

Registration number: 06671487

# TouchType Ltd

Annual Report and Financial Statements

for the Year Ended 31 December 2018

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## **TouchType Ltd**

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## **TouchType Ltd**

### **Company Information**

<b>Directors</b>	K R Dolliver B O Omdorff
<b>Company secretary</b>	Reed Smith Corporate Services Limited
<b>Registered office</b>	The Broadgate Tower Third Floor 20 Primrose Street London EC2A 2RS
<b>Auditors</b>	Deloitte LLP Statutory Auditor Abbots House Abbey Street Reading RG1 3BD

## **TouchType Ltd**

### **Directors' Report for the Year Ended 31 December 2018**

The directors present their report and the financial statements for the year ended 31 December 2018.

#### **Principal activity**

The principal activity of the company is software development.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £470,578 (2017: Profit of £2,550,784).

The directors have not recommended a dividend in the current or prior year.

#### **Directors' of the company**

The directors, who held office during the year, were as follows:

K R Dolliver

B O Orndorff

#### **Qualifying third party indemnity provisions**

A qualifying indemnity provision was in force for the benefit of each director of the company in respect of liabilities that may attach to them in their capacity as directors of the company or of associated companies. These indemnities were granted at different times according to the law in place at the time and where relevant are qualifying third-party indemnity provisions as defined by section 234 of the Companies Act 2006. These indemnities were in force throughout the year and are currently in force.

#### **Disclosure of information to the auditors**

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 auditors are 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 auditors are aware of that information.

The company will continue to support other group companies and in view of the current economic climate, the board is looking forward to sustaining the level of revenue and profits in the following years.

#### **Going concern**

The Company and the Microsoft Group have considerable financial resources. As a consequence, the directors believe that the company is well placed to manage its business risks successfully.

The Company has a letter of support that Microsoft Corporation will guarantee the solvency of the Company and provide it with sufficient financing resources for at least 12 months from the date of signing.

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

#### **Reappointment of auditors**

The auditors, Deloitte LLP, who were first appointed for the year ended 31 December 2018 will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

#### **Small companies provision statement**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by s415A of the Companies Act 2006.

**TouchType Ltd**

**Directors' Report for the Year Ended 31 December 2018**

Approved by the Board and signed on its behalf by:

.....  
B O Ormond  
Director



## **TouchType Ltd**

### **Directors' Responsibilities Statement**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 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 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.

## **TouchType Ltd**

### **Independent Auditor's Report to the Members of TouchType Ltd**

#### **Opinion**

In our opinion the financial statements of Touchtype Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 December 2018 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 the 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 statement of comprehensive income;
- the balance sheet;
- 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 Generally 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 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 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.

#### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## **TouchType Ltd**

### **Independent Auditor's Report to the Members of TouchType Ltd**

We have nothing to report in this regard.

#### **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.

#### **Report on other legal and regulatory requirements**

##### **Opinion on other matter 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 have 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 any 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 the 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.
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

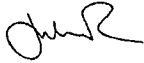


## **TouchType Ltd**

### **Independent Auditor's Report to the Members of TouchType Ltd**

#### **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.



.....  
Julian Rae (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP,  
Statutory Auditor  
Reading, UK

Date: 28 February 2020 .....

# **TouchType Ltd**

## **Statement of comprehensive income for the year ended 31 December 2018**

		<b>(As restated)</b>	
	<b>Note</b>	<b>2018 £</b>	<b>2017 £</b>
Turnover	3	943,272	5,672,013
Cost of sales		<u>(769,432)</u>	<u>(2,325,037)</u>
Gross profit		173,840	3,346,976
Administrative expenses		<u>(80,611)</u>	<u>(408,034)</u>
Operating profit	4	93,229	2,938,942
Interest receivable and similar income	6	426,295	223,585
Interest payable and similar charges		<u>(2,520)</u>	<u>-</u>
Profit before tax		517,004	3,162,527
Tax on profit	7	<u>(46,426)</u>	<u>(611,743)</u>
Profit for the year		<u>470,578</u>	<u>2,550,784</u>
		<b>2018 £</b>	<b>2017 £</b>
Profit for the year		<u>470,578</u>	<u>2,550,784</u>
Total comprehensive income for the year		<u>470,578</u>	<u>2,550,784</u>

\* Details on the prior period restatement can be found in Note 2.

# TouchType Ltd

(Registration number: 06671487)  
Balance Sheet as at 31 December 2018

			(As restated)
	Note	31 December 2018 £	31 December 2017 £
<b>Fixed assets</b>			
Intangible assets	8	-	11,644
Investments	10	63	63
		<u>63</u>	<u>11,707</u>
<b>Current assets</b>			
Debtors	11	82,298,488	82,198,038
Cash at bank and in hand		-	656
		<u>82,298,488</u>	<u>82,198,694</u>
Creditors: amounts falling due within one year	12	-	(253,951)
<b>Net current assets</b>		<u>82,298,488</u>	<u>81,944,743</u>
<b>Net assets</b>		<u>82,298,551</u>	<u>81,956,450</u>
<b>Capital and reserves</b>			
Called up share capital	13	290	290
Share premium account		19,176,400	19,176,400
Profit and loss account		<u>63,121,861</u>	<u>62,779,760</u>
<b>Shareholders' funds</b>		<u>82,298,551</u>	<u>81,956,450</u>

\* Details on the prior period restatement can be found in Note 2.

The financial statements of TouchType Ltd, registration number 06671487, were approved and authorised for issue by the Board of Directors.

Approved by the Board on 29 February 2020 and signed on its behalf by:

.....  
B O Omdorff  
Director

# **TouchType Ltd**

## **Statement of Changes in Equity for the Year Ended 31 December 2018**

	Share capital £	Share premium £	Profit and loss account £ (restated)	Total £ (restated)
At 1 January 2017	<u>290</u>	<u>19,176,400</u>	<u>60,228,976</u>	<u>79,405,666</u>
Profit for the year	<u>-</u>	<u>-</u>	<u>2,550,784</u>	<u>2,550,784</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>2,550,784</u>	<u>2,550,784</u>
At 31 December 2017	<u>290</u>	<u>19,176,400</u>	<u>62,779,760</u>	<u>81,956,450</u>

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 January 2018	<u>290</u>	<u>19,176,400</u>	<u>62,651,283</u>	<u>81,827,973</u>
Profit for the year	<u>-</u>	<u>-</u>	<u>470,578</u>	<u>470,578</u>
Total comprehensive income	<u>-</u>	<u>-</u>	<u>470,578</u>	<u>470,578</u>
At 31 December 2018	<u>290</u>	<u>19,176,400</u>	<u>63,121,861</u>	<u>82,298,551</u>

• Details on the prior period restatement can be found in Note 2.

## **TouchType Ltd**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **1 General information**

TouchType Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the company's operations and its principal activities are set out in the directors' report. The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group. The group accounts of Microsoft Corporation can be obtained as set out in Note 15.

#### **2 Accounting policies**

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies 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 compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. The directors do not believe that there are any key estimates and judgements which are required for the preparation of the financial statements.

The following principal accounting policies have been applied:

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Microsoft Corporation as at 30 June 2019 and 30 June 2018 and these financial statements may be obtained by, contacting Microsoft Investor Relations at any time to order financial documents such as annual reports and Form 10-Ks free of charge.

## **TouchType Ltd**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **Going concern**

The Company and the Microsoft Group have considerable financial resources. As a consequence, the directors believe that the company is well placed to manage its business risks successfully.

The Company has a letter of support that Microsoft Corporation will guarantee the solvency of the Company and provide it with sufficient financing resources for at least 12 months from the date of signing.

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

#### **Revenue**

Turnover includes commission income receivable and amounts derived from its parent company and a fellow group subsidiary in Ireland based on the greater of a revenue basis or a mark-up on total costs incurred. Revenue is recognised in the period in which the costs are incurred and once the values are approved by the Microsoft group.

#### **Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### **Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## **TouchType Ltd**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **Foreign currency translation**

##### **(a) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in sterling, which is the company's functional presentation currency.

##### **(b) Transactions and balances**

Foreign currency transactions are translated into the company's functional currencies using the exchange rates prevailing at the invoiced dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

#### **Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated instrument.

#### **Finance Income**

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### **Leased assets: Lessee**

Annual rentals under operating lease agreements are charged to profit or loss on a straight-line basis over the term of the lease.

#### **Financial instruments**

Financial assets and liabilities are recognised in the Company's balance sheet when the Company becomes party to the contractual provision of the instrument. Because of their short term nature the carrying amount of receivables and payables approximates their fair value. Third-party and inter company payables and receivables are initially recognised at fair value and subsequently at amortised cost less any provision for impairment.

#### **Prior period adjustments**

The company has recorded a correction to decrease 2017 turnover and reduce amounts owed by fellow group undertakings by £667,641 having received additional information from the counterparty since the initial royalty report used in the compilation of the 2017 financial statements. The adjustment including the tax impact reduced the profit for the year by £539,144, increased tax receivable by £128,497 and decreased the amounts owed by fellow group undertakings by £667,641.

The company has also recorded a correction of a timing difference on royalty revenue previously recorded in 2017 that related to 2016 of £100,583. The adjustment increased the profit and loss account as at 1 January 2017 and increased amounts owed by fellow group undertakings by £100,583. There was no impact to profit for the year ended 31 December 2017. The impact of these adjustments is shown in the table below:

## TouchType Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2018

	As previously reported £	Adjustment £	As restated £
<b>Statement of Comprehensive Income for the year ended 31 December 2017</b>			
Turnover	6,339,654	(667,641)	5,672,013
Tax on profit	(740,240)	128,497	(611,743)
Profit for the year	3,089,928	(539,144)	2,550,784
<b>Balance sheet as at 31 December 2017</b>			
Amounts owed by fellow group undertakings	80,932,268	(567,078)	80,365,190
Corporation Tax	1,635,553	128,497	1,764,050
Profit and loss account	63,218,341	(438,581)	62,779,760
<b>Statement of Changes in Equity</b>			
Profit and loss account as at 1 January 2017	60,128,413	100,563	60,228,976
Profit for the year	3,089,928	(539,144)	2,550,784
Profit & Loss account as at 31 December 2017	63,218,341	(438,581)	62,779,760

#### **Judgements in applying accounting policies and key sources of estimation uncertainty**

The directors do not believe that there are any key estimates and judgements which are required for the preparation of the financial statements.



## TouchType Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 3 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	(As restated)	
	2018 £	2017 £
Product revenue	7,398	986
Commission and royalties within the group	<u>935,874</u>	<u>5,671,027</u>
	<u>943,272</u>	<u>5,672,013</u>

The analysis of the company's turnover for the year by country is as follows:

	2018 £	2017 £
UK	7,398	986
Europe	12,197	18,025
Rest of world	<u>923,677</u>	<u>5,653,002</u>
	<u>943,272</u>	<u>5,672,013</u>

#### 4 Operating profit/ (loss)

Arrived at after charging/(crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets	-	2,748
Amortisation of intangible assets	11,644	8,103
Exchange differences	-	(65,360)
Operating lease payments	-	(15,642)
Auditors remuneration	<u>29,000</u>	<u>16,000</u>

#### 5 Directors' remuneration

None of the directors received any remuneration in respect of qualifying services as directors of the company in the current year or in the prior year and none of the directors have any employment contracts with the Company.

#### 6 Other interest receivable and similar income

	2018 £	2017 £
Interest Receivable from group companies	426,295	223,513
Other interest receivable	<u>-</u>	<u>72</u>
	<u>426,295</u>	<u>223,585</u>

# **TouchType Ltd**

## **Notes to the Financial Statements for the Year Ended 31 December 2018**

### **7 Tax on profit**

Tax charged/(credited) in the statement of comprehensive income

	2018 £	2017 £
<b>Current taxation</b>		
UK corporation tax	111,782	625,306
UK corporation tax adjustment to prior periods	<u>(128,498)</u>	<u>-</u>
	(16,716)	625,306
<b>Deferred taxation</b>		
Origination of temporary differences	<u>63,142</u>	<u>(13,563)</u>
Tax charge in the statement of comprehensive income	<u>46,426</u>	<u>611,743</u>

#### **Reconciliation to current tax charge:**

The standard rate of tax for the year, based on the UK standard rate of corporation tax is 19% (2017 - 19.25%).

The actual tax charge for the current and previous years differs from the standard rate for the reasons set out in the following reconciliation:

	2018 £	2017 £
		(As restated)
Profit before tax	<u>517,004</u>	<u>3,162,527</u>
Corporation tax at standard rate	98,231	608,786
Prior year adjustment	(109,387)	-
Increase from effect of expenses not deductible in determining taxable profit	34,977	1,273
Increase from tax losses for which no deferred tax asset was recognised	11,456	-
Increase in current tax from unrecognised tax loss or credit	15,416	(106)
Deferred tax (credit) / expense relating to changes in tax rates or laws	<u>(4,267)</u>	<u>1,790</u>
Total tax charge	<u>46,426</u>	<u>611,743</u>

# **TouchType Ltd**

## **Notes to the Financial Statements for the Year Ended 31 December 2018**

### **8 Intangible assets**

	<b>Software and website £</b>
<b>Cost or valuation</b>	
At 1 January 2018	56,948
Disposals	<u>(56,948)</u>
At 31 December 2018	<u>-</u>
<b>Amortisation</b>	
At 1 January 2018	56,948
Amortisation eliminated on disposals	<u>(56,948)</u>
At 31 December 2018	<u>-</u>
<b>Carrying amount</b>	
At 31 December 2018	<u>-</u>
At 31 December 2017	<u>11,644</u>

Software and website costs are amortised evenly over their useful lives of 10 and 5 years respectively. Amortisation is included in administrative expenses in the profit and loss account.

### **9 Deferred tax**

	<b>2018 £</b>	<b>2017 £</b>
Accelerated Capital Allowances	-	32,117
Short-term timing differences	<u>-</u>	<u>31,025</u>
	<u>-</u>	<u>63,142</u>

	<b>2018 £</b>	<b>2017 £</b>
Balance at 1 January	63,142	49,579
Charged to the statement of comprehensive income in the year	<u>(63,142)</u>	<u>13,563</u>
Balance at 31 December	<u>-</u>	<u>63,142</u>

# **TouchType Ltd**

## **Notes to the Financial Statements for the Year Ended 31 December 2018**

### **10 Investments**

	£ Group undertakings
<b>Cost</b>	
At 1 January 2018	63
At 31 December 2018	63
<b>Carrying amount</b>	
At 31 December 2018	63
At 31 December 2017	63

The principal undertakings in which the company's interest during the year is 20% or more are as follows:

Name of subsidiary	Principal activity	Registered office	Proportion of ownership interest and voting rights held	
			2018	2017
TouchType Limited	Mobile Sales & Customer support	The Broadgate Tower Third Floor, 20 Primrose Street, London, EC2A 2RS	100%	100%
TouchType Inc	Dormant	2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808	100%	100%
TouchType (Hong Kong) Limited	Mobile Dormant	Suites 406-409, 4/F Three Pacific Place, 1 Queens' Road East, Hong Kong	100%	100%
Fluency Limited	Meaning Dormant (dissolved July 2017)	25 The Broadgate Tower Third Floor, 20 Primrose Street, London, EC2A 2RS	100%	100%

## TouchType Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 11 Trade and other debtors

	(As restated)	
	31 December 2018 £	31 December 2017 £
Amounts owed by fellow group undertakings	80,636,045	80,365,190
Corporation tax	1,649,749	1,764,050
Other debtors	12,694	5,656
Deferred tax assets	-	63,142
Total current trade and other debtors	<u>82,298,488</u>	<u>82,198,038</u>

Interest is received on amounts owed by group undertakings using a Reuter's 12-month interest rate. Intercompany debtors are repayable on demand. All amounts are due within one year and unsecured.

#### 12 Trade and other creditors

	31 December 2018 £	31 December 2017 £
Corporation tax	-	1
Accruals and deferred income	-	253,950
	<u>-</u>	<u>253,951</u>

## TouchType Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 13 Share capital

##### Allotted, called up and fully paid shares

	31 December 2018		31 December 2017	
	No.	£	No.	£
Ordinary shares of £0.00 each	19,103,004	191	19,103,004	191
'A' ordinary shares of £0.00 each	7,478,200	75	7,478,200	75
'B' ordinary shares of £0.00 each	2,399,060	24	2,399,060	24
	<u>28,980,264</u>	<u>290</u>	<u>28,980,264</u>	<u>290</u>

The company's capital and reserves are as follows:

##### Called up share capital

Called up share capital represents the nominal value of the shares issues.

##### Share premium account

The share premium account includes the premium on issue of equity shares, net of any costs.

##### Profit and loss account

The profit and loss account represents cumulative profits and losses, net of dividends paid and other adjustments.

#### 14 Related party transactions

In accordance with Section 33.1A of FRS 102 the company has taken advantage of the exemption available to 100% subsidiaries not to disclose transactions and balances within the group, as this company is included in publicly available consolidated accounts.

#### 15 Parent and ultimate parent undertaking

The immediate and ultimate parent company is Microsoft Corporation, incorporated in the State of Washington, United States of America. Microsoft Corporation is the parent of the only group into which the results are consolidated. These consolidated accounts are available to the public and can be obtained by contacting Microsoft Investor Relations [www.microsoft.com/en-us/investor](http://www.microsoft.com/en-us/investor).