

Registration number: 08413587

ARM IP Limited

Directors' Report and Financial Statements

for the period to 31 December 2013



ARM IP Limited
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ARM IP Limited

Directors' Report for the period to 31 December 2013

The directors present their annual report and the audited financial statements of the Company for the period from 21 February 2013 to 31 December 2013.

Incorporation

The Company was incorporated on 21 February 2013.

The Company was incorporated as Newincco 1228 Limited and changed its name to ARM TDO Limited on 28 March 2013. The Company then changed its name to ARM IP Limited on 10 December 2013.

The Company issued share capital of 100,000 shares at a nominal value of £1 to its parent company ARM Holdings plc. This remains unpaid as at 31 December 2013.

Directors of the Company

The directors of the Company who were in office during the period and up to the date of signing the financial statements were as follows:

Christopher Mackie (resigned 4 June 2013)

Olswang Directors 1 Limited (resigned 4 June 2013)

Olswang Directors 2 Limited (resigned 4 June 2013)

Peter Hutton (appointed 4 June 2013)

Thomas Cronk (appointed 4 June 2013)

John Cornish (appointed 17 June 2013)

Principal activity and business review

The principal activity of the Company is patent administration. No changes to the Company's principal activity are currently envisaged.

Principal risks and uncertainties

The directors of ARM Holdings plc manage the Group's risks at a group level, rather than at an individual business unit level. For this reason, the Company's directors believe that a discussion of the Group's risks would not be appropriate for an understanding of the development, performance or position of ARM IP Limited's business. The principal risks and uncertainties of ARM Holdings plc, which include those of the Company, are discussed in the Strategic Report section of the Group's annual report which does not form part of this report. The Group's financial risk management and policies are detailed in note 1c of the Financial Report section in the Group's annual report, which does not form part of this report.

Key performance indicators ("KPIs")

Given that the principal activity of the Company is that of patent administration, the Company's directors are of the opinion that an analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Results and dividends

The Company's loss for the period was £121,760. The result for the period and the year end position are in line with the directors' expectations.

The directors did not recommend the payment of a final dividend for the period.

ARM IP Limited
Directors' Report for the period to 31 December 2013

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Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the immediate parent company ARM Holdings plc. The directors have received confirmation that ARM Holdings plc intends to support the Company for at least one year after these financial statements are signed.

Charitable and political donations

The Company made no donations for charitable or political purpose during the period.

Directors' indemnities

The Company maintains liability insurance for its directors and officers. Following shareholder approval the Company has also provided an indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purpose of the Companies Act 2006. The third party indemnity provision was in force throughout the financial period and also up to the date of approval of the financial statements.

Statement of Directors' Responsibilities

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 prepared 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

Disclosure of information to the auditors

Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

ARM IP Limited
Directors' Report for the period to 31 December 2013

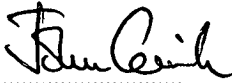
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Independent auditors

The directors have appointed PricewaterhouseCoopers LLP as auditors to the Company in respect of the period ended 31 December 2013.

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the Annual General Meeting.

Approved by the Board on 6 June 2014 and signed on its behalf by:



.....
John Cornish
Director

Independent Auditors' Report to the Members of ARM IP Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by ARM IP Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 and Financial Statements (the "Annual 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 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.

**Independent Auditors' Report to the Members of
ARM IP Limited**

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Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



.....
Simon Ormiston (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

9 June 2014

ARM IP Limited
Profit and Loss Account for the period to 31 December 2013

	Note	21 February 2013 to 31 December 2013 £
Administrative expenses		<u>(121,760)</u>
Operating loss	4	<u>(121,760)</u>
Loss on ordinary activities before taxation		(121,760)
Tax on loss on ordinary activities	5	<u>-</u>
Loss for the financial period		<u><u>(121,760)</u></u>

All activities derive wholly from continuing operations.

The Company has no recognised gains or losses for the period other than the results above and as such no statement of total recognised gains and losses has been shown in these financial statements.

There are no material differences between the loss on ordinary activities before taxation and the retained loss for the financial period stated above and its historical cost equivalents.

ARM IP Limited
(Registration number: 08413587)
Balance Sheet at 31 December 2013

	Note	31 December 2013 £
Current assets		
Debtors	6	100,000
Creditors: Amounts falling due within one year	7	<u>(121,760)</u>
Net liabilities		<u>(21,760)</u>
Capital and reserves		
Called up share capital	8	100,000
Profit and loss account	10	<u>(121,760)</u>
Total shareholders' deficit		<u>(21,760)</u>

The financial statements on pages 6 to 11 were approved by the Board of Directors on 6 June 2014 and signed on its behalf by:



.....
John Cornish
Director

ARM IP Limited

Notes to the Financial Statements for the period to 31 December 2013

1 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable Accounting Standards in the UK. A summary of the more important accounting policies, which have been consistently applied and reviewed by the board of directors in accordance with Financial Reporting Standard (FRS) 18, "Accounting policies", is set out below.

The financial statements are prepared in accordance with the historical cost convention and have been prepared on the going concern basis.

Going concern

The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of the immediate parent company ARM Holdings plc. The directors have received confirmation that ARM Holdings plc intends to support the Company for at least one year after these financial statements are signed.

Foreign currency

Transactions denominated in foreign currencies have been translated into sterling at actual rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated at rates ruling at the balance sheet date. Exchange differences have been included in operating loss.

Cash flow statement

As permitted by FRS 1 (revised 1996), the Company has not prepared a cash flow statement as its parent undertaking, ARM Holdings plc, has prepared consolidated financial statements which incorporate the results of the Company and which include a consolidated cash flow statement.

Deferred tax

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

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

2 Directors' emoluments

The directors did not receive any remuneration in respect of their duties as directors of the Company. All remuneration was paid by ARM Limited, a fellow Group company, and all remuneration of the directors is disclosed in the financial statements of ARM Holdings plc.

ARM IP Limited

Notes to the Financial Statements for the period to 31 December 2013

..... *continued*

3 Employee information

The Company had no employees (other than directors) throughout the period.

4 Operating loss

Fees amounting to £2,000 have been attributed to the audit of the Company from the Group audit fee. All fees payable to the auditors are accounted for within, and paid by, ARM Limited, a fellow Group company. No fee is recharged to the Company, and therefore this amount is not reflected in the Company's profit and loss account.

5 Taxation

Tax on profit/loss on ordinary activities

21 February
2013 to 31
December
2013
£

Total tax on profit/loss on ordinary activities

-

Factors affecting current tax charge for the period

The tax for the period is higher than the standard rate of corporation tax in the UK for the period ended 31 December 2013 of 23.12%. The differences are explained below:

21 February
2013 to 31
December
2013
£

Loss on ordinary activities before taxation

(121,760)

Corporation tax at standard rate 23.12%

(28,151)

Utilisation of losses through group relief

28,151

Total current tax

-

At the balance sheet date the UK Government had enacted a 2% reduction in the main rate of UK corporation tax from 23% to 21% from 1 April 2014 and a further 1% reduction to 20% from 1 April 2015.

ARM IP Limited

Notes to the Financial Statements for the period to 31 December 2013

..... *continued*

6 Debtors

	31 December 2013 £
Called-up share capital not paid	100,000
	<u>100,000</u>

7 Creditors: Amounts falling due within one year

	31 December 2013 £
Amounts owed to group undertakings	121,760
	<u>121,760</u>
Amounts owed to group undertakings are interest-free and repayable on demand.	

8 Called up share capital

Allotted and called up shares

	31 December 2013	
	No.	£
Ordinary shares of £1.00 each	1,000	100,000
	<u>1,000</u>	<u>100,000</u>

On incorporation 100,000 ordinary shares were issued and remain unpaid as at 31 December 2013.

ARM IP Limited

Notes to the Financial Statements for the period to 31 December 2013

..... *continued*

9 Reconciliation of movement in shareholders' deficit

	21 February 2013 to 31 December 2013 £
Loss for the financial period	(121,760)
Issue of ordinary share capital	100,000
Net reduction to shareholders' deficit	(21,760)
Shareholders' deficit at start of period	-
Shareholders' deficit at end of period	(21,760)

10 Reserves

	Profit and loss account £	Total £
At 21 February 2013	-	-
Loss for the financial period	(121,760)	(121,760)
At 31 December 2013	(121,760)	(121,760)

11 Related party transactions

The Company has taken advantage of the exemption available to wholly-owned subsidiaries under Financial Reporting Standard 8 ("Related Party Disclosures") not to disclose transactions with other Group companies in the ARM Holdings plc Group.

12 Ultimate parent company

The company's immediate and ultimate parent company is ARM Holdings plc, a company registered in England and Wales. This company heads the largest and smallest group of undertakings, including ARM IP Limited, for which consolidated financial statements are prepared.

Copies of the parent's consolidated financial statements are available from The Company Secretary, ARM Holdings plc, 110 Fulbourn Road, Cambridge, CB1 9NJ.