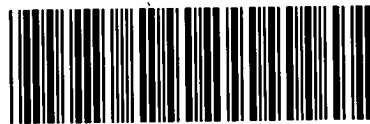


**REGISTERED NUMBER: 09682819 (England and Wales)**

**REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021  
FOR  
SOFTOMOTIVE UK LTD**

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**SOFTOMOTIVE UK LTD (REGISTERED NUMBER: 09682819)**

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**SOFTOMOTIVE UK LTD**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**DIRECTORS:**

Mr B O Orndorff  
Mr K R Dolliver

**REGISTERED OFFICE:**

The Broadgate Tower Third Floor  
20 Primrose Street  
London  
EC2A 2RS

**REGISTERED NUMBER:**

09682819 (England and Wales)

**AUDITORS:**

Deloitte LLP  
Abbots House  
Abbey Street  
Reading  
RG1 3BD

**SOFTOMOTIVE UK LTD (REGISTERED NUMBER: 09682819)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report with the audited financial statements of the company for the year ended 31 December 2021.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of selling software licenses.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

Mr B O Orndorff  
Mr K R Dolliver

The Company has not made any qualifying third-party provisions.

**Financial risk management objectives and policies**

The Company's activities expose it to a number of financial risks including credit risk, interest rate risk and liquidity risk. The use of financial derivatives is governed by the Company's policies approved by the board of directors.

Credit risk:

The company has no significant concentration of credit risk.

The company has policies in place to ensure that transactions are entered into only with parties that are of acceptable credit quality.

Interest rate risk:

The company has low exposure to interest rate changes as it is charged on loans to/ from related parties which is subject to change.

Liquidity risk:

There is a low liquidity risk as the company is no longer trading and requires minimal working capital.

There has been no direct impact on the company by the Russian invasion of Ukraine on 24 February 2022 or the COVID-19 pandemic outbreak in March 2020.

**SMALL COMPANIES EXEMPTIONS**

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A and have taken exemption from the preparation of the strategic report as per section 414B of the Companies Act 2006.

**RESULTS AND DIVIDENDS**

Profit for the year, after taxation amounted to £12,205 (2020: loss of £2,112,576). The directors did not declare a dividend during the year (2020: £nil). The directors do not recommend the payment of a final dividend (2020: £nil). In 2021, the profit reduced due to cessation of activities by the company, as directors' intention is to wind-down the company.

**GOING CONCERN**

The company is no longer operating as a going concern due to the revenue generating contracts ending in the forthcoming period, therefore there will be no product revenue in future years. The directors have prepared the Annual Report and Financial statements on a basis other than going concern. Microsoft Corporation, the ultimate parent company, will guarantee the solvency of the company and provide it with sufficient financing resources until the business is wound up. No adjustments have arisen as a result of this basis of preparation.

**SOFTOMOTIVE UK LTD (REGISTERED NUMBER: 09682819)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Report of the Directors 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself 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 provision of section 418 of the Companies act 2006.

**AUDITORS**

The auditors, Deloitte LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

This report has been approved by the Board of Directors and authorised for issue on 8 November 2022 and were signed on its behalf by:

.....  
Mr B O Orndorff - Director

Date: 8 November 2022

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOFTOMOTIVE UK LTD**

### **Opinion**

In our opinion the financial statements of Softomotive UK Ltd (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of other comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 15.

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 Accepted Accounting Practice).

### **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 Auditors' 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 UK, including the Financial Reporting Council's (the 'FRC'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.

### **Emphasis of matter– Financial statements prepared other than on going concern basis**

We draw attention to note 2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of going concern. Our opinion is not modified in respect of this matter.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within annual report. 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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOFTOMOTIVE UK LTD**

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

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 auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SOFTOMOTIVE UK LTD**

### **Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

### **Opinions 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.

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.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of following matters 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; and
- the directors were not entitled to prepare the financials statements in accordance with small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

### **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 a Report of the Auditors 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.

*Gavin Waters*

Gavin Waters (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Reading  
United Kingdom

Date: 08 November 2023



**SOFTOMOTIVE UK LTD (REGISTERED NUMBER: 09682819)**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

		2021	2020
	Notes	£	(As restated) £
<b>REVENUE</b>		262,319	673,305
Cost of sales		<u>-</u>	<u>197,900</u>
<b>GROSS PROFIT</b>		262,319	475,405
Administrative expenses		<u>289,671</u>	<u>2,430,937</u>
		(27,352)	(1,955,532)
Other operating income		<u>42,775</u>	<u>-</u>
<b>OPERATING PROFIT/(LOSS)</b>	5	15,423	(1,955,532)
Interest receivable and similar income		<u>692</u>	<u>-</u>
		16,115	(1,955,532)
Interest payable and similar expenses		<u>1,522</u>	<u>157,044</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		14,593	(2,112,576)
Tax on profit/(loss)	6	<u>2,388</u>	<u>-</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>12,205</u>	<u>(2,112,576)</u>

The comparatives figures and notes have been restated. Refer to note 7 for restatements.  
The results from operations in current and prior period are from discontinued operations.

**SOFTOMOTIVE UK LTD (REGISTERED NUMBER: 09682819)**

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £ (As Restated)
<b>PROFIT/(LOSS) FOR THE YEAR</b>		12,205	(2,112,576)
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>12,205</u>	<u>(2,112,576)</u>

**SOFTOMOTIVE UK LTD (REGISTERED NUMBER: 09682819)**

**STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2021**

	Notes	2021 £	2020 £ (As restated)
<b>FIXED ASSETS</b>			
Property, plant, and equipment	8	-	63,927
<b>CURRENT ASSETS</b>			
Debtors	9	296,103	488,148
<b>CREDITORS</b>			
Amounts falling due within one year	10	<u>(3,889,185)</u>	<u>(218,712)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>(3,593,082)</u>	<u>269,436</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(3,593,082)</u>	<u>333,363</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	11	-	(3,898,484)
<b>PROVISIONS FOR LIABILITIES</b>	13	-	<u>(40,166)</u>
<b>NET LIABILITIES</b>		<u>(3,593,082)</u>	<u>(3,605,287)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		1	1
Retained earnings		<u>(3,593,083)</u>	<u>(3,605,288)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>(3,593,082)</u>	<u>(3,605,287)</u>

The comparative figures and notes have been restated. Refer to note 7 for restatements.

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

The financial statements were approved by the Board of Directors and authorised for issue on 8th November 2022 and were signed on its behalf by:

.....  
Mr B O Omdorff - Director

.....  
Mr K R Dolliver - Director

**SOFTOMOTIVE UK LTD (REGISTERED NUMBER: 09682819)**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Retained earnings £ (As restated)	Total equity £ (As restated)
<b>Balance at 1 January 2020</b>	1	(2,115,314)	(2,115,313)
<b>Changes in equity</b>			
Deficit for the year	-	(2,112,576)	(2,112,576)
Capital contribution (As restated)	-	622,602	622,602
	<hr/>	<hr/>	<hr/>
Total comprehensive income	-	(1,489,974)	(1,489,974)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2020</b>	1	(3,605,288)	(3,605,287)
	<hr/>	<hr/>	<hr/>
<b>Changes in equity</b>			
Profit for the year	-	12,205	12,205
	<hr/>	<hr/>	<hr/>
Total comprehensive income	-	12,205	12,205
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2021</b>	1	(3,593,083)	(3,593,082)
	<hr/>	<hr/>	<hr/>

**SOFTOMOTIVE UK LTD (REGISTERED NUMBER: 09682819)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**1. STATUTORY INFORMATION**

Softomotive UK Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address is The Broadgate Tower, Third Floor, 20 Primrose Street, London, United Kingdom, EC2A 2RS. The nature of the company's operations and principal activities are set out in the Report of the Directors.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Discontinuing and continuing operations**

During the year ended 31 December 2021, the profit of £12,205 (2020 – loss of £2,112,576) resulted from the discontinued operations.

**Turnover**

Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Maintenance Agreement**

Revenue from maintenance contracts is recognised over the term of the agreement in line with the economic benefits of the transaction. Where a long-term fee has been raised revenue is deferred and released over the term of agreement. Where the group offers a free of charge (FOC) period, an adjustment is made to recognise the associated cost of servicing this FOC period at the end of each financial year end.

**Professional Services**

Revenue from contracts for the provision of professional services are recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of expenses recognised that it is probable will be recovered.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on cost
Computer equipment	- 33% on cost

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out.

**Financial assets**

Basic financial assets, including trade and other debtors, cash, and bank balances, intercompany, working capital balances, and intercompany financing are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, then the transaction is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

**Financial liabilities**

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

**Impairment of financial assets**

Financial assets 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 cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

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

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised, the impairment reversal is recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. ACCOUNTING POLICIES - continued**

**Derecognition of financial assets and financial liabilities**

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party Without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled, or expired

**Offsetting of financial assets and financial liabilities**

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.

**Interest expense**

Interest expense is recognised when there is an outflow of economic benefit from the Company, and the amount of interest expense can be determined with reliability. Recognition of Interest expense is done on timely basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash payments through expected life of the financial liability to that liabilities net carrying amount on initial recognition.

**Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Statement of Financial Position date.

Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, based on 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 differences can be deducted.

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate and the exchange differences are included in the accounts.

**Going concern**

The company is no longer operating as a going concern due to the revenue generating contracts ending in the forthcoming period, therefore there will be no product revenue in future years. The directors have prepared the Annual Report and Financial statements on a basis other than going concern. Microsoft Corporation, the ultimate parent company, will guarantee the solvency of the company and provide it with sufficient financing resources until the business is wound up. No adjustments have arisen as a result of this basis of preparation.

**SOFTOMOTIVE UK LTD (REGISTERED NUMBER: 09682819)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. ACCOUNTING POLICIES - continued**

**Provisions for liability policy**

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income statement in the year that the company becomes aware of the obligation and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**Interest receivable and interest payable**

Interest payable and similar expenses include interest payable recognised in statement of comprehensive income using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the statement of comprehensive income.

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In preparing these financial statements, the directors do not consider that there were any significant judgements or estimates in applying accounting policies.

**4. EMPLOYEES AND DIRECTORS**

	2021	2020
	£	£
Wages and salaries	-	628,495
Social security costs	202	99,329
Other pension costs	-	26,422
	<u>202</u>	<u>754,246</u>

The average number of employees during the year was as follows:

	2021	2020
Operational	<u>-</u>	<u>10</u>

In the period ended 31 December 2021 Guy Berruyer, a director of an affiliated company received remuneration totalling £NIL (2020: £263,587) through employment of Softomotive UK Ltd.



**SOFTOMOTIVE UK LTD (REGISTERED NUMBER: 09682819)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**5. OPERATING PROFIT/ (LOSS)**

The operating profit (2020 - operating loss) is stated after charging/(crediting):

	2021	2020
	£	£
Other operating leases	74,126	197,038
Depreciation - owned assets	-	36,906
Accounting, professional, and legal fees	9,114	121,690
Bad debt expenses	(24,586)	33,550
Audit fees	<u>40,526</u>	<u>29,122</u>

**6. TAXATION**

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2021	2020
	£	£
Current tax:		
Under/(Over) provision in earlier years	<u>2,388</u>	<u>-</u>
Tax on profit/(loss)	<u>2,388</u>	<u>-</u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
Profit/(loss) before tax	<u>14,593</u>	<u>(2,112,576)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	2,773	(401,389)
Effects of:		
Expenses not deductible for tax purposes	12,709	2,307
Income not taxable for tax purposes	-	(2,209)
Capital allowances in excess of depreciation	(1,473)	-
Depreciation in excess of capital allowances	-	103
Unutilised tax losses carried forward	(14,009)	379,750
Taxable income not recognised on profit and loss	-	21,438
Double taxation relief provision adjustment	<u>2,388</u>	<u>-</u>
Total tax charge	<u>2,388</u>	<u>-</u>

**Tax effects relating to capital contribution**

There were no tax effects for the year ended 31 December 2021.

	Gross	2020	Net
	£	Tax	£
		£	
Capital contribution	<u>622,602</u>	<u>-</u>	<u>622,602</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**7. PRIOR YEAR ADJUSTMENT**

In preparing the financial statements for the year ended 31 December 2021 it was identified that £622,601 was mistakenly classified as amounts owed to group undertakings instead of capital contribution in the year ended 31 December 2020. The amount was a capital contribution from the company's ultimate parent company, Microsoft Corporation, which is not repayable. In restating the prior year comparatives, Capital contribution (SOCIE) have increased by £622,601 from NIL to £622,601 and amount owed to group undertakings have decreased by £622,601 from £4,521,086 to £3,898,484.

In preparing the financial statements for the year ended 31 December 2021 it was identified that income was mistakenly understated in the year ended 31 December 2020 by £42,069. In restating the prior year comparatives, revenue has been increased by £42,069 from £631,236 to £673,305 and amounts owed by group undertakings: due within a year have been increased by £42,069 from NIL to £42,069.

In preparing the financial statements for the year ended 31 December 2021 it was identified that profit on disposal of fixed asset amounting to £5,256 was mistakenly classified as other income instead of administrative expenses, in the year ended 31 December 2020. In restating the prior year comparatives, other operating income has decreased by £5,256 from £5,256 to £NIL and administrative expenses has decreased by £5,256 from £2,436,763 to £2,430,937.

**8. PROPERTY, PLANT AND EQUIPMENT**

	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2021	69,215	25,799	95,014
Additions	3,400	-	3,400
Disposals	(72,615)	(25,799)	(98,414)
At 31 December 2021	-	-	-
<b>DEPRECIATION</b>			
At 1 January 2021	14,671	16,416	31,087
Eliminated on disposal	(14,671)	(16,416)	(31,087)
At 31 December 2021	-	-	-
<b>NET BOOK VALUE</b>			
At 31 December 2021	-	-	-
At 31 December 2020	<u>54,544</u>	<u>9,383</u>	<u>63,927</u>

**SOFTOMOTIVE UK LTD (REGISTERED NUMBER: 09682819)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**9. DEBTORS**

	2021	2020
		(As
restated)	£	£
Amounts falling due within one year:		
Trade debtors	-	45,299
Amounts owed by group undertakings (As restated)	176,069	42,069
Other debtors	82,778	125,441
Tax	36,634	39,022
VAT	254	25,295
Prepayments and accrued income	368	65,228
	<u>296,103</u>	<u>342,354</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	-	145,794
Aggregate amounts	296,103	488,148

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

	2021	2020
	£	£
Bank loans and overdrafts	1	75
Trade creditors	-	5,464
Amounts owed to group undertakings	3,810,184	-
Deferred income	-	157,451
Accrued expenses	79,000	55,722
	<u>3,889,185</u>	<u>218,712</u>

**11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2021	2020
		(As
restated)	£	£
Amounts owed to group undertakings (As restated)	-	3,898,484
	<u>-</u>	<u>3,898,484</u>

**12. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	-	207,000
Between one and five years	-	535,000

The lease remained in Softomotive UK Limited's name until March 2021, and as of 1<sup>st</sup> April 2021, the rights and obligation of lease were assumed by Microsoft Limited, the immediate parent company.

**SOFTOMOTIVE UK LTD (REGISTERED NUMBER: 09682819)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**13. PROVISIONS FOR LIABILITIES**

	2021 £	2020 £
Other provisions		
Provision for bad debts	-	40,166
		Provision for bad debts £
Balance at 1 January 2021		40,166
Utilised during year		<u>(40,166)</u>
Balance at 31 December 2021		<u>-</u>

**14. IMMEDIATE AND ULTIMATE PARENT COMPANY**

Microsoft Limited, a company incorporated in the UK, is the immediate parent company of Softomotive UK Ltd. Microsoft Corporation is the ultimate parent company for which there is no ultimate controlling party.

The Company is a member of a group that prepares publicly available consolidated financial statements. Microsoft Corporation is the parent of the only group in which results are consolidated. Consolidated financial statements of the ultimate parent Company in which the results of the Company are incorporated can be obtained from <https://www.microsoft.com/investor/reports/ar22/index.html>

The registered office of Microsoft Corporation is One Microsoft Way, Redmond, Washington, United States, 98052-6399.

**15. EVENTS AFTER THE REPORTING PERIOD**

There have been no significant events affecting the company since the year end.