

Company registration number 02948047 (England and Wales)

**SYZGY UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

# **SYZYGY UK LIMITED**

## **COMPANY INFORMATION**

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|                          |  |
|--------------------------|--|
| <b>Directors</b>         | Mr E Greiner<br>Mr M P Brown                                 |
| <b>Secretary</b>         | Mr E Greiner   |
| <b>Company number</b>    | 02948047   |
| <b>Registered office</b> | Lacon House<br>84 Theobalds Road<br>London<br>WC1X 8NL       |
| <b>Auditor</b>           | KPSR LLP<br>58 High Street<br>Pinner<br>Middlesex<br>HA5 5PZ |

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# **SYZYGY UK LIMITED**

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# **SYZYGY UK LIMITED**

## **STRATEGIC REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2022***

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The directors present the strategic report for the year ended 31 December 2022.

#### **Fair review of the business**

In 2022 we experienced a decrease in revenue to £658K (2021: £14,707K). This is part of our planned strategy to move all trading income into Unique Digital Marketing Limited.

All headcount and delivery resource has been moved to Unique Digital Marketing and therefore Syzygy UK will only maintain the office lease contract going forward. The operating business of Syzygy UK Limited has been consolidated under Unique Digital Marketing Limited however the company will continue to generate income for its office space.

The financial stability of Syzygy UK is secured by Unique Digital Marketing and Syzygy AG. The results and financial position at the year end were considered to be satisfactory by the directors.

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

The main financial risks arising from the company's activities are economic risk, currency risk and operating risk. These are stringently monitored by the board of directors and were not considered to be significant at the end of the reporting period.

The company's policy in respect of currency risk is to closely monitor exchange rate fluctuations between Sterling, Euro and other major currencies. This may impact the operating profit attained by the company.

The company's policy in respect of economic and operating risk is to manage projects efficiently and exercise tight control on costs.

#### **Other performance indicators**

The company uses a number of non-financial performance indicators to monitor and drive the business including measures within the areas of technological advancement. Examples are online impressions and user engagement.

On behalf of the board

**Mr E Greiner**  
**Director**

**21 June 2023**

# **SYZYGY UK LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2022***

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The directors present their annual report and financial statements for the year ended 31 December 2022.

#### **Principal activities**

The principal activity of the company was that of provision of integrated portfolio of corporate internet solutions, from strategic consulting to project planning, concepts, designs and technical realisation. Going forward the principal activity will be subletting of the office space and generating rental income.

#### **Results and dividends**

The results for the year are set out on page 7.

No ordinary dividends were paid (2021: £200,000). The directors do not recommend payment of a further dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr E Greiner  
Mr M P Brown

#### **Financial instruments**

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

#### **Post reporting date events**

There are no matters that give rise to a post balance sheet event.

#### **Future developments**

At the date of signing the financial statements, the office space has now been fully sublet to third parties which will enable the company to meet its obligations under the lease.

#### **Auditor**

KPSR LLP were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### **Energy and carbon report**

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

# **SYZYGY UK LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report 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 elected to prepare 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

**Mr E Greiner**  
**Director**

**21 June 2023**

# SYZGY UK LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SYZGY UK LIMITED

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#### Opinion

We have audited the financial statements of Syzygy UK Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year 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.

#### 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 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.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included obtaining letters of support and considering the level of future earnings against future commitments of the entity.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

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

# **SYZYGY UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF SYZYGY UK LIMITED**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our 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.

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

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 material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **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.

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.



## **SYZYGY UK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF SYZYGY UK LIMITED**

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Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law, Tax and Pensions legislation, and distributable profits legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include General Data Protection Requirement and general health and safety legislation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **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.

**Mr Rishil Patel (Senior Statutory Auditor)**  
**For and on behalf of KPSR LLP**

21 June 2023

**Chartered Accountants**  
**Statutory Auditor**

58 High Street  
Pinner  
Middlesex  
HA5 5PZ

# SYZYGY UK LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

|   | Notes    | 2022<br>£ | 2021<br>£    |
|---|----------|-----------|--------------|
| <b>Revenue</b>                              | <b>3</b> | 658,513   | 14,707,156   |
| Cost of sales                               |          | (472,235) | (14,565,220) |
| <b>Gross profit</b>                         |          | 186,278   | 141,936      |
| Administrative expenses                     |          | (222,255) | 60,387       |
| Other operating income/(expenses)           |          | 4,098     | (15,708)     |
| <b>Operating (loss)/profit</b>              | <b>4</b> | (31,879)  | 186,615      |
| Investment income                           | <b>6</b> | 230       | 246          |
| Finance costs                               | <b>7</b> | (8,377)   | (8,377)      |
| <b>(Loss)/profit before taxation</b>        |          | (40,026)  | 178,484      |
| Tax on (loss)/profit                        | <b>8</b> | 23,836    | (4,315)      |
| <b>(Loss)/profit for the financial year</b> |          | (16,190)  | 174,169      |

The income statement has been prepared on the basis that all operations are continuing operations.

# SYZYGY UK LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

|  |       | 2022        |           | 2021        |           |
|--|-------|-------------|-----------|-------------|-----------|
|  | Notes | £           | £         | £           | £         |
| <b>Non-current assets</b>  |       |             |           |             |           |
| Property, plant and equipment                                    | 11    |             | 717,632   |             | 918,398   |
| <b>Current assets</b>  |       |             |           |             |           |
| Trade and other receivables falling due after more than one year | 12    | 78,115      |           | 54,279      |           |
| Trade and other receivables falling due within one year          | 12    | 649,652     |           | 5,192,067   |           |
| Cash and cash equivalents  |       | 319,924     |           | 413,014     |           |
|  |       | 1,047,691   |           | 5,659,360   |           |
| <b>Current liabilities</b>                                       | 13    | (1,049,620) |           | (5,823,884) |           |
| <b>Net current liabilities</b>                                   |       |             | (1,929)   |             | (164,524) |
| <b>Total assets less current liabilities</b>                     |       |             | 715,703   |             | 753,874   |
| <b>Non-current liabilities</b>                                   | 14    |             | (505,560) |             | (527,541) |
| <b>Net assets</b>  |       |             | 210,143   |             | 226,333   |
| <b>Equity</b>  |       |             |           |             |           |
| Called up share capital  | 16    |             | 1,000     |             | 1,000     |
| Retained earnings  |       |             | 209,143   |             | 225,333   |
| <b>Total equity</b>  |       |             | 210,143   |             | 226,333   |

The financial statements were approved by the board of directors and authorised for issue on 21 June 2023 and are signed on its behalf by:

**Mr E Greiner**  
Director

Company Registration No. 02948047

# SYZYGY UK LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

|  | Notes | Share capital<br>£ | Retained<br>earnings<br>£ | Total<br>£ |
|--|-------|--------------------|---------------------------|------------|
| Balance at 1 January 2021                          |       | 1,000              | 251,164                   | 252,164    |
| Year ended 31 December 2021:                       |       |                    |                           |            |
| Profit and total comprehensive income for the year |       | -                  | 174,169                   | 174,169    |
| Dividends  | 9     | -                  | (200,000)                 | (200,000)  |
| Balance at 31 December 2021                        |       | 1,000              | 225,333                   | 226,333    |
| Year ended 31 December 2022:                       |       |                    |                           |            |
| Loss and total comprehensive income for the year   |       | -                  | (16,190)                  | (16,190)   |
| Balance at 31 December 2022                        |       | 1,000              | 209,143                   | 210,143    |

# SYZYGY UK LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

|   |       | 2022    |           | 2021      |           |
|---|-------|---------|-----------|-----------|-----------|
|   | Notes | £       | £         | £         | £         |
| <b>Cash flows from operating activities</b>                 |       |         |           |           |           |
| Cash (absorbed by)/generated from operations                | 20    |         | (241,029) |           | 284,416   |
| Interest paid   |       |         | (8,377)   |           | (8,377)   |
| <b>Net cash (outflow)/inflow from operating activities</b>  |       |         | (249,406) |           | 276,039   |
| <b>Investing activities</b>                                 |       |         |           |           |           |
| Proceeds on disposal of intangibles                         |       | 156,086 |           | -         |           |
| Interest received   |       | 230     |           | 246       |           |
| <b>Net cash generated from investing activities</b>         |       |         | 156,316   |           | 246       |
| <b>Financing activities</b>                                 |       |         |           |           |           |
| Dividends paid  |       | -       |           | (200,000) |           |
| <b>Net cash used in financing activities</b>                |       |         | -         |           | (200,000) |
| <b>Net (decrease)/increase in cash and cash equivalents</b> |       |         | (93,090)  |           | 76,285    |
| Cash and cash equivalents at beginning of year              |       |         | 413,014   |           | 336,729   |
| <b>Cash and cash equivalents at end of year</b>             |       |         | 319,924   |           | 413,014   |

# SYZYG UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

#### Company information

Syzygy UK Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is Lacon House, 84 Theobalds Road, London, WC1X 8NL.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 and FRC Abstracts.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The group will also continue to support the subsidiary. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered, stated net of discounts and Value Added Tax. When the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes in effect a financing transaction, the fair value of the consideration is measured at the present value of all future receipts determined using an imputed rate of interest, normally the rate that discounts the nominal amount of consideration to the cash sales price. In respect of the rendering of services, turnover represents revenue measured by reference to the stage of completion of the contract activity or the service transaction at the end of the reporting period.

##### *Rendering of Services*

When the outcome of a project contract can be estimated reliably in terms of completion, future costs to complete and collectability of billings, the Company recognises revenue and expenses on the contract by reference to the stage of completion of the contract at the end of the reporting period. The stage of completion is determined on the basis of the proportion of the contract costs incurred and time spent to date over the total contract.

##### *Interest Income*

Interest income is recognised using the effective interest method.

#### 1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

# SYZGY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                   |  |
|-------------------|--|
| Software licences | Straight line over the life of the licence |
|-------------------|--|

### 1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|                                    |   |
|------------------------------------|---|
| Land and buildings short leasehold | Straight line over the life of the lease, over 10 years |
| Fixtures and fittings              | 20% on cost   |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the income statement.

### 1.6 Impairment of non-current assets

At each reporting period end 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 in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# SYZYGY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### Impairment of financial assets

Financial assets, other than those held at fair value through the income statement, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

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.

##### Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.



# SYZYGY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### Basic financial liabilities

Basic financial liabilities, including trade and other payables, 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 receipts discounted at market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective rate method.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### Other financial liabilities

Derivatives, including interest swaps and foreign exchange contracts, are not financial instruments. Derivatives are initially recognised at fair value on the date a derivative is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# SYZYG Y UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to the income statement on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### 1.14 Foreign exchange

Transactions in currencies other than pound sterling are recorded at the rates of exchange prevailing at dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

# SYZYG Y UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. These estimates typically relate to work in progress (revenue recognition) and cost accruals. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 3 Revenue

An analysis of the company's revenue is as follows:

|  | 2022<br>£      | 2021<br>£         |
|--|----------------|-------------------|
| <b>Revenue analysed by class of business</b> |                |                   |
| Digital marketing revenue                    | 467,759        | 14,630,520        |
| Sublet income                                | 190,754        | 76,636            |
|  | <u>658,513</u> | <u>14,707,156</u> |

|  | 2022<br>£      | 2021<br>£         |
|--|----------------|-------------------|
| <b>Revenue analysed by geographical market</b> |                |                   |
| United Kingdom                                 | 190,754        | 76,636            |
| Europe   | -              | 10,372            |
| Rest of the World                              | 467,759        | 14,620,148        |
|  | <u>658,513</u> | <u>14,707,156</u> |

|                      | 2022<br>£  | 2021<br>£  |
|----------------------|------------|------------|
| <b>Other revenue</b> |            |            |
| Interest income      | 230        | 246        |
|                      | <u>230</u> | <u>246</u> |

### 4 Operating (loss)/profit

|   | 2022<br>£        | 2021<br>£        |
|---|------------------|------------------|
| Operating (loss)/profit for the year is stated after charging/(crediting):                |                  |                  |
| Exchange (gains)/losses   | (4,098)          | 15,708           |
| Fees payable to the company's auditor for the audit of the company's financial statements | 16,500           | 17,500           |
| Depreciation of owned property, plant and equipment                                       | 200,766          | 183,262          |
| Profit on disposal of intangible assets   | (156,086)        | -                |
| Operating lease charges   | 1,007,033        | 869,511          |
|   | <u>1,053,115</u> | <u>1,085,981</u> |

# SYZYGY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

|                | 2022<br>Number | 2021<br>Number |
|----------------|----------------|----------------|
| Administration | 2              | 2              |

### 6 Investment income

|                           | 2022<br>£ | 2021<br>£ |
|---------------------------|-----------|-----------|
| <b>Interest income</b>    |           |           |
| Interest on bank deposits | 230       | 246       |

Investment income includes the following:

|  |     |     |
|--|-----|-----|
| Interest on financial assets not measured at fair value through profit or loss | 230 | 246 |
|--|-----|-----|

### 7 Finance costs

|  | 2022<br>£ | 2021<br>£ |
|--|-----------|-----------|
| <b>Interest on financial liabilities measured at amortised cost:</b> |           |           |
| Interest payable to group undertakings                               | 8,377     | 8,377     |

### 8 Taxation

|  | 2022<br>£ | 2021<br>£ |
|--|-----------|-----------|
| <b>Deferred tax</b>                            |           |           |
| Origination and reversal of timing differences | (23,836)  | 4,315     |

# SYZYGY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 8 Taxation

(Continued)

The actual (credit)/charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

|   | 2022<br>£ | 2021<br>£ |
|---|-----------|-----------|
| (Loss)/profit before taxation   | (40,026)  | 178,484   |
| Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%) | (7,605)   | 33,912    |
| Tax effect of expenses that are not deductible in determining taxable profit                                  | 38,145    | 34,820    |
| Permanent capital allowances in excess of depreciation  | (13,821)  | (16,106)  |
| Deferred taxation   | (23,836)  | 4,315     |
| Utilisation of tax losses   | (16,719)  | (52,626)  |
| Taxation (credit)/charge for the year   | (23,836)  | 4,315     |

### 9 Dividends

|            | 2022<br>£ | 2021<br>£ |
|------------|-----------|-----------|
| Final paid | -         | 200,000   |

### 10 Intangible fixed assets

|                                    | Software<br>licences<br>£ |
|------------------------------------|---------------------------|
| <b>Cost</b>                        |                           |
| At 1 January 2022                  | 112,901                   |
| Disposals                          | (112,901)                 |
| At 31 December 2022                | -                         |
| <b>Amortisation and impairment</b> |                           |
| At 1 January 2022                  | 112,901                   |
| Disposals                          | (112,901)                 |
| At 31 December 2022                | -                         |
| <b>Carrying amount</b>             |                           |
| At 31 December 2022                | -                         |
| At 31 December 2021                | -                         |

# SYZYGY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 11 Property, plant and equipment

|  | Land and<br>buildings short<br>leasehold | Fixtures and<br>fittings | Total     |
|--|--|--------------------------|-----------|
|  | £  | £                        | £         |
| <b>Cost</b>                            |  |                          |           |
| At 1 January 2022 and 31 December 2022 | 1,555,488                                | 167,862                  | 1,723,350 |
| <b>Depreciation and impairment</b>     |  |                          |           |
| At 1 January 2022                      | 680,795                                  | 124,157                  | 804,952   |
| Depreciation charged in the year       | 157,061                                  | 43,705                   | 200,766   |
| At 31 December 2022                    | 837,856                                  | 167,862                  | 1,005,718 |
| <b>Carrying amount</b>                 |  |                          |           |
| At 31 December 2022                    | 717,632                                  | -                        | 717,632   |
| At 31 December 2021                    | 874,693                                  | 43,705                   | 918,398   |

### 12 Trade and other receivables

|  | 2022<br>£ | 2021<br>£ |
|--|-----------|-----------|
| <b>Amounts falling due within one year:</b>          |           |           |
| Trade receivables                                    | 28,266    | 2,483,200 |
| Amounts owed by group undertakings                   | 116,517   | 1,555,774 |
| Other receivables                                    | 125,853   | 774,077   |
| Prepayments and accrued income                       | 379,016   | 379,016   |
|  | 649,652   | 5,192,067 |
| <b>Amounts falling due after more than one year:</b> |           |           |
| Deferred tax asset (note 15)                         | 78,115    | 54,279    |
| <b>Total debtors</b>                                 | 727,767   | 5,246,346 |

### 13 Current liabilities

|                                    | 2022<br>£ | 2021<br>£ |
|------------------------------------|-----------|-----------|
| Trade payables                     | 59,713    | 75,760    |
| Amounts owed to group undertakings | 4,320     | 4,581,483 |
| Taxation and social security       | 8,581     | -         |
| Accruals and deferred income       | 977,006   | 1,166,641 |
|                                    | 1,049,620 | 5,823,884 |

# SYZYGY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 14 Non-current liabilities

|                | 2022<br>£ | 2021<br>£ |
|----------------|-----------|-----------|
| Other payables | 505,560   | 527,541   |

### 15 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

|                                | Assets<br>2022<br>£ | Assets<br>2021<br>£ |
|--------------------------------|---------------------|---------------------|
| <b>Balances:</b>               |                     |                     |
| Decelerated capital allowances | 78,115              | 54,279              |
| <b>Movements in the year:</b>  |                     | 2022<br>£           |
| Asset at 1 January 2022        |                     | (54,279)            |
| Credit to profit or loss       |                     | (23,836)            |
| Asset at 31 December 2022      |                     | (78,115)            |

The deferred tax asset set out above is expected to reverse in the foreseeable future and relates to decelerated capital allowances that are expected to mature within the same period.

### 16 Share capital

|   | 2022<br>Number | 2021<br>Number | 2022<br>£ | 2021<br>£ |
|---|----------------|----------------|-----------|-----------|
| <b>Ordinary share capital<br/>Issued and fully paid</b> |                |                |           |           |
| Ordinary shares of 1p each                              | 100,000        | 100,000        | 1,000     | 1,000     |

## SYZYGY UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

#### 17 Operating lease commitments

##### Lessee

The company entered into a 10 year operating lease for use of its current office space which expires in August 2027. A rent review date exists in August 2022. A rent free period was granted from the landlord until July 2019.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

|                            | 2022<br>£        | 2021<br>£        |
|----------------------------|------------------|------------------|
| Within one year            | 1,054,352        | 1,054,352        |
| Between two and five years | 3,778,075        | 4,217,408        |
| In over five years         | -                | 615,019          |
|                            | <u>4,832,427</u> | <u>5,886,779</u> |

#### 18 Related party transactions

##### Transactions with related parties

During the year the company entered into the following transactions with related parties:

|                 | Sales<br>2022<br>£ | Sales<br>2021<br>£ |
|-----------------|--------------------|--------------------|
| Ars Thanea S.A. | -                  | 10,372             |
|                 | <u>-</u>           | <u>10,372</u>      |

The entity has taken advantage of disclosure exemptions for fully owned group companies.

#### 19 Ultimate controlling party

The Company's immediate parent company is Unique Digital Marketing Limited, a company incorporated in England. Unique Digital Marketing is controlled by Syzygy AG, a listed company incorporated in Germany.

Copies of the financial statements of the parent company are available from Investor Relations at Syzygy AG, Horexstraße 28, 61352 Bad Homburg vor der Höhe, Germany

The ultimate parent is WPP Plc a company fully listed on the London Stock Exchange, copies of this company's financial statements are available from WPP Plc, 22 Grenville Street, St Helier, Jersey JE4 8PX.



# SYZYGY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 20 Cash (absorbed by)/generated from operations

|  | 2022<br>£        | 2021<br>£      |
|--|------------------|----------------|
| (Loss)/profit for the year after tax                         | (16,190)         | 174,169        |
| <b>Adjustments for:</b>                                      |                  |                |
| Taxation (credited)/charged                                  | (23,836)         | 4,315          |
| Finance costs  | 8,377            | 8,377          |
| Investment income  | (230)            | (246)          |
| Gain on disposal of intangible assets                        | (156,086)        | -              |
| Depreciation and impairment of property, plant and equipment | 200,766          | 183,262        |
| <b>Movements in working capital:</b>                         |                  |                |
| Decrease/(increase) in trade and other receivables           | 4,542,415        | (2,482,292)    |
| (Decrease)/increase in trade and other payables              | (4,796,245)      | 2,373,132      |
| <b>Cash (absorbed by)/generated from operations</b>          | <b>(241,029)</b> | <b>260,717</b> |

### 21 Analysis of changes in net funds

|                          | 1 January 2022<br>£ | Cash flows<br>£ | 31 December 2022<br>£ |
|--------------------------|---------------------|-----------------|-----------------------|
| Cash at bank and in hand | 413,014             | (93,090)        | 319,924               |

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.