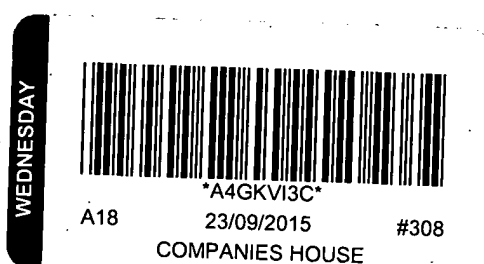


Company Registration No. SC300538 (Scotland)

METAFORIC LTD
ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2014



METAFORIC LTD

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METAFORIC LTD

INDEPENDENT AUDITORS' REPORT TO METAFORIC LTD UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 2 to 6, together with the financial statements of Metaforic Ltd for the Period ended 31 December 2014 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

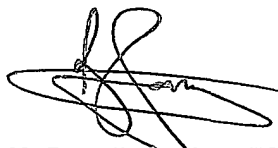
Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



Mr Brandis Savizon FCCA (Senior Statutory Auditor)
for and on behalf of Eacotts International Limited

22/11/15
.....

Chartered Accountants
Statutory Auditor

Grenville Court
Britwell Road
Burnham
Buckinghamshire
SL1 8DF

METAFORIC LTD

ABBREVIATED BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	2014 £	£	2014 £	£
Fixed assets					
Intangible assets	2	900,477		-	
Tangible assets	2	11,121		15,957	
		<u>911,598</u>		<u>15,957</u>	
Current assets					
Debtors		497,727		268,360	
Cash at bank and in hand		163,957		31,611	
		<u>661,684</u>		<u>299,971</u>	
Creditors: amounts falling due within one year		<u>(3,443,246)</u>		<u>(1,248,163)</u>	
Net current liabilities		(2,781,562)		(948,192)	
Total assets less current liabilities		<u>(1,869,964)</u>		<u>(932,235)</u>	
Capital and reserves					
Called up share capital	3	517,612		468,243	
Share premium account		10,161,734		9,825,656	
Profit and loss account		<u>(12,549,310)</u>		<u>(11,226,134)</u>	
Shareholders' funds		<u>(1,869,964)</u>		<u>(932,235)</u>	

These abbreviated financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board and authorised for issue on 16/9/2015



A P Bear
Director

Company Registration No. SC300538

METAFORIC LTD

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 2014

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The financial year end of the Company was changed from 31 January to 31 December to coincide with the year end of other group companies.

Accordingly, the comparative figures for the profit and loss account, balance sheet and the related notes are for twelve months from 1 February 2013 to 31 January 2014.

Going Concern

The financial statements have been prepared on the going concern basis notwithstanding the net current liabilities of £3,167,009 and net liabilities of £2,255,413 which the directors believe to be appropriate for the following reasons.

The company is dependent for its working capital on funds provided to it by its parent undertaking. The company's ultimate parent undertaking, INSIDE Secure, has indicated that for at least twelve months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company to pay its liabilities as they fall due and in particular will not seek repayment of the amounts currently made available.

The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on the undertakings from INSIDE Secure, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being appropriate.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

METAFORIC LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2014

1 Accounting policies

(Continued)

1.4 Patents

Acquired patented technology is shown at acquisition cost less accumulated amortization.

Each acquired technology dedicated to a specific product is individually tested for impairment based on the expected output of the related product whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When a technology is not dedicated to a specific product but is widely used, the cash generating unit used for impairment testing is the operating segment in which the technology is used.

When an acquired patented technology is no longer used, the corresponding gross value and accumulated amortization are written off.

The period of amortization is 5 years.

1.5 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 less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	5 years
Plant and machinery	3 to 4 years
Fixtures, fittings & equipment	5 years

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the Period they are payable.

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

METAFORIC LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2014

2 Fixed assets

	Intangible assets £	Tangible assets £	Investments £	Total £
Cost				
At 1 February 2014	-	123,652	543,079	666,731
Additions	1,056,406	1,833	-	1,058,239
Disposals	-	-	(39,968)	(39,968)
At 31 December 2014	1,056,406	125,485	503,111	1,685,002
Depreciation				
At 1 February 2014	-	107,695	543,079	650,774
On disposals	-	-	(39,968)	(39,968)
Charge for the period	155,929	6,669	-	162,598
At 31 December 2014	155,929	114,364	503,111	773,404
Net book value				
At 31 December 2014	900,477	11,121	-	911,598
At 31 January 2014	-	15,957	-	15,957

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Metaforic Inc	USA	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal activity	Capital and reserves 2014 £	Profit/(loss) for the year 2014 £
Metaforic Inc	software protection product	(11,495,912)	(6,528)

At the beginning of the year the company had another subsidiary, Metaforic KK, which was a 100% owned Japanese company. This company was liquidated during the year.

METAFORIC LTD

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2014

3	Share capital	2014 £	2014 £
	Allotted, called up and fully paid		
	51,761,200 Ordinary shares of £0.01 each of 1p each	517,612	250,768
	- A Ordinary shares of £-.01 each of £82855 each	-	82,855
	- B Ordinary shares of £-.01 each of p each	-	134,620
		<hr/>	<hr/>
		517,612	468,243
		<hr/>	<hr/>

During the year 4,920,270 MIS ordinary shares of £0.01 each were allotted and fully paid at £0.0784 cash consideration.

During the year a reorganisation of share capital took place.

The A , B , C, D Growth shares were reclassified as 1,661,734 Deferred shares of £0.0001.

The A, B, C and D Ordinary shares, the Ordinary shares, the deferred shares and the MIS shares were further divided into 5176,116,234 shares. These were then all reclassified as Ordinary shares of £0.0001 each.