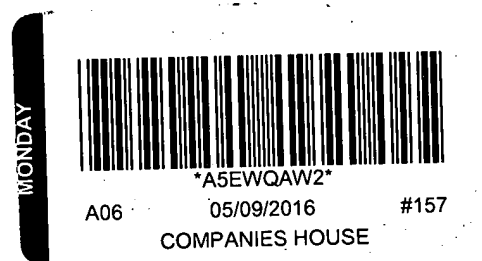


# Artificial Solutions UK Limited

Directors' report and financial statements  
For the year ended 31 December 2015  
Registered number 06200740



**Contents**

	<b>Page</b>
<b>Company Information</b>	1
<b>Directors' Report</b>	2
<b>Statement of Directors' Responsibilities</b>	3
<b>Independent Auditor's report to the members of Artificial Solutions UK Limited</b>	4
<b>Profit and Loss Account</b>	5
<b>Balance Sheet</b>	6
<b>Notes to the accounts</b>	7

**Company Information**

**Directors:**

L B Flynn  
C D Bushnell

**Auditors:**

KPMG LLP  
Arlington Business Park  
Reading  
RG7 4SD

**Bankers:**

Svenska Handelsbanken AB (publ)  
3 Carlton Crescent  
Southampton  
Hampshire  
SO15EY

The Co-Operative Bank PLC  
2nd Floor, Glyme Court  
Oxford Office Village Langford Lane  
Kidlington OX5 1LQ

**Registered Office:**

3 Riverside House  
Mill Lane  
Newbury  
Berkshire  
RG14 5QS

**Registered Number:**

06200740

**Artificial Solutions UK Limited**

**Directors' Report**

The directors present their report with the financial statements of the company for the period ended 31st December 2015.

The company is reliant for its working capital on funds provided to it by its ultimate parent company, Artificial Solutions Holding ASH AB. The parent has indicated that this support will be provided for at least 12 months from the date of these financial statements although as described further in note 1 to the accounts there is a level of uncertainty regarding this ongoing support.

**Principal activities**

The company's principal activity during the year continued to be the provision of enterprise and software solutions to external customers and management resource to other group companies.

**Directors:**

The following persons served as directors during the year:

L B Flynn  
C D Bushnell

**Disclosure of information to auditors:**

Each person who was a director at the time this report was approved, confirms that:

- So far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- He 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 auditor is aware of that information

**Small Company provisions**

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

This report was approved by the board of directors on 12 August 2016.

And Signed On Behalf Of The Board By:



Name: C D Bushnell  
Status: Director

**Artificial Solutions UK Limited**

3 Riverside House  
Mill Lane  
Newbury  
Berkshire - RG14 5QS

**Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements.**

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 they have elected to prepare the financial statements in accordance with the Financial Reporting Standard for Smaller Entities (Effective January 2015) and applicable law (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 estimates that are reasonable and prudent; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Independent Auditor's report  
to the members of Artificial Solutions UK Limited**

We have audited the financial statements of Artificial Solutions UK Limited for the year ended 31 December 2015 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective 2015) (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

**Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Emphasis of matter**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 1 to the financial statements concerning the company's ability to continue as a going concern; in particular the substantial achievement of budgets and the availability of such funding from the ultimate parent company as is needed. These conditions, along with the other matters explained in Note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

**Opinion on other matter prescribed by the Companies Act 2006**

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

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.



Jonathan Russell (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
Arlington Business Park  
Theale  
Reading  
RG7 4SD

2<sup>nd</sup> September 2016

**Profit and Loss Account**  
**For the year ended 31 December 2015**

	NOTES	2015 £	2014 £
Turnover	2	2,165,869	2,248,920
Cost of sales		(176,343)	(339,489)
<b>Gross profit</b>		<b>1,989,526</b>	<b>1,909,431</b>
Administrative Expenses		(2,073,172)	(2,325,484)
<b>Operating loss</b>	3	<b>(83,646)</b>	<b>(416,053)</b>
Interest receivable	5	2,693	2,055
Interest payable	5	(205,111)	(260,355)
<b>Loss on ordinary activities before taxation</b>		<b>(286,064)</b>	<b>(674,353)</b>
Tax on profit or loss on ordinary activities	6	-	-
<b>Loss for the Financial year</b>		<b>(286,064)</b>	<b>(674,353)</b>

The notes on pages 7 to 11 form part of the financial statements

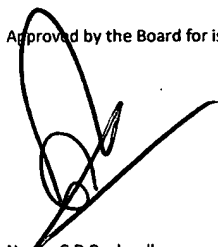
Artificial Solutions UK Limited

Balance Sheet  
As at 31 December 2015

	NOTES	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	7	20,862	22,878
<b>Current assets</b>			
Debtors (not all due in less than 1 year)	8	1,928,878	1,412,919
Cash at bank and in hand		8,718	142,759
		<u>1,937,596</u>	<u>1,555,678</u>
<b>Creditors: amounts falling due within one year</b>	9	<b>(446,367)</b>	<b>(489,131)</b>
<b>Net current assets</b>		<b>1,491,229</b>	<b>1,066,547</b>
<b>Total assets less current liabilities</b>		<b>1,512,091</b>	<b>1,089,425</b>
<b>Creditors: amounts falling due after more than one year</b>	9	<b>(5,430,159)</b>	<b>(4,721,429)</b>
<b>Net Liabilities</b>		<b>(3,918,068)</b>	<b>(3,632,004)</b>
<b>Capital and reserves</b>			
Call up Share Capital	10	100	100
Profit and loss account	11	<u>(3,918,168)</u>	<u>(3,632,104)</u>
<b>Total shareholders deficit</b>		<b>(3,918,068)</b>	<b>(3,632,004)</b>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Small Entities (effective January 2015).

Approved by the Board for issue on 12 August 2016



Name: C D Bushnell  
Status: Director  
Company Registration No. 06200740

The Notes on pages 7 to 11 form part of the financial statements

**Notes to the Accounts**  
**For the year ended 31 December 2015**

**1. Accounting policies**

**Basis of measurement and preparation of accounts**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (Effective January 2015)

**Going Concern**

The financial statements are prepared on a going concern basis, notwithstanding the company having made a loss for the year of £286,063 and reporting net liabilities of £3,918,068 at the balance sheet date. In considering the appropriateness of this basis management have considered budgets and forecasts that are prepared for the group as a whole. No company level budgets are prepared as the activities of the various group companies are considered to be so inter-related that individual company-level budgets are not reflective of the operations of the group. Funding for the group is obtained on a global basis, and the continued operation of the company is dependent on funds provided to it by Artificial Solutions Holding ASH AB, the ultimate parent company (see note 9). In considering the appropriateness of the basis of preparation of these accounts the Directors have noted that Artificial Solutions Holding ASH AB has indicated that for a period of at least twelve months from the signing of these accounts it will continue to make available such funds as are needed by the company in order to support its continued operation.

The ability of the Directors of the group to make such funding available to the company as required is dependent upon either the raising of additional funding by the group or the substantial achievement of the group budgets, including the completion of certain sales agreements with customers, which are expected to be very substantial but the forecasting of which as to both quantum and timing remains difficult to predict with certainty. Were additional funding to be required by the Group to support longer than predicted sales cycles such funds are expected to be available as needed. Details of further funding obtained by the group subsequent to the year-end are detailed in Note 12.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that the support from Artificial Solutions Holding ASH AB will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

**Turnover**

Turnover represents the value, net of value added tax and discounts, of goods or services provided to customers and the recharge of costs incurred by the reporting company on behalf of other group companies in addition to an appropriate margin. Revenue is recognised upon delivery of services or goods.

**Depreciation**

Depreciation is provided at the following rates in order to write off the assets over their estimated useful lives.

Furniture	20%	straight line
Office Equipment	25%	straight line
Computer	25%	straight line
Other office equipment	20%	straight line
Leasehold Improvements		Straight line based on the length of the office lease agreement



**Notes to the Accounts**  
**For the year ended 31 December 2015**

**1. Accounting policies (continued)**

**Foreign Currencies**

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

**Development expenditures**

Development expenditure is expensed as it is incurred.

**Leasing and hire purchase commitments**

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

**Pensions**

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

**Taxes**

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19. Deferred tax assets are recognised to the extent that, on the basis of all available evidence, it is considered as more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

**2. Turnover**

	2015	2014
Turnover attributable to geographical markets outside the UK	92%	89%

**3. Loss before taxation is stated after charging the following:**

	2015	2014
	£	£
Auditor's remuneration:		
Audit of these financial statements	10,000	10,000
Depreciation written off tangible and intangible fixed assets - owned assets	12,371	10,720
Pension Costs	4,750	4,750
Operating lease rentals	12,601	16,182

**4. Remuneration of directors**

	2015	2014
	£	£
Directors' remuneration	322,954	296,382

**5. Interest**

	2015	2014
	£	£
Interest Income (loan to NLISIP)	2,693	2,055
Interest payable	(205,111)	(260,355)

Included within interest payable are amounts totalling £204,364 (2014: £260,355) that are payable to related parties.

**Notes to the Accounts**  
For the year ended 31 December 2015

**6. Taxation**

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 16 October 2015. This will reduce the company's future current tax charge accordingly.

The March 2016 Budget announced that the rate will further reduce to 17% (effective from 1 April 2020). This will further reduce the company's future current tax charge.

The company continues to pay no corporate tax on the basis that it is currently and historically in a loss making position. Accordingly no deferred tax assets have been recognised for past losses.

**7. Fixed Assets**

*Tangible assets*

	Computer	Furniture	Leasehold Improvements	Office Equipment	Other office equipment	TOTAL
<b>Cost</b>	£	£	£	£	£	£
At beginning of year	9,153	24,661	8,581	15,054	1,101	58,550
Additions	5,061	-	-	5,294	-	10,355
Disposals	-	-	-	-	-	-
At end of year	14,214	24,661	8,581	20,348	1,101	68,905
<b>Depreciation</b>						
At beginning of year	4,686	17,011	6,061	7,129	785	35,672
Charge for year	2,678	4,932	260	4,280	221	12,371
Disposals	-	-	-	-	-	-
At end of year	7,364	21,943	6,321	11,409	1,006	48,043
<b>Net Book Value</b>						
As at 31 December 2015	6,850	2,718	2,260	8,939	95	20,862
As at 31 December 2014	4,467	7,650	2,520	7,925	316	22,878

**8. Debtors**

	2015	2014
	£	£
<b>Debtors amounts falling within one year</b>		
Trade debtors	4,501	59,535
Prepayments and other debtors	30,519	26,822
	35,020	86,357
<b>Debtors amounts falling over one year</b>		
Other debtors	188,615	192,294
Amounts owed by group undertakings	1,705,243	1,134,268
	1,893,858	1,326,562
<b>Total</b>	<b>1,928,878</b>	<b>1,412,919</b>

**9. Creditors**

	2015	2014
	£	£
<b>Creditors: amounts falling due within one year</b>		
Trade creditors	13,538	18,408
Other taxes and social security costs	58,278	43,884
Other creditors	374,551	426,839
	446,367	489,131
<b>Creditors amounts falling due over one year</b>		
Amounts owed to group undertakings	5,430,159	4,721,429
<b>Total</b>	<b>5,876,526</b>	<b>5,210,560</b>

Within amounts owed to group undertakings falling over one year is an amount of £5,430,159 (2014: £4,721,429) owing to Artificial Solutions Holding ASH AB which is due for repayment on 01 January 2018.

## Artificial Solutions UK Limited

### 10. Share capital

	Nominal value per share	Number of shares	2015 £	2014 £
Allotted, called up and fully paid:				
Ordinary shares	£ 1 each	100	<u>100</u>	<u>100</u>
Total			<u>100</u>	<u>100</u>

### 11. Profit and loss account

	2015 £
At 1 January 2015	(3,632,104)
Loss for period:	<u>(286,064)</u>
At 31 December 2015	<u>(3,918,168)</u>

### 12. Post Balance Events

At the EGM of the Holding Company, Artificial Solutions Holding ASH AB on the 18th December 2015 the issue of up to 468,901 preference shares of Series C for the parent company was approved, a total of EUR 9.5 million has been paid to the parent company in full in accordance with the following:

- 104,166 of these shares were made available to be subscribed by new shareholders at a price of EUR 24 per share, period ending 31st January 2016. Of those, 5,716 have been finally subscribed for a purchase price of EUR 137,184.
- 364,735 shares, to be subscribed by current shareholders, which will be issued in two tranches, as described below:
  - Tranche I: ended the 31st January 2016. For current shareholders, 182,917 shares at a price per share of EUR 24. Total purchase price EUR 4,390,008. They have been fully subscribed and paid.
  - Tranche II: ended on 30th April 2016. 181,818 shares at a purchase price of EUR 27,5 per share. Total purchase price EUR 4,999,995. They have been fully subscribed and paid.

On the 24th June 2016 a further issue of 181,818 preference shares of series C for the parent company was approved. EUR 1.4 million has been received by the parent company against promissory notes pending the issue of these shares.

On March 2016 the holding company renegotiated the outstanding long term loan held by that entity. The period of devolution increased from 24 months to 36. The total debt increased to EUR 8,342,436 (net interest increase, EUR 690,424).

In June 2016 the Company introduced a series of employee benefits in order to ensure the retention of key members of staff including: a contributory Pension Plan, Healthcare, Group Income Protection and Group Life cover. It is expected these programmes will add approximately 6% to the cost of employing staff on an annual basis.

### 13. Pension scheme

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme at the end of the fiscal year for 3 employees. The assets of the scheme are held separately from those of the company in an independently administered scheme.

The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £4,750 (2014: £4,750).

Contributions amounting to £594 (2014: £594) were payable to the scheme at the year end and are included in Other Creditors, within Creditors, falling due within one year.

### 14. Other Financial Commitments

At the year end, the company had annual commitments under non-cancellable operating leases as set out below:

Operating leases which expire:

	2015 £	2014 £
Within one year	2,582	11,592
Within two or five years	-	-
	<u>2,582</u>	<u>11,592</u>

**Artificial Solutions UK Limited**

**15. Related party transactions**

**Fellow subsidiaries and holding company.**

The company has taken advantage of the exemption available in the FRSSE (15.7d) not to disclose transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

	2015	2014
	£	£
<b>Loan to NLISIP Ltd</b>		
During 2012 the company loaned €275,000 to NLISIP Limited, a company whose Directors are C.D. Bushnell and L.B.J. Flynn. NLISIP Limited was established to provide an employee stock incentive programme for Artificial Solutions Group employees. These amounts have been increasing due to new loans in 2013, 2014 and 2015 in absolute Euro terms. In 2014 an addendum has been signed to postpone the due date such that the balance is classified as debtors falling after one year.		
Amount due from the related party	181,603	185,184

**16. Ultimate controlling party**

The company is wholly owned by Artificial Solutions BV, a company incorporated in Holland. The ultimate parent company is Artificial Solutions Holding ASH AB, a company incorporated in Sweden. Copies of the consolidated accounts may be obtained from the ultimate parent company at C/Calàbria 169 5ª 08015 Barcelona, Spain.