

Company registration number: 08281080

CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED

ANNUAL REPORT
FOR THE PERIOD ENDED
31 DECEMBER 2014

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CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED

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CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED

COMPANY INFORMATION

| | |
|-----------------------------|---|
| DIRECTORS | R. Sherman J. Poliner |
| COMPANY SECRETARY | Scrip Secretaries Limited |
| REGISTERED NUMBER | 08281080 |
| REGISTERED OFFICE | Fifth Floor 17 Hanover Square London W1S 1HU |
| INDEPENDENT AUDITORS | F. W. Smith, Riches & Co. Chartered Accountants & Statutory Auditors 15 Whitehall London SW1A 2DD |

CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

The directors present their report and the financial statements for the period ended 31 December 2014.

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was the provision of payment processing and passenger information technologies for the transportation industry.

DIRECTORS

The directors who served during the period were:

R. Sherman
J. Poliner

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 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 judgments and accounting estimates that are reasonable and prudent;
- 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.

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED

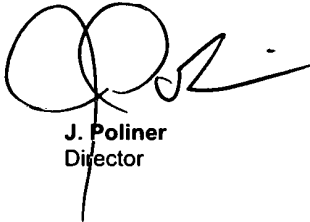
**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2014**

AUDITORS

The auditors, F. W. Smith, Riches & Co., will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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 on **25 Sept. 2015** and signed on its behalf by:



J. Poliner
Director

CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED

We have audited the financial statements of Creative Mobile Technologies (UK) Limited for the period ended 31 December 2014, set out on pages 6 to 12. 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 shareholder 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 shareholder those matters we are required to state to them in an Auditors' 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 shareholder for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). 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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 December 2014 and of its loss for the period 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.

EMPHASIS OF MATTER - GOING CONCERN

In giving our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures in Note 1 "Going concern". This notes that the company will need to successfully roll out the company's services in order to generate sufficient cash to enable it to continue in operational existence for the foreseeable future. This condition indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

The financial statements do not reflect any adjustments that would be required to be made if they were to be prepared on a basis other than the going concern basis.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF CREATIVE MOBILE TECHNOLOGIES
(UK) 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 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 prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Daniel C. Crawford

Daniel D. E. Crawford (Senior Statutory Auditor)
for and on behalf of **F. W. Smith, Riches & Co.**
Chartered Accountants & Statutory Auditors
London

25th September 2015

CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED

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

| | Note | 31 December 2014 £ | Period ended 31 December 2013 £ |
|--|------|--------------------------|--|
| TURNOVER | | 45,653 | 74 |
| Cost of sales | | (417,253) | (31,019) |
| | | <hr/> | <hr/> |
| GROSS LOSS | | (371,600) | (30,945) |
| Administrative expenses | | (198,991) | (67,645) |
| | | <hr/> | <hr/> |
| OPERATING LOSS | 2 | (570,591) | (98,590) |
| Interest payable and similar charges | | (225) | - |
| | | <hr/> | <hr/> |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (570,816) | (98,590) |
| Tax on loss on ordinary activities | 3 | - | - |
| | | <hr/> | <hr/> |
| LOSS FOR THE FINANCIAL PERIOD | 9 | (570,816) | (98,590) |
| | | <hr/> <hr/> | <hr/> <hr/> |

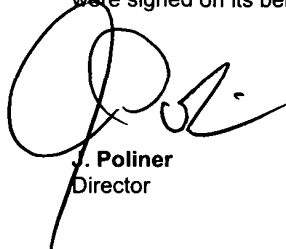
CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED
REGISTERED NUMBER: 08281080

BALANCE SHEET
AS AT 31 DECEMBER 2014

| | Note | £ | 2014 £ | £ | 2013 £ |
|--|------|------------------|------------------|------------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 4 | | 674,526 | | 1,085,914 |
| CURRENT ASSETS | | | | | |
| Debtors | 5 | 19,107 | | 5,823 | |
| Cash at bank | | 45,156 | | 87,513 | |
| | | <u>64,263</u> | | <u>93,336</u> | |
| CREDITORS: amounts falling due within one year | 6 | <u>(107,062)</u> | | <u>(371,707)</u> | |
| NET CURRENT LIABILITIES | | | <u>(42,799)</u> | | <u>(278,371)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>631,727</u> | | <u>807,543</u> |
| CREDITORS: amounts falling due after more than one year | 7 | | 1,301,132 | | 906,132 |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 8 | 1 | | 1 | |
| Profit and loss account | 9 | <u>(669,406)</u> | | <u>(98,590)</u> | |
| Shareholders' funds - deficit | | | <u>(669,405)</u> | | <u>(98,589)</u> |
| | | | <u>631,727</u> | | <u>807,543</u> |

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

The financial statements on pages 6 to 12 were approved by the board on **25 Sept. 2015** and were signed on its behalf by:


J. Poliner
 Director

CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED

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

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

1.2 Going concern

The company has reported a loss for the period due to the delayed launch of the company's services. The official launch took place in May 2014. Whilst the company's trading performance has improved significantly during the period, the take up of new technology has been slower than initially expected. The directors have produced a financial forecast for the period through to 31 October 2015. This forecast is based on the assumption that the roll out of the company's services will continue to be successful and lead to substantially increased revenues. The directors recognise that there are uncertainties surrounding this core issue. If the company was to prove unable to generate these increased revenues, the company's current cash balances would be insufficient to fund the company's activities for a period of twelve months from the date of approval of these financial statements.

However, the directors have a reasonable expectation that the roll out of the company's services will be successful and the company will have adequate resources to continue in operational existence for the foreseeable future. They have therefore prepared the financial statements on a going concern basis.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|-------------------|---|--------------|
| Plant & machinery | - | over 3 years |
|-------------------|---|--------------|

1.5 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation. A net deferred tax asset is recognised only if 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. Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED

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

1. ACCOUNTING POLICIES (continued)

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Profit and Loss Account.

1.8 Financial instruments

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 entity after deducting all of its financial liabilities.

2. OPERATING LOSS

The operating loss is stated after charging:

| | 31 December 2014 £ | Period ended 31 December 2013 £ |
|--|-----------------------------------|--|
| Depreciation of tangible fixed assets: | | |
| - owned by the company | 337,263 | - |
| Auditors' remuneration | 2,500 | 900 |
| Research and development expenditure | 26,359 | - |
| | <hr/> <hr/> | <hr/> <hr/> |

During the period, no director received any emoluments (2013 - £NIL).

3. TAXATION

| | 31 December 2014 £ | Period ended 31 December 2013 £ |
|--|-----------------------------------|--|
| UK corporation tax charge on loss for the period | - | - |
| | <hr/> <hr/> | <hr/> <hr/> |

CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED

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

3. TAXATION (continued)

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 20% (2013 - 20%). The differences are explained below:

| | 31 December 2014 £ | Period ended 31 December 2013 £ |
|--|-----------------------------------|--|
| Loss on ordinary activities before tax | (570,816) | (98,590) |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2013 - 20%) | (114,163) | (19,718) |
| Effects of: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 1,641 | 200 |
| Depreciation for period in greater/(less) than capital allowances | 43,984 | (78,346) |
| Unrelieved tax losses carried forward | 68,538 | 97,864 |
| Current tax charge for the period (see note above) | - | - |

Factors that may affect future tax charges

The company has tax losses of £831,554 available to carry forward against future operating profits.

4. TANGIBLE FIXED ASSETS

| | Plant & machinery £ |
|-----------------------|--|
| Cost | |
| At 1 January 2014 | 1,085,914 |
| Additions | 6,875 |
| Disposals | (81,000) |
| At 31 December 2014 | 1,011,789 |
| Depreciation | |
| Charge for the period | 337,263 |
| At 31 December 2014 | 337,263 |
| Net book value | |
| At 31 December 2014 | 674,526 |
| At 31 December 2013 | 1,085,914 |

CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED

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

5. DEBTORS

| | 2014 £ | 2013 £ |
|------------------------------------|---------------|--------------|
| Trade debtors | 6,010 | - |
| Amounts owed by group undertakings | 8,010 | 496 |
| Other debtors | 5,087 | 5,327 |
| | <u>19,107</u> | <u>5,823</u> |

**6. CREDITORS:
Amounts falling due within one year**

| | 2014 £ | 2013 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 64,763 | 362,696 |
| Other taxation and social security | 119 | - |
| Other creditors | 42,180 | 9,011 |
| | <u>107,062</u> | <u>371,707</u> |

**7. CREDITORS:
Amounts falling due after more than one year**

| | 2014 £ | 2013 £ |
|------------------------------------|------------------|----------------|
| Amounts owed to group undertakings | <u>1,301,132</u> | <u>906,132</u> |

CMT Holdings (Europe) LLP has given an undertaking not to demand repayment of its loan prior to 1 October 2016.

8. SHARE CAPITAL

| | 2014 £ | 2013 £ |
|---|-----------|-----------|
| Allotted, called up and fully paid | | |
| 1 Ordinary share of £1 | <u>1</u> | <u>1</u> |

CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED

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

9. RESERVES

| | Profit and loss account £ |
|---------------------|---------------------------------|
| At 1 January 2014 | (98,590) |
| Loss for the period | (570,816) |
| At 31 December 2014 | <u>(669,406)</u> |

10. OPERATING LEASE COMMITMENTS

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

| | 2014 £ | 2013 £ |
|---------------------|-----------|-----------|
| Expiry date: | | |
| Within 1 year | - | 25,200 |

11. ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is Creative Mobile Technologies (Europe) Limited, a company registered in England and Wales. The company's intermediate parent undertaking is CMT Holdings (Europe) LLP, a limited liability partnership registered in England and Wales.

The company's ultimate parent undertaking is Creative Mobile Technologies LLC, a company registered in the United States of America.

12. RELATED PARTY DISCLOSURES

The company is controlled by R. Sherman, a director, by virtue of his controlling interests in the shares of Creative Mobile Technologies LLC.

During the period, CMT Holdings (Europe) LLP lent the company £395,000 (2013: £906,132) and the company paid invoices on behalf of the CMT Holdings (Europe) LLP amounting to £4,690 (2013: £Nil). At the the balance sheet date the company owed CMT Holdings (Europe) LLP £1,301,132 (2013: £906,132) and was owed £4,690 (2013: £nil) by CMT Holdings (Europe) LLP.

During the period, the company paid invoices on behalf of Creative Mobile Technologies (Europe) Limited amounting to £2,824 (2013: £496) and was owed £3,320 (2013: £496) at the balance sheet date.