

REGISTERED NUMBER: 11581914 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023  
FOR  
SOFTMOTIVE HOLDING LTD



**SOFTOMOTIVE HOLDING LTD**

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FOR THE YEAR ENDED 31 DECEMBER 2023**

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**SOFTOMOTIVE HOLDING LTD**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**DIRECTORS:**

Mr B O Orndorff  
Mr K R Dolliver

**SECRETARY:**

Reed Smith Corporate Services Limited

**REGISTERED OFFICE:**

1 Blossom Yard  
Fourth Floor  
London  
E1 6RS

**REGISTERED NUMBER:**

11581914 (England and Wales)

**AUDITORS:**

Deloitte (NI) Limited  
27-45 Great Victoria Street  
Lincoln Building  
Belfast  
BT2 7SL  
Northern Ireland

## **SOFTOMOTIVE HOLDING LTD**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023**

The directors present their strategic report for the year ended 31 December 2023.

#### **Principal Activity**

The principal activity of the company was that of a holding company for the Softomotive group of companies which provides software licensing, software as a service, and provision of professional services.

Microsoft Corporation, a Washington corporation ("Microsoft"), as the ultimate parent company of Softomotive Holding Ltd, incorporated in UK, confirm that it is their intention to cease trading in the company, and therefore the accounts will be prepared on a basis other than that of a going concern. Microsoft Corporation will guarantee the solvency of the company and provide sufficient financing resources until the business is wound up.

In addition, Microsoft Corporation is committed to providing the necessary level of financial support to the counterparties to the intra-group balances held by the company such that any intercompany assets remain recoverable. Microsoft believes that it now has and will continue to have the financial resources to fulfil this commitment to the group of companies.

#### **Review of the business**

The Directors do not review the company's performance in isolation but together with the results of the trading company.

In the year, the Company had a profit before corporation tax of £1,177,513 (2022: £17,223,393). The 2023 profit is driven by interest income.

There were no changes to the asset carrying value of investment in subsidiaries in the current year. The intercompany debtor balance has also increased from £25,996,965 to £27,061,133 due to transfer of excess funds to intercompany cash pool account.

#### **Key Performance Indicators**

There are no key financial indicators identified for this Company as it is purely a Holding Company and directors' intention is to wind down the company following the disposal of investments in subsidiaries.

#### **Principal risks and uncertainties**

As a holding company, the principal risks and uncertainties to which the company is exposed are the performance of its subsidiaries which are assessed based on the net assets position of the subsidiaries. There are financial risks in the market, including currency and interest rate risk, credit risk, and liquidity risk. The overall risk management program is managed by the Board of Directors.

#### **Credit risk**

The company's principal financial assets are investments in subsidiaries and amounts owed by group undertakings. The Company has no significant concentration of credit risk.

The company has policies in place to ensure that transactions are entered into only with parties that are of acceptable credit quality.

#### **Interest rate risk**

The company has low exposure to interest rate changes as it is charged on loans to/from related parties which is subject to change.

**SOFTOMOTIVE HOLDING LTD**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**Liquidity risk**

There is a low liquidity risk as the company is no longer trading and requires minimal working capital.

**Foreign exchange risk**

The company holds intercompany balances in foreign currencies; therefore, it is exposed to foreign exchange fluctuations on those balances. Foreign currency exposure is managed on a group basis by the ultimate holding Company, Microsoft Corporation.

This report has been approved by the Board of directors and authorised for issue on 10. DECEMBER, ..... and are signed on its behalf by: 2024

.....  
Mr B O Orndorff - Director

## **SOFTMOTIVE HOLDING LTD**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023**

The directors present their report with the audited financial statements of the company for the year ended 31 December 2023.

#### **DIVIDENDS**

The directors recommend an interim dividend of £nil (2022: £nil) to the shareholders of the company. The directors do not recommend the payment of final dividend (2022: nil).

#### **EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2023 to the date of this report.

Mr B O Orndorff  
Mr K R Dolliver

The Company has not made any qualifying third-party provisions.

#### **GOING CONCERN**

As noted in note 2 to the financial statements, the directors intend to dispose of the company's investments in subsidiaries and, following disposal, the directors intend to wind down the affairs of the company. As a result, the directors have prepared the financial statements on a basis other than that of a going concern. No adjustments have arisen as a result of this basis of preparation. There are no further developments noted during the year.

Microsoft Corporation, the ultimate parent company, will guarantee the solvency of the company and provide it with sufficient financing resources until the business is wound up.

#### **Future Developments**

The directors intend to dispose of the company's investments in subsidiaries and following disposal, the directors intend to wind down the affairs of the company. There are no further future developments.

#### **Financial risk management**

The information pertaining to financial risk management can be found in strategic report under Principal risks and uncertainties.

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 101 'Reduced Disclosure Framework', 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 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.

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.

**SOFTOMOTIVE HOLDING LTD**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**DIRECTORS' RESPONSIBILITIES STATEMENT (continued)**

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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information. This confirmation is given and should be interpreted in accordance with the provision of section 418 of the Companies act 2006.

**AUDITORS**

The auditors, Deloitte (NI) Limited were appointed as auditors for the year ended 31 December 2023. A resolution to reappoint Deloitte (NI) Limited will be proposed at the forthcoming Annual General Meeting.

This report has been approved by the Board of directors and authorised for issue on ~~10 December, 2024~~ and are signed on its behalf by:

.....  
Mr B O Orndorff - Director

Date: ~~10 December, 2024~~.....

## **Independent auditor's report to the members of Softomotive Holding Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

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

- give a true and fair view of the state of the company's affairs as at 31<sup>st</sup> December 2023 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 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 17.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (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.

#### **Emphasis of matter – Financial statements prepared other than on a going concern basis**

We draw attention to note 2 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

#### **Other information**

The other information comprises the information included in the strategic report and report of the directors and audited financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the strategic report and report of the directors. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

We have nothing to report in this regard.

## **Independent auditor's report to the members of Softomotive Holding Limited (continued)**

### **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.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the Bribery Act and the Data Protection Act.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

## **Independent auditor's report to the members of Softomotive Holding Limited (continued)**

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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

#### **Opinions on other matters 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report 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 strategic report or the directors' report.

#### **Matters on which we are required to report by exception**

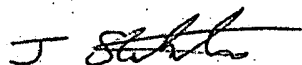
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

#### **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.



Jason Starbuck FCA (Senior statutory auditor)  
For and on behalf of Deloitte (NI) Limited  
Statutory Auditor  
Belfast, United Kingdom  
10 December 2024

**SOFTOMOTIVE HOLDING LTD**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 £	2022 £
<b>TURNOVER</b>			
Administrative expenses		<u>19,653</u>	<u>43,622</u>
		(19,653)	(43,622)
Other operating income		<u>15</u>	<u>-</u>
<b>OPERATING LOSS</b>		<b>(19,638)</b>	<b>(43,622)</b>
Income from shares in group undertakings	5	-	17,158,251
Interest receivable and similar income	6	<u>1,197,151</u>	<u>108,764</u>
		<u>1,197,151</u>	<u>17,267,105</u>
<b>PROFIT BEFORE TAXATION</b>	7	<b>1,177,513</b>	<b>17,223,393</b>
Tax on profit	8	<u>(263,090)</u>	<u>(870,290)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>914,423</u></b>	<b><u>16,353,103</u></b>

The results shown in current and prior period are from discontinued operations.

The notes form part of these financial statements

**SOFTMOTIVE HOLDING LTD**

**STATEMENT OF OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 £	2022 £
<b>PROFIT/(LOSS) FOR THE YEAR</b>		914,423	16,353,103
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>914,423</u>	<u>16,353,103</u>

The notes form part of these financial statements

**SOFTOMOTIVE HOLDING LTD (REGISTERED NUMBER: 11581914)**

**STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2023**

	Notes	2023		2022	
		£	£	£	£
<b>FIXED ASSETS</b>					
Investments	10		8,655,453		8,655,453
<b>CURRENT ASSETS</b>					
Debtors	11	27,061,133		25,996,975	
Cash at bank		<u>2</u>		<u>2</u>	
		27,061,135		25,996,977	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>(2,645,841)</u>		<u>(2,496,106)</u>	
<b>NET CURRENT ASSETS</b>			<u>24,415,294</u>		<u>23,500,871</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>33,070,747</u>		<u>32,156,324</u>
<b>NET ASSETS</b>			<u>33,070,747</u>		<u>32,156,234</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		1,251		1,251
Share premium	14		15,344,897		15,344,897
Retained earnings	14		<u>17,724,599</u>		<u>16,810,176</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>33,070,747</u>		<u>32,156,324</u>

The financial statements were approved by the Board of Directors and authorised for issue on 10 December 2023 and were signed on its behalf by:

.....  
Mr B O Grodorff - Director

.....  
Mr K R Dolliver - Director

The notes form part of these financial statements

**SOFTOMOTIVE HOLDING LTD**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance on 1 January 2022</b>		1,251	457,073	15,344,897	15,803,221
<b>Changes in equity</b>					
Profit for the year and total comprehensive income		<u>-</u>	<u>16,353,103</u>	<u>-</u>	<u>16,353,103</u>
<b>Balance on 31 December 2022</b>		1,251	16,810,176	15,344,897	32,156,324
<b>Changes in equity</b>					
Profit for the year and total comprehensive income		<u>-</u>	<u>914,423</u>	<u>-</u>	<u>914,423</u>
<b>Balance on 31 December 2023</b>		<u>1,251</u>	<u>17,724,599</u>	<u>15,344,897</u>	<u>33,070,747</u>

The notes form part of these financial statements

**SOFTOMOTIVE HOLDING LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**1. STATUTORY INFORMATION**

Softomotive Holding Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number is 11581914 and the registered office is 1 Blossom Yard, Fourth Floor, London, E1 6RS. The company is inactive and operates as a holding company.

These financial statements are presenting in Pound Sterling (£) which is also the functional currency of the Company.

**2. ACCOUNTING POLICIES**

**Basis of preparation**

The Company meets the definition of a qualifying entity under Financial Reporting Standard (FRS 101) "Reduced Disclosure Framework" issued by the Financial Reporting Council. The Company meets this definition by being a member of a group where the parent of that group prepares publicly available consolidated financial statements (see note 16). The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- The requirements of paragraphs 91 to 99 offer 13 Fair Value Measurement.
- The requirements of paragraphs 10(d), 16, 38A, 38B, 38C, 38D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements.
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IFRS 7 Financial Instruments: Disclosures.
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.
- The requirements of IAS 7 Statement of Cash flows.

Where relevant equivalent disclosures have been given in the consolidated Financial Statements of the ultimate parent Company, Microsoft Corporation. These Financial Statements can be obtained from the address disclosed in note 16.

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the group accounts of Microsoft Corporation. The group accounts of Microsoft Corporation are available to the public and can be obtained as set out in note 16.

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES - continued

**Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate that is not a market rate.

Debt instruments are subsequently measured at amortised cost.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled, or expired.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the assets carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the market rate.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised, the impairment reversal is recognised in profit or loss.

**SOFTMOTIVE HOLDING LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**2. ACCOUNTING POLICIES - continued**

**Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position 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 Statement of Financial Position date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, based on all available evidence, 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.

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate and the exchange differences are included in the accounts.

**Going concern**

The directors have prepared the financial statements on a basis other than going concern as the directors intend to dispose of the company's investments in subsidiaries, and following disposal, the directors intend to wind down the affairs of the company. Microsoft Corporation will guarantee the solvency of the company and provide it with sufficient financing resources until the business is wound up. No adjustments have arisen as a result of this basis of preparation.

**Investment in subsidiary**

Investments in subsidiaries are initially recorded at cost, and subsequently stated at cost less any accumulated impairment

**Impairment of tangible and intangible assets**

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of the reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

**SOFTOMOTIVE HOLDING LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**2. ACCOUNTING POLICIES - continued**

**Interest income**

Interest income is recognised when it is probable that 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.

**Dividend income**

Dividend income is recognised when the right to receive payment is established.

**New standards, amendments, IFRIC interpretations and new disclosures**

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2023 that have a material impact on the company's financial statements.

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In preparing these financial statements, the directors do not consider that there were any significant judgements or estimates in applying accounting policies.

**4. EMPLOYEES AND DIRECTORS**

The average monthly number of employees during the year was NIL (2022 - NIL). Directors' remuneration during the year was NIL (2022 - NIL).

**5. INCOME FROM SHARES IN GROUP UNDERTAKINGS**

	2023	2022
	£	£
Softomotive Software Development Single Member Ltd Liability Company	<u>-</u>	<u>17,158,251</u>

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2023	2022
	£	£
IHCC Intercompany Microsoft	825,577	42,075
USCC Intercompany Microsoft	<u>371,574</u>	<u>66,689</u>
	<u>1,197,151</u>	<u>108,764</u>

**7. PROFIT BEFORE TAXATION**

The profit before taxation is stated after charging/(crediting):

	2023	2022
	£	£
Foreign exchange differences	-	(65,354)
Fee for audit services	<u>15,295</u>	<u>60,140</u>

**SOFTOMOTIVE HOLDING LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**8. TAXATION**

Analysis of tax expense	2023	2022
	£	£
Current tax:		
Corporation tax	276,939	12,377
Corporation tax – under provision in prior year	(13,849)	
Foreign tax on dividends	<u>-</u>	<u>857,913</u>
Total tax expense in income statement	<u>263,090</u>	<u>870,290</u>

**Factors affecting the tax expense.**

The tax assessed for the year is lower (2022 - higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2023	2022
	£	£
Profit before income tax	<u>1,177,513</u>	<u>17,223,393</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 23.519% (2022 - 19%)	276,939	3,272,445
Effects of:		
Income from shares in group undertakings	-	(3,260,068)
Foreign taxation on dividends	-	857,913
Under provision of corporation tax prior year	<u>(13,849)</u>	<u>-</u>
Tax expense	<u>263,090</u>	<u>870,290</u>

**9. DIVIDENDS**

	2023	2022
	£	£
Ordinary 0.1p shares of 0.1p each.		
Interim	<u>-</u>	<u>-</u>

No dividends proposed or declared before the financial statements were authorised for issue.

**10. INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
On 1 January 2023 and 31 December 2023	<u>8,655,453</u>
<b>NET BOOK VALUE</b>	
On 31 December 2023	<u>8,655,453</u>
On 31 December 2022	<u>8,655,453</u>

**SOFTOMOTIVE HOLDING LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**10. INVESTMENTS - continued**

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**SOFTOMOTIVE SOFTWARE SOLUTIONS KOREA LIMITED**

Registered office: 111, 18FL, 83 Eusadangdae-ro, Yeondeungpo-gu Seoul

Nature of business: Dormant company

Class of shares:	%
Ordinary	holding 100.00

**Softomotive Software Development Single Member Ltd**

Registered office/Principal place of business: 115 Kifislas Avenue, Orbit Building, 115 24, Athens, Greece

Nature of business: Software licensing company

Class of shares:	%
Subscription Shares	holding 100.00

**11. DEBTORS**

	2023 £	2022 £
Amounts falling due within one year:		
Called up share capital not paid	<u>10</u>	<u>10</u>
Amounts owed by group undertakings	<u>27,061,133</u>	<u>25,996,965</u>
Aggregate amounts	<u>27,061,143</u>	<u>25,996,975</u>

In the current year interest has been charged on the intercompany loan with Microsoft at a rate of 0.004% and converted to £825,577. In previous year, £42,074 interest was charged.

All intercompany balances receivables are payable on demand.

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £	2022 £
Corporation tax	261,975	12,377
Accrued expenses	44,196	144,058
Amounts owed to group undertakings	<u>2,339,670</u>	<u>2,339,670</u>
	<u>2,645,841</u>	<u>2,496,104</u>

**SOFTMOTIVE HOLDING LTD**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**13. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2023	2022
			£	£
312,500	Series A	0.1p	<u>313</u>	<u>313</u>
Allotted and issued:				
Number:	Class:	Nominal value:	2022	2021
			£	£
937,500	Ordinary 0.1p	0.1p	<u>938</u>	<u>938</u>

There are 937,500 Ordinary shares and 312,500 shares marked as Series A shares each granting equal rights in dividend receipt and repayment of capital and represent one vote at the company's general meeting of shareholders. Series A shares include anti-dilution rights granting holders of series A shares additional new shares on issuance of new securities meeting certain conditions, or other rights are equal for series A and ordinary shares.

**14. RESERVES**

	Retained earnings £	Share premium £	Totals £
At 1 January 2023	16,810,176	15,344,897	32,155,073
Profit for the year	914,423		914,423
	<u>17,724,599</u>	<u>15,344,897</u>	<u>33,069,496</u>
At 31 December 2023			

**15. EVENTS AFTER THE REPORTING PERIOD**

There have been no significant events affecting the company since the year end.

**16. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption granted under FRS 101 8(K) to not disclose transactions with other group companies where they are wholly owned by a common parent entity.

**17. ULTIMATE CONTROLLING PARTY**

Microsoft Corporation, a company incorporated in the US, is the immediate and ultimate parent company for which there is no ultimate controlling party.

The Company is a member of a group where the parent of that group prepares publicly available consolidated financial statements. Consolidated financial statements of the ultimate parent Company, Microsoft Corporation, in which the results of the Company are incorporated can be obtained from <https://www.microsoft.com/investor/reports/ar22/index.html>

The registered office of Microsoft Corporation is One Microsoft Way, Redmond, Washington, United States, 98052.