

**Company Number 02693479**

**Report of the Director and**

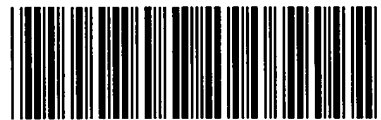
**Financial Statements**

**for the Year Ended 31st December 2014**

**for**

**SCM Microsystems Limited**

WEDNESDAY



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COMPANIES HOUSE

**SCM Microsystems Limited**

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**for the Year Ended 31st December 2014**

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**SCM Microsystems Limited**  
**Company Information**  
**for the Year Ended 31st December 2014**

<b>DIRECTOR:</b>	Dr M Müller
<b>REGISTERED OFFICE:</b>	3 London Wall Buildings London EC2M 5PD
<b>REGISTERED NUMBER:</b>	02693479 (England and Wales)
<b>AUDITORS:</b>	Wilkins Kennedy LLP Chartered Accountants and Statutory Auditors Anglo House Bell Lane Office Village Bell Lane Amersham Buckinghamshire HP6 6FA

**SCM Microsystems Limited**

**Report of the Director**  
**for the Year Ended 31st December 2014**

The director presents his report with the financial statements of the company for the year ended 31st December 2014.

**DIRECTOR**

Dr M Müller held office during the whole of the period from 1st January 2014 to the date of this report.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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**

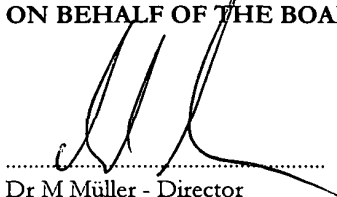
So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information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

**AUDITORS**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and Wilkins Kennedy LLP will therefore continue in office.

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

**ON BEHALF OF THE BOARD:**



.....  
Dr M Müller - Director

22 September 2015

**Report of the Independent Auditors to the Members of**  
**SCM Microsystems Limited**

We have audited the financial statements of SCM Microsystems Limited for the year ended 31st December 2014 on pages five to ten. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

**Respective responsibilities of director and auditors**

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Director 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.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31st December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of**  
**SCM Microsystems Limited**

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

We have nothing to report in respect of the following matters where 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Director.

*W. V. K. - d. W.*

Timothy Collerton ACA FCCA CTA (Senior Statutory Auditor)  
for and on behalf of Wilkins Kennedy LLP  
Chartered Accountants and Statutory Auditors  
Anglo House  
Bell Lane Office Village  
Bell Lane  
Amersham  
Buckinghamshire  
HP6 6FA

24 September 2015

**SCM Microsystems Limited**

**Profit and Loss Account**  
**for the Year Ended 31st December 2014**

	Notes	2014 £	2013 £
<b>TURNOVER</b>		<b>54,175</b>	<b>340,433</b>
Cost of sales		<u><b>52,096</b></u>	<u><b>322,410</b></u>
<b>GROSS PROFIT</b>		<b>2,079</b>	<b>18,023</b>
Administrative expenses		<u><b>59,748</b></u>	<u><b>284,793</b></u>
<b>OPERATING LOSS and LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	<b>(57,669)</b>	<b>(266,770)</b>
Tax on loss on ordinary activities	6	<u><b>-</b></u>	<u><b>-</b></u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u><u><b>(57,669)</b></u></u>	<u><u><b>(266,770)</b></u></u>

The notes form part of these financial statements


**SCM Microsystems Limited (Registered number: 02693479)**

**Balance Sheet**  
**31st December 2014**

	Notes	2014		2013	
		£	£	£	£
<b>FIXED ASSETS</b>					
Investments	7		757,000		757,000
<b>CURRENT ASSETS</b>					
Debtors	8	20,430		301,442	
Cash at bank		<u>21,387</u>		<u>1,970</u>	
		41,817		303,412	
<b>CREDITORS</b>					
Amounts falling due within one year	9	<u>2,469,842</u>		<u>2,673,768</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(2,428,025)</u>		<u>(2,370,356)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(1,671,025)</u>		<u>(1,613,356)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		200,000		200,000
Profit and loss account	11		<u>(1,871,025)</u>		<u>(1,813,356)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>(1,671,025)</u>		<u>(1,613,356)</u>

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the director on 22 September 2015 and were signed by:

  
.....  
Dr M Müller - Director

The notes form part of these financial statements



## **SCM Microsystems Limited**

### **Notes to the Financial Statements** **for the Year Ended 31st December 2014**

#### **1. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The director has a reasonable expectation that the company will continue in existence for the foreseeable future, and the going concern basis has therefore been used in preparing the accounts.

##### **Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

##### **Preparation of consolidated financial statements**

The financial statements contain information about SCM Microsystems Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 401 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, SCM Microsystems Inc., a company registered in United States of America.

##### **Exemption from preparing a cash flow statement**

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

##### **Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with wholly-owned subsidiaries within the group.

##### **Turnover**

Turnover is the amount derived from the recharge and mark-up on the provision of consultancy services. Revenue is recognised as the significant risk and rewards of ownership have been transferred. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included in part of creditors due within one year.

##### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

##### **Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

##### **Investments**

Investments held as fixed assets are stated at cost less provision for impairment.

##### **Restructuring**

During the third and fourth quarters of 2013, the Identive Inc. group's management underwent a restructuring exercise in order to simplify business operations. This resulted in the elimination of non-core positions and costs involved were primarily related to severance paid or accrued as at the balance sheet date. The costs relating to SCM Microsystems Limited have been reflected within the financial statements.

**SCM Microsystems Limited**

**Notes to the Financial Statements**  
**for the Year Ended 31st December 2014 - continued**

**1. ACCOUNTING POLICIES - continued**

**Going concern**

Annual activity is limited. As the financial statements show an overall net liabilities position at the year-end, a letter of support from the ultimate parent company, Identiv Inc., has been provided, indicating continued financial and non-financial support for the coming twelve months. The director has an expectation that the company will continue in existence for the foreseeable future and accordingly continues to adopt the going concern basis in preparing the financial statements.

**2. TURNOVER**

The proportion of turnover that is attributable to markets outside the United Kingdom is 100% (2013: 100%).

**3. DIRECTOR'S EMOLUMENTS**

The director is also a director of the intermediate associated company, Identiv GmbH, which paid all his remuneration and pension contributions. It is not practicable to allocate between services as a director of this company and other group companies. Details of the director's remuneration are set out in the accounts of Identiv GmbH.

**4. OPERATING LOSS**

The operating loss is stated after charging:

	2014	2013
	£	£
Auditor's remuneration- audit	5,250	5,000
Foreign exchange differences	24,593	16,831
Pension costs	<u>5,000</u>	<u>33,253</u>

**5. EXCEPTIONAL ITEMS**

In 2013 the company underwent a restructuring process resulting in a provision for costs of £21,519 (2013 £249,772) which are reflected within administrative expenses.

**6. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose on ordinary activities for the year ended 31st December 2014 nor for the year ended 31st December 2013.

**SCM Microsystems Limited**

**Notes to the Financial Statements**  
**for the Year Ended 31st December 2014 - continued**

**7. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
At 1st January 2014 and 31st December 2014	<u>1,210,337</u>
<b>PROVISIONS</b>	
At 1st January 2014 and 31st December 2014	<u>453,337</u>
<b>NET BOOK VALUE</b>	
At 31st December 2014	<u>757,000</u>
At 31st December 2013	<u>757,000</u>

The company's investments at the balance sheet date in the share capital of companies include the following:

**SCM Microsystems (India) Private Limited**

Country of incorporation: India

Nature of business: Holding Company

	%		
Class of shares:	holding		
Ordinary	99.99		
		31/3/14	31/3/13
		£	£
Aggregate capital and reserves		1,499,133	1,884,099
Loss for the year		<u>(49,754)</u>	<u>(12,864)</u>

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

	2014	2013
	£	£
Amounts owed by group undertakings	<u>20,430</u>	<u>301,442</u>

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

	2014	2013
	£	£
Trade creditors	-	834
Amounts owed to group undertakings	2,390,999	2,164,340
Social security and other taxes	12,502	122,244
Accruals and deferred income	<u>66,341</u>	<u>386,350</u>
	<u>2,469,842</u>	<u>2,673,768</u>

**SCM Microsystems Limited**

**Notes to the Financial Statements**  
**for the Year Ended 31st December 2014 - continued**

**10. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2014	2013
Number:	Class:		£	£
200,000	Ordinary	£1	<u>200,000</u>	<u>200,000</u>

**11. RESERVES**

	Profit and loss account £
At 1st January 2014	(1,813,356)
Deficit for the year	<u>(57,669)</u>
At 31st December 2014	<u>(1,871,025)</u>

**12. PARENT COMPANY**

SCM Microsystems Group Limited (incorporated in the United Kingdom) is the immediate parent company.

**13. ULTIMATE PARENT COMPANY**

Identiv Inc. (incorporated in the USA) is regarded by the director as being the company's ultimate parent company.

**14. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Identiv Inc. of 1900 Carnegie Avenue, Building B, Santa Ana, California 92705, a U.S. corporation quoted on the NASDAQ Capital Market in the U.S. under the symbol INVE. Copies of the group accounts can be obtained from this address. Identiv Inc. is both the smallest and largest group for which accounts are prepared.