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**CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED**

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**ANNUAL REPORT**  
**INFORMATION FOR FILING WITH THE REGISTRAR**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2020**



**CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED**  
**REGISTERED NUMBER:08281080**

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

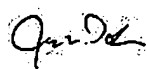
	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	4	-	222,916
Tangible assets	5	<b>827,534</b>	<b>979,247</b>
		<b>827,534</b>	<b>1,202,163</b>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	6	<b>1,771,836</b>	1,036,888
Debtors: amounts falling due within one year	6	<b>973,452</b>	775,891
Cash at bank and in hand	7	<b>538,570</b>	282,622
		<b>3,283,858</b>	<b>2,095,401</b>
Creditors: amounts falling due within one year	8	<b>(1,905,553)</b>	<b>(477,938)</b>
<b>Net current assets</b>		<b>1,378,305</b>	<b>1,617,463</b>
<b>Total assets less current liabilities</b>		<b>2,205,839</b>	<b>2,819,626</b>
<b>Net assets</b>		<b>2,205,839</b>	<b>2,819,626</b>
<b>Capital and reserves</b>			
Called up share capital	9	<b>5,600,001</b>	5,600,001
Profit and loss account	10	<b>(3,394,162)</b>	<b>(2,780,375)</b>
		<b>2,205,839</b>	<b>2,819,626</b>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements on pages 1 to 13 were approved and authorised for issue by the board and were signed on its behalf on 21 December 2021.



**J. Poliner**  
Director

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**CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED**

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

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	Called up share capital £	Capital contribution £	Profit and loss account £	Total equity £
<b>At 1 January 2019</b>	5,600,001	57,498	(5,103,929)	553,570
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	2,266,056	2,266,056
<b>Total comprehensive income for the year</b>	-	-	2,266,056	2,266,056
Transfers	-	(57,498)	57,498	-
<b>Total transactions with owners</b>	-	(57,498)	57,498	-
<b>At 1 January 2020</b>	5,600,001	-	(2,780,375)	2,819,626
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(613,787)	(613,787)
<b>Total comprehensive income for the year</b>	-	-	(613,787)	(613,787)
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 December 2020</b>	5,600,001	-	(3,394,162)	2,205,839

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## **CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED**

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

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#### **1. Accounting policies**

##### **1.1 Statement of compliance**

The Company's principal activity is the provision of payment processing and passenger information technologies for the transportation industry.

Creative Mobile Technologies (UK) Limited is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is Salisbury House, London Wall, London, EC2M 5PS and its principal place of business is Unit 11 Vision Industrial Park, Kendal Avenue, London, W3 0AF.

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

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Section 1A 'Small Entities' of Financial Reporting Standard 102, 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ("FRS 102") and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

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## CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED

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

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#### 1. Accounting policies (continued)

##### 1.3 Going concern

During 2020 the Company's activities were severely impacted by the COVID-19 Pandemic with revenues falling substantially during the various UK lockdowns. The Company took steps to reduce costs, with staff being furloughed under the Coronavirus Job Retention Scheme and to manage its cashflows by taking advantage of the government's time to pay schemes. In addition, the Company received funding under the Coronavirus Business Interruption Loan Scheme (CBILS) amounting to £1.5 million. The loan terms include certain covenants which the Company subsequently breached. As such the lender issued a default notice requiring the Company to rectify the default.

Subsequent to the end of the year the directors have successfully reached a settlement with the lender whereby the lender has agreed to waive the breaches of the covenants that have occurred and that the financial covenants be reset to take into account the impact the pandemic has had on the Company's activities. Additionally, the lender will review the amendments to the financial covenants in January 2022 to take account of any lockdowns and restrictions imposed during the forthcoming winter.

From May to November 2021 the Company's revenues increased substantially and the Company traded profitably with cash balances held at 30 November 2021 of £937,154. Whilst it is expected that the Plan B restrictions introduced on 13 December 2021 will impact the Company's trading performance the directors consider, based on the Company's trading results in the months immediately prior to the lifting of restrictions in July 2021, that the Company will continue to trade profitably, albeit at a lower level, until the restrictions are lifted.

The directors have prepared cashflow forecasts for the period to 31 December 2022 based on two scenarios: (1) which assumes that no further restrictions will be imposed; and (2) which assumes that new restrictions (lockdown) will be imposed for six months. Both these forecasts indicate that the cash balances currently held should be sufficient to enable the Company to meet its liabilities and commitments as they fall due for a period of at least twelve months from the date of signing of these financial statements and accordingly as the directors have a reasonable expectation that the Company will continue in operational existence for the foreseeable future, they have prepared the financial statements on the going concern basis.

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## CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED

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

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#### 1. Accounting policies (continued)

##### 1.4 Revenue

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received or receivable, net of discounts, rebates and value added tax. The following criteria must also be met before revenue is recognised:

###### *Sale of goods*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

###### *Sale of services*

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

##### 1.5 Foreign currency translation

###### *Functional and presentation currency*

The company's functional and presentation currency is the pound sterling.

###### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account and included in 'administrative expenses'.

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## CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED

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

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#### 1. Accounting policies (continued)

##### 1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use and dismantling and restoration costs. Depreciation is calculated, using the straight line method, to allocate the cost of assets less their residual value over their estimated useful lives, as follows:

Plant & machinery	- 5 years
Motor vehicles	- 4 years
Fixtures & fittings	- 4 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Repairs and maintenance costs are expensed as incurred. Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the Profit and Loss Account and included in 'administrative expenses'.

##### 1.7 Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

###### **Short term debtors and creditors**

Debtors and creditors with no-stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Profit and Loss Account in 'administrative expenses'.

###### **Cash and cash equivalents**

Cash and cash equivalents which comprise cash at bank and in hand excludes monies held for third parties.

###### **Loans**

Loans which are basic financial instruments are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortised cost using the effective interest method. Loans that are payable within one year are not discounted.

###### **Offsetting**

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

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## CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED

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

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#### 1. Accounting policies (continued)

##### 1.8 Share capital

Ordinary shares are classified as equity.

##### 1.9 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Profit and Loss Account. Current or deferred taxation assets and liabilities are not discounted.

###### *Current tax*

Current tax is the amount of corporation tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

###### *Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and profit on ordinary activities before taxation as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

##### 1.10 Operating leases: lessee

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases are charged to the Profit and Loss Account on a straight line basis over the period of the lease. Lease incentives are recognised over the lease term on a straight line basis.



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## CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED

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

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#### 1. Accounting policies (continued)

##### 1.11 Related parties

The Company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors separate disclosure is necessary to understand the effect of the transactions on the Company's financial statements.

##### 1.12 Intangible fixed assets - development expenditure

Development expenditure is capitalised where there is expected to be a benefit to future periods and the following conditions are met:

- It is technically feasible to complete the development so that the product will be available for use;
- It is intended to use the product being developed and the Company is able to use the product;
- It can be demonstrated that the product will generate probable future economic benefits;
- Adequate technical, financial and other resources exist so that the product development can be completed and subsequently used; and
- Expenditure attributable to the development work can be reliably measured.

The Company assesses at each reporting date whether an intangible fixed asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount is impaired and it is reduced to its recoverable amount through an impairment in the Profit and Loss Account. An impairment loss recognised is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses and on completion of the project is amortised over its useful economic life of 5 years.

All other development expenditure is recognised as an expense in the period in which it is incurred.

##### 1.13 Monies held for third parties

In the provision of payments processing services the Company receives and holds monies on behalf of third parties. Where these monies are required to be held or deposited in a designated client bank account they are not recognised in the financial statements.

##### 1.14 Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

##### 1.15 Government grants

Grants of a revenue nature are recognised in the Profit and Loss Account in the same period as the related expenditure. The deferred element of grants is included in creditors as deferred income.

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CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED

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

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2. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements management are required to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from these estimates. The key estimates and judgements that management have made are:

**Going concern**

In preparing these financial statements the directors have made certain assumptions with regard to going concern as set out in note 1.3.

**Useful life of equipment**

Management have used their judgement in determining that the useful life of equipment installed in third party vehicles is five years. This judgement is based on historic failure rates and possible future failure rates. However, due to the ongoing restrictions in the UK as a result of COVID-19, a number of the vehicles, which have the Company's equipment installed, have not been used since March 2020 and there is uncertainty as to whether they will be reactivated.

3. Employees

The average monthly number of employees, including directors, during the year was 13 (2019 - 11).

4. Intangible assets

	Develop- ment expenditure £
<b>Cost</b>	
At 1 January 2020	222,916
Additions	298,381
At 31 December 2020	<u>521,297</u>
<b>Amortisation</b>	
Impairment charge	521,297
At 31 December 2020	<u>521,297</u>
<b>Net book value</b>	
At 31 December 2020	-
At 31 December 2019	<u>222,916</u>

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CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED

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

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4. Intangible assets (continued)

As a result of the COVID-19 pandemic the directors have concluded that it is unlikely that the Company will be able to complete the development of the asset and they have therefore concluded that the asset should be fully impaired.

5. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>			
At 1 January 2020	6,507,952	6,600	6,514,552
Additions	156,594	-	156,594
Disposals	(1,016,502)	-	(1,016,502)
At 31 December 2020	5,648,044	6,600	5,654,644
<b>Depreciation</b>			
At 1 January 2020	5,533,655	1,650	5,535,305
Charge for the year on owned assets	306,657	1,650	308,307
Disposals	(1,016,502)	-	(1,016,502)
At 31 December 2020	4,823,810	3,300	4,827,110
<b>Net book value</b>			
At 31 December 2020	824,234	3,300	827,534
At 31 December 2019	974,297	4,950	979,247

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CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED

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

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6. Debtors

	2020 £	2019 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	<b>1,771,836</b>	1,036,888
	<b>1,771,836</b>	1,036,888
	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	-	13,281
Amounts owed by group undertakings	<b>136,687</b>	145,840
Other debtors	<b>53,767</b>	53,711
Prepayments and accrued income	<b>82,998</b>	23,059
Deferred taxation	<b>700,000</b>	540,000
	<b>973,452</b>	775,891
	<b>973,452</b>	775,891

7. Cash at bank and in hand

Excluded from cash and cash equivalents is £29,693 (2019: £444,152) of monies held on behalf of third parties.

8. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	<b>1,500,000</b>	-
Trade creditors	<b>141,292</b>	138,977
Other taxation and social security	<b>103,364</b>	78,895
Other creditors	<b>10,113</b>	24,824
Accruals and deferred income	<b>150,784</b>	235,242
	<b>1,905,553</b>	477,938
	<b>1,905,553</b>	477,938

The bank loan is secured by a fixed and floating charge over all the Company's assets.

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**CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED**

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

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**9. Share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
5,600,001 (2019 - 5,600,001) Ordinary shares of £1.00 each	<u><b>5,600,001</b></u>	<u><b>5,600,001</b></u>

**10. Reserves**

**Profit and loss account**

The Profit & loss account represents retained losses.

**11. Capital commitments**

At the balance sheet date the Company had entered into a commitment to purchase fixed assets costing £549,854 (2019 - £549,854). The Company is currently in negotiations to cancel these purchase commitments which were entered into before the COVID-19 pandemic led to a reduction in demand.

**12. Commitments under operating leases**

At 31 December 2020, the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	<b>89,518</b>	89,518
Later than 1 year and not later than 5 years	<b>358,072</b>	358,072
Later than 5 years	<b>4,905</b>	89,518
	<u><b>452,495</b></u>	<u><b>537,108</b></u>

**13. Controlling party**

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.

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**CREATIVE MOBILE TECHNOLOGIES (UK) LIMITED**

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

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**14. Related party disclosures**

During the prior year the Company purchased goods and services amounting to £415,558 from a company wholly owned by Creative Mobile Technologies LLC. At the prior year balance sheet date the amount owed by the Company in respect of these transactions, translated at the year end exchange rate, was £nil. This company ceased to be a related party with effect from the end of the prior year.

During the period the Company made payments on behalf of a company under common control of £19,104 (2019: £5,366); the balance at year end of £33,946 (2019: £14,842) has been fully provided for.

**15. Auditors' information**

As the profit and loss account has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006.

The auditors' report on the financial statements for the year ended 31 December 2020 was unqualified.

The audit report was signed on 21 December 2021 by Daniel D. E. Crawford (Senior Statutory Auditor) on behalf of F. W. Smith, Riches & Co.