingdom.

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**MULTOS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**6. OPERATING PROFIT**

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	21,907	26,605
Amortisation of intangible fixed assets	3,886	1,310
Fees payable to the company's auditor for the audit of the company's annual financial statements	10,000	10,000
Exchange differences	13,323	54,892
	<u>          </u>	<u>          </u>

**7. EMPLOYEES**

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	305,694	332,080
Social security costs	30,988	34,937
Cost of defined contribution scheme (Note 23)	15,831	15,438
	<u>352,513</u>	<u>382,455</u>

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

	2020 No.	2019 No.
Directors	2	2
Administration	4	3
Research & Development	4	5
	<u>10</u>	<u>10</u>

During the year no directors received any emoluments in respect of their services to the company (2019 - £Nil) as their remuneration is deemed to be wholly attributable to other group companies.

The company believes that key management personnel are only the statutory directors.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**8. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2020 £	2019 £
Interest receivable from group companies	16,982	49,575
	<u>16,982</u>	<u>49,575</u>

**9. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2020 £	2019 £
Bank interest payable	133	-
Loans from group undertakings	39	-
Other interest payable	-	29
	<u>172</u>	<u>29</u>

**10. TAXATION**

	2020 £	2019 £
<b>CORPORATION TAX</b>		
UK corporation tax charge on profit for the financial year	515,200	529,075
Adjustments in respect of previous periods	(398,082)	(379,942)
	<u>117,118</u>	<u>149,133</u>
Double taxation relief	(1,747)	(12,475)
	<u>115,371</u>	<u>136,658</u>
<b>FOREIGN TAX</b>		
Foreign tax on income for the year	1,747	12,475
<b>TOTAL CURRENT TAX</b>	<u>117,118</u>	<u>149,133</u>
<b>DEFERRED TAX</b>		
Origination and reversal of timing differences (Note 20)	(3,650)	3,820
<b>TOTAL DEFERRED TAX</b>	<u>(3,650)</u>	<u>3,820</u>
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<u>113,468</u>	<u>152,953</u>

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MULTOS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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10. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>2,743,109</u>	<u>2,952,911</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	521,191	561,053
EFFECTS OF:		
Expenses not deductible for tax purposes	28,946	22
Adjustments to tax charge in respect of previous periods - current tax	(398,082)	(379,942)
Non-taxable income	(16,450)	-
Other tax adjustments	(7,300)	-
Effect of change in tax rate - deferred tax	(3,963)	(449)
Group relief claimed	<u>(10,874)</u>	<u>(27,731)</u>
TOTAL TAX CHARGE FOR THE YEAR	<u>113,468</u>	<u>152,953</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Other than the deferred tax asset shown in Note 20 and the changes to the UK main income tax rate detailed below, there are no factors that may affect future tax charges.

A planned increase in the UK corporation tax rate from 19% to 25% for periods commencing after 1 April 2023 was substantively enacted on 10 June 2021 within the Finance Bill 2021. A rate of 19% has therefore been applied to the deferred tax asset at the Balance Sheet date. However, this will increase the company's future current tax charge accordingly and increase the deferred tax.

**MULTOS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**11. DIVIDENDS**

	2020 £	2019 £
Dividends declared and paid	-	2,500,000

**12. EXCEPTIONAL ITEMS**

	2020 £	2019 £
Impairment of investment (Note 15)	149,017	-
	149,017	-

**13. INTANGIBLE ASSETS**

	Patents £	Brand names £	Goodwill £	Software £	Total £
<b>COST</b>					
At 1 January 2020	1,822,983	127,208	321,341	459,196	2,730,728
At 31 December 2020	1,822,983	127,208	321,341	459,196	2,730,728
<b>AMORTISATION</b>					
At 1 January 2020	1,822,983	127,208	321,341	455,310	2,726,842
Charge for the year on owned assets	-	-	-	3,886	3,886
At 31 December 2020	1,822,983	127,208	321,341	459,196	2,730,728
<b>NET BOOK VALUE</b>					
At 31 December 2020	-	-	-	-	-
At 31 December 2019	-	-	-	3,886	3,886

**MULTOS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**14. TANGIBLE FIXED ASSETS**

	S/Term Leasehold Property £	Fixtures & fittings £	Computer equipment £	Total £
<b>COST</b>				
At 1 January 2020	252	1,718	132,627	134,597
Additions	-	398	77,760	78,158
Transfers intra group	-	-	2,072	2,072
At 31 December 2020	<u>252</u>	<u>2,116</u>	<u>212,459</u>	<u>214,827</u>
<b>DEPRECIATION</b>				
At 1 January 2020	252	1,657	90,346	92,255
Charge for the year on owned assets	-	459	21,448	21,907
Transfers intra group	-	-	1,332	1,332
At 31 December 2020	<u>252</u>	<u>2,116</u>	<u>113,126</u>	<u>115,494</u>
<b>NET BOOK VALUE</b>				
At 31 December 2020	<u>-</u>	<u>-</u>	<u>99,333</u>	<u>99,333</u>
At 31 December 2019	<u>-</u>	<u>61</u>	<u>42,281</u>	<u>42,342</u>

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**MULTOS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**15. INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2020	149,017
Amounts written off	(149,017)
At 31 December 2020	-
<b>NET BOOK VALUE</b>	
At 31 December 2020	-
At 31 December 2019	149,017

On 31 December 2020 the company's wholly owned subsidiary, Maosco Limited ("Maosco"), through a dividend in specie, transferred its trade, assets and liabilities to the company at book value. Following the transfer the Maosco has become dormant and as such the company has written the investment down to £Nil.

**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Trade debtors	195,984	65,507
Amounts owed by group undertakings	6,326,970	4,893,188
Other debtors	339,555	70,940
Prepayments and accrued income	241,859	9,150
Deferred taxation (Note 20)	101,952	33,683
	<u>7,206,320</u>	<u>5,072,468</u>

Amounts owed by group undertakings are unsecured and repayable on demand. On £6,121,017 (2019 - £4,534,435) interest was charged at between 0.35% and 0.59% and the remainder is interest free.



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MULTOS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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17. CASH AT BANK AND IN HAND

	2020 £	2019 £
Cash at bank and in hand	1,070,054	536,791
	<u>1,070,054</u>	<u>536,791</u>

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	21,635	1,398
Amounts owed to group undertakings	73,751	10,682
Other taxation and social security	-	7,480
Other creditors	1,355	3,050
Accruals and deferred income	248,308	380,877
	<u>345,049</u>	<u>403,487</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

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MULTOS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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19. FINANCIAL INSTRUMENTS

	2020 £	2019 £
<b>FINANCIAL ASSETS</b>		
Financial assets measured at fair value through profit or loss	1,070,054	536,791
Financial assets that are debt instruments measured at amortised cost	6,746,407	4,967,510
Financial assets measured at cost less accumulated impairment	-	149,017
	<u>7,816,461</u>	<u>5,653,318</u>
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	<u>(250,443)</u>	<u>(52,035)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors (excluding VAT) and accrued income.

Financial assets measured at cost less accumulated impairment comprise investments in group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors and accruals.

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MULTOS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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20. DEFERRED TAXATION

	2020 £	2019 £
At beginning of year	33,683	37,503
Credited/(charged) to profit or loss (Note 10)	3,650	(3,820)
Transfers from subsidiary undertaking	64,619	-
<b>AT END OF YEAR</b>	<b>101,952</b>	<b>33,683</b>

The deferred tax asset is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	30,851	33,683
Tax losses carried forward	71,101	-
	<b>101,952</b>	<b>33,683</b>

21. CALLED UP SHARE CAPITAL

	2020 £	2019 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
1,700,100 (2019 - 1,700,100) Ordinary shares of £1.00 each	<b>1,700,100</b>	<b>1,700,100</b>

22. PROFIT AND LOSS ACCOUNT

The Profit and Loss Account represents cumulative profits and losses net of dividends and other adjustments.

23. 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 £15,831 (2019 - £15,438). Contributions totalling £Nil (2019 - £Nil) were payable to the fund at the balance sheet date.

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**MULTOS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**24. 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 between the company and the ultimate parent undertaking or its other wholly owned subsidiaries in accordance with Section 33 of FRS 102 'Related Party Disclosures'.

**25. CONTROLLING PARTY**

The immediate parent undertaking at the balance sheet date was Thales DIS UK Limited, a company incorporated in the UK.

As at the balance sheet date, the ultimate parent undertaking and ultimate controlling party was Thales S.A., a company registered in France. Thales is the smallest and largest group to consolidate these results. Copies of the consolidated financial statements of Thales S.A. can be obtained from Tour Carpe Diem, 31 Place des Corolles – CS 20001, 92098 Paris La Defense Cedex, France.