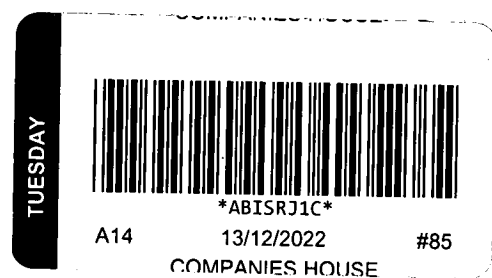


Company Registration No. 04935478 (England and Wales)

E Y C LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021



E Y C LIMITED

COMPANY INFORMATION

Directors	B Quest P Antonio
Company number	04935478
Registered office	Suite 227 Quatro House Frimley Road Camberley GU16 7ER
Auditor	RSM UK Audit LLP Chartered Accountants Suite A 7th Floor, East West Building 2 Tollhouse Hill Nottingham NG1 5FS

E Y C LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Key performance indicators

The directors use the following as key performance indicators for the company. These are discussed in more detail in the business review section below:

- Turnover; and
- Net current assets/(liabilities).

Business review

Turnover for the year has decreased from £17,064,688 in 2020 to £8,991,502, for 2021. The decrease in turnover was mainly driven by the implementation in 2021 of the new Development, Enhancement, Maintenance, Protection and Exploitation (DEMPE) transfer pricing policy within the group which has resulted in a reduction in the amount charged to the wider group in respect of royalties.

The directors also monitor turnover and margin by retailer to assess the company's performance on a monthly basis.

2021 resulted in a loss for the year of £16,372,186 (2020: loss of £4,624,107). The results for the year have been impacted by exceptional costs in relation to the transfer of trade and assets of SymphonyEYC Solutions UK (£3,660,000), including exceptional write off of goodwill and the change in transfer pricing policy during the year. The company's net current liabilities declined by £12,691,771 and amounts to £15,046,337 (2020: net current liability of £2,354,566).

Future developments

The company intends to continue operating in the area of consumer analysis.

Going concern

The financial statements have been prepared on a going concern basis which is dependent on the continuing support of the ultimate parent company. The parent company, SymphonyAI LLC has indicated its commitment to continue to provide financial support for a period of no less than 12 months from the date of the signing of the accounts, on this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

The company has no significant business in Russia and Ukraine and the intercompany receivable with the intercompany in Russia has already been fully impaired last year. The wider group has carried out a forecasting exercise to ascertain the business' ability to continue to trade. The Board believe that the group's focus in grocery retail is positive as one of the most secure markets in the circumstances.

Subsequent to the year end, SymphonyAI LLC has agreed new term loans and revolving credit facilities in order to fund strategic acquisitions and provide funding to the wider group as is required. In consideration of the current financial position and projected trading performance, the Board has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Board has continued to adopt the going concern basis in preparing the annual financial statements.

E Y C LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Principal risks and uncertainties

The company's operations expose it to a variety of risks including strategic, economic, operational and financial. The management of the company monitors the exposures to these risks in order to limit the adverse effects of these risks on the financial performance of the company.

Strategic. The company operates in a dynamic market and constantly seeks to ensure the solutions it offers are competitive and attractive.

Economic. A worsening of the economic climate may lead to reduced spend. The risk of a worsening economic climate in the UK is perceived by some to have increased as a result of the uncertainties surrounding COVID-19 and war in Ukraine. However, the company has a wide geographical spread of customers but no significant business in Russia and Ukraine and the effects of COVID-19 on the company have so far been quite limited. The company also has products and solutions which can help customers remain competitive in difficult trading conditions.

Operational. Ongoing product review and investment into product development together with the company's quality procedures seek to ensure that products are reliable, of high quality and relevant to market requirements. The company uses various financial instruments which include cash, trade debtors, trade creditors and group balances that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

Financial risk management objectives and policies

The main risks arising from the company's financial instruments are currency risk, interest rate risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Currency risk

The company is exposed to translation and foreign exchange risk.

The company does not adopt a prescribed policy to eliminate currency exposures but does purchase US dollars to hold for the purpose of settling these liabilities from time to time when rates are favourable.

Foreign exchange differences on retranslation of liabilities in currencies other than sterling are taken to profit or loss.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

The company's policy throughout the year has been to achieve this objective through management's day to day involvement in business decisions rather than through setting maximum or minimum liquidity ratios.

Interest rate risk

The company finances its operations through its parent undertaking and is therefore exposed to interest rate risk on intercompany payables. Exposure to risk is managed through the wider group treasury policy.

E Y C LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial risk management objectives and policies (continued)

Credit risk

The company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises, therefore, from trade debtors.

In order to manage credit risk management set limits for customers based on a combination of payment history and third-party credit references. Credit limits are reviewed by the financial controller on a regular basis in conjunction with debt ageing and collection history.

To mitigate against exposure to risk arising from group balances, the company only lends to and borrows from companies in the group of which it is a member and regularly reviews the performance and cash flow forecasts of the entities to which it has lent.

Business risk

The company monitors the competition and technology to determine business risk. Business risk is managed within the company by the Management Team via regular meetings.

Payment to creditors

It is the company's normal practice to make payments to suppliers in accordance with agreed terms provided that the supplier has performed in accordance with the relevant terms and conditions.

On behalf of the board



.....
B Quest

Director

Date: 09/12/22
.....

E Y C LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activities of the company continued to be that of the provision of software solutions and management consultancy.

Branches

During the year the company operated a branch in Italy which provides the same service as that of the principal activities of the company above.

Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Significant events in the year

On 1 April 2021, the company entered into an agreement to purchase of the entire trade and assets of SymphonyEYC Solution UK Limited, its 100% owned subsidiary, for a cash consideration of £2,655,983. The purchase was funded by cash of £134,680 and the issue of an unsecured loan note of £2,521,303, details of which are given in note 16.

Directors

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

S Sheriff	(Resigned 20 October 2022)
B Quest	
J K Hustis	(Resigned 1 August 2022)
P Antonio	(Appointed 2 August 2022)

Qualifying third party indemnity provisions

The group has made qualifying third party indemnity provisions for the benefit of its directors during the year.

Research and development

The company has a continuing commitment to research and development, as shown in note 7.

Auditor

In accordance with the section 485 of the Companies Act 2006, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the company will be put at a general meeting.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of a fair review of its business including key performance indicators, future developments, its going concern status, and its principal risk and uncertainties including financial risk management.

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, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

E Y C LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

On behalf of the board



.....
B Quest
Director

Date: 09/12/22
.....

E Y C LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF E Y C LIMITED

Opinion

We have audited the financial statements of E Y C Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

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.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF E Y C LIMITED (CONTINUED)

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 directors' 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 set out on page 6, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF E Y C LIMITED (CONTINUED)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and reviewing tax computations prepared.

The most significant laws and regulations that have an indirect impact are compliance with General Data Protection Regulation (GDPR). We performed audit procedures to inquire of management whether the company is in compliance with these laws and regulations.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to:

- Testing manual journal entries and other adjustments using data analytics software;
- Evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business; and
- Cut-off testing and substantive testing procedures using financial data analytics software to validate revenue recognition throughout the year.

A further description of our responsibilities for the audit of the financial statements is located 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 member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Neil Stephenson

Neil Stephenson (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Suite A
7th Floor, East West Building
2 Tollhouse Hill
Nottingham
NG1 5FS

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09/12/22

E Y C LIMITED


STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	8,991,502	17,064,688
Other operating income	3	1,604,475	1,583,994
Staff costs	5	(7,066,400)	(4,118,541)
Amortisation, depreciation and loss on disposal of tangible and intangible fixed assets	7	(128,178)	(335,517)
Exceptional items	4	(4,954,891)	(3,536,907)
Other operating expenses		(10,837,108)	(15,863,642)
Operating loss	7	(12,390,600)	(5,205,925)
Interest receivable and similar income	9	436,694	-
Interest payable and similar expenses	10	(425,321)	(100,691)
Other gains and losses	11	(3,660,000)	-
Loss before taxation		(16,039,227)	(5,306,616)
Tax on loss	12	(332,959)	682,509
Loss for the financial year		(16,372,186)	(4,624,107)

E Y C LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	15		96,617		112,082
Investments	17		33,722		3,693,722
			<u>130,339</u>		<u>3,805,804</u>
Current assets					
Debtors	19	5,732,417		12,534,501	
Cash at bank and in hand		-		73,535	
		<u>5,732,417</u>		<u>12,608,036</u>	
Creditors: amounts falling due within one year	20	<u>(20,778,754)</u>		<u>(14,962,602)</u>	
Net current liabilities			<u>(15,046,337)</u>		<u>(2,354,566)</u>
Total assets less current liabilities			<u>(14,915,998)</u>		<u>1,451,238</u>
Provisions for liabilities	21		<u>(131,950)</u>		<u>(237,510)</u>
Net (liabilities)/assets			<u><u>(15,047,948)</u></u>		<u><u>1,213,728</u></u>
Capital and reserves					
Called up share capital	24		11,960		11,960
Capital contribution reserve	25		155,359		44,849
Profit and loss reserves	25		<u>(15,215,267)</u>		<u>1,156,919</u>
Total equity			<u><u>(15,047,948)</u></u>		<u><u>1,213,728</u></u>

The financial statements were approved by the board of directors and authorised for issue on 09/12/22 and are signed on its behalf by:



 B Quest
 Director

E Y C LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital £	Capital contribution reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2020	11,960	-	5,781,026	5,792,986
Year ended 31 December 2020:				
Loss and total comprehensive income for the year	-	-	(4,624,107)	(4,624,107)
Transactions with owners:				
Capital contributions received	-	44,849	-	44,849
Balance at 31 December 2020	11,960	44,849	1,156,919	1,213,728
Year ended 31 December 2021:				
Loss and total comprehensive income for the year	-	-	(16,372,186)	(16,372,186)
Transactions with owners:				
Capital contributions received	-	110,510	-	110,510
Balance at 31 December 2021	11,960	155,359	(15,215,267)	(15,047,948)

E Y C LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

E.Y.C Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Suite 227, Quatro House, Frimley Road, Camberley, GU16 7ER.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

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", including the adoption of the amendments issued in December 2017, ("FRS 102") and the requirements of the Companies Act 2006. Including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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 have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Reduced disclosures

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of SymphonyAI LLC, registered in Delaware under number 6131424, 160 Greentree Drive, Suite 101, City of Dover, Kent County, DE 19904, USA. The consolidated financial statements, drawing up the largest and smallest body of undertakings of which the company forms part as a subsidiary undertaking, can be obtained from the Investor Relations Department.

Group reporting exemption

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

E Y C LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Going concern

The financial statements have been prepared on a going concern basis which is dependent on the continuing support of the ultimate parent company. The parent company, SymphonyAI LLC has indicated its commitment to continue to provide financial support for a period of no less than 12 months from the date of the signing of the accounts, on this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

The company has no significant business in Russia and Ukraine and the intercompany receivable with the intercompany in Russia has already been fully impaired last year. The wider group has carried out a forecasting exercise to ascertain the business' ability to continue to trade. The Board believe that the group's focus in grocery retail is positive as one of the most secure markets in the circumstances.

Subsequent to the year end, SymphonyAI LLC has agreed new term loans and revolving credit facilities in order to fund strategic acquisitions and provide funding to the wider group as is required. In consideration of the current financial position and projected trading performance, the Board has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Board has continued to adopt the going concern basis in preparing the annual financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover on perpetual software licences is recognised on delivery of the licence to the customer. Turnover on software as a service, hosted software and software sold on a subscription basis is recognised on a time-basis over the appropriate service or subscription period. Turnover in respect of professional services such as consulting days, training and bespoke development are recognised as these services are delivered.

Revenue from contracts for the provision of maintenance, analytics and support services is recognised on a straight line basis over the course of the support period.

Royalties are recognised in line with contractual agreements on an accruals basis.

Research and development expenditure

Research and development expenditure is written off against profits in the year in which it is incurred.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 63 months.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

E Y C LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Intangible fixed assets other than goodwill

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

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on a straight line basis over terms:

Software licences	3-5 years
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Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on a straight line basis over terms:

Leasehold improvements	7-10 years or over the term of the lease if less
Fixtures and fittings	3-5 years

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 profit or loss.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed 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 profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

E Y C LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

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 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 debtors, amounts owed by group undertakings 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets 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 profit or loss.

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.

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 creditors and amounts due to group undertakings, 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.

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

Derecognition of financial liabilities

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

E Y C LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

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 fixed 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.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

E Y C LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Share-based payments

The company participates in a share-based payment arrangement granted to its employees in relation to shares in its ultimate parent company, SymphonyAI LLC. The company has elected to recognise and measure its share-based payment expense on the basis of a reasonable allocation of the expense for the group recognised in its consolidated accounts. The directors consider the number of unvested options granted to the company's employees compared to the total unvested options granted under the group plan to be a reasonable basis for allocating the expense.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Exceptional items

The company presents as exceptional items on the face of the statement of comprehensive income those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to better understand the elements of financial performance in the year, so as to facilitate comparison with prior years.

E Y C LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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. 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements and estimates have had the most significant effect on amounts recognised in these financial statements.

Revenue recognition

Management judgement is required in assessing the point at which revenue should be recognised. The key judgement relates to the unbundling of the perpetual licence, professional services and support elements of combined sales. The value of deferred income at the year end and included in creditors is £1,000,843 (2020: £402,572).

Impairment of trade debtors

Trade debtors are stated at recoverable amounts, after appropriate provision for bad and doubtful debts. Calculation of the bad debt provision requires judgement from the management team, based on the creditworthiness of the debtor, the agency profile of the debtor, and the historical experience. The carrying value of trade debtors at the year end was £1,203,015 (2020: £841,576).

Impairment of amounts owed by group undertakings

Amounts owed by group undertakings are stated at recoverable amounts, after appropriate provision for bad and doubtful debts. Calculation of the inter-company bad debt provisions requires judgement from the management team, based on the creditworthiness of the group undertaking and the knowledge of group performance. The carrying value of amounts owed by group undertakings at the year end was £2,296,652 (2020: £10,755,080) after inter-company bad debt write-offs of £1,584,498 (2020: £3,138,899).

Impairment of fixed asset investments and goodwill

Determining whether fixed asset investments and goodwill are impaired requires an estimation at the higher of fair value and value in use of the cash generating units to which these assets have been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. The carrying value of fixed asset investments at the year end was £33,722 (2020: £3,693,722) and goodwill was £nil (2020: £nil).

3 Turnover and other operating income

	2021 £	2020 £
Turnover analysed by class of business		
SaaS & hosting & term revenue sales	4,109,431	3,954,105
Rendering of services	3,170,748	3,553,755
Royalty sales	-	9,556,828
Licence sales	362,423	-
Maintenance sales	1,348,900	-
	<u>8,991,502</u>	<u>17,064,688</u>

E Y C LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

3 Turnover and other operating income (Continued)

	2021 £	2020 £
Turnover analysed by geographical market		
United Kingdom	1,591,756	371,006
Europe	5,694,995	5,263,746
Rest of the World	1,704,751	11,429,936
	<u>8,991,502</u>	<u>17,064,688</u>
	2021 £	2020 £
Other operating income		
UK government coronavirus job retention scheme income	-	8,041
UK government R&D enhanced credit scheme income	518,111	213,183
Inter-company management fees	1,084,475	1,085,008
Other inter-company services income	1,889	272,416
Other income	-	5,346
	<u>1,604,475</u>	<u>1,583,994</u>

4 Exceptional items

	2021 £	2020 £
Expenditure		
Property lease exit charges	-	398,008
Exceptional inter-company bad debt write off	1,584,498	3,138,899
Impairment of goodwill	3,370,393	-
	<u>4,954,891</u>	<u>3,536,907</u>

Property lease exit charges comprised accelerated depreciation and onerous lease expenses following property exits due to increased home working.

The exceptional inter-company bad debt write-offs arose in both years following group restructuring exercises.

The impairment of goodwill relates to the purchase of the trade and assets of SymphonyEYC Solution UK limited in the year, see note 14 for further details. Due to this being a one-off cost and the size of the impairment it has been classified as an exceptional item.

E Y C LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

5 Employees

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

	2021 Number	2020 Number
Directors	3	3
Finance, administration and operations	66	42
Total	69	45

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	5,988,402	3,494,064
Share based payment charge	110,510	44,849
Social security costs	734,589	430,463
Pension costs	232,899	149,165
	7,066,400	4,118,541
Redundancy payments made or committed	98,054	108,997

6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	385,956	336,184
Share based payment charge	10,771	9,313
Company pension contributions to defined contribution schemes	13,617	12,667
	410,344	358,164

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	385,956	336,184
Share based payment charge	10,771	9,313
Company pension contributions to defined contribution schemes	13,617	12,667

The majority of the company's directors are remunerated by other group companies. Total remuneration for these directors attributable for services to this company are negligible.

E Y C LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

6 Directors' remuneration (Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020 - 1).

7 Operating loss

	2021 £	2020 £
Operating loss for the year is stated after charging/(crediting):		
Exchange differences	1,166,898	289,926
Research and development costs	3,138,892	3,112,319
Government grants	(518,111)	(221,224)
Depreciation of owned tangible fixed assets	120,848	421,731
Loss on disposal of tangible fixed assets	7,330	15,050
Amortisation of intangible assets	-	59,234
Impairment of intangible assets	3,370,393	-
Share-based payments	110,510	44,849
Operating lease charges	189,676	565,042

Details of government grant income is given in note 3.

8 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	51,800	31,000

9 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest receivable from group companies	25,765	-
Income from fixed asset investments		
Income from shares in group undertakings	410,929	-
Total income	436,694	-

10 Interest payable and similar expenses

	2021 £	2020 £
Interest payable to group undertakings	425,218	99,905
Other interest	103	786
	425,321	100,691

E Y C LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

11 Other gains and losses

	2021 £	2020 £
Impairment of investment	(3,660,000)	-

On 1 April 2021 SymphonyEYC Solution UK Limited, a subsidiary of the company, hived up its entire trade and assets to E Y C Limited for a cash consideration of £2,655,983, see note 16 for details. Following this transaction SymphonyEYC Solution UK Limited ceased to trade and so consequently the investment of £3,660,000 was fully impaired.

12 Taxation

	2021 £	2020 £
Current tax		
Adjustments in respect of prior periods	216,822	(641,612)
Deferred tax		
Origination and reversal of timing differences	152,811	(32,045)
Changes in tax rates	(36,674)	(8,852)
Total deferred tax	116,137	(40,897)
Total tax charge/(credit)	332,959	(682,509)

The total tax charge/(credit) for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2021 £	2020 £
Loss before taxation	(16,039,227)	(5,306,616)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(3,047,453)	(1,008,257)
Tax effect of expenses that are not deductible in determining taxable profit	1,642,083	516,207
Tax effect of income not taxable in determining taxable profit	(78,077)	-
Adjustments in respect of prior years	216,822	(641,612)
Research and development tax credit	(153,466)	(40,505)
Losses carried back	-	500,456
Tax rate differences	(1,125,736)	(8,798)
Movement in deferred tax not recognised	2,878,786	-
Taxation charge/(credit) for the year	332,959	(682,509)

E Y C LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

12 Taxation (Continued)

Factors that may affect future tax charge

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Substantive enactment occurred on 24 May 2021 therefore its effects have been included in these financial statements. The deferred tax balances within these financial statements have been calculated at 19% or 25% depending on when the related timing difference will reverse (2020: 19%).

13 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2021 £	2020 £
In respect of:			
Goodwill	14	3,370,393	-
Fixed asset investments	17	3,660,000	-
		<u> </u>	<u> </u>
Recognised in:			
Exceptional items		3,370,393	-
Other gains and losses		3,660,000	-
		<u> </u>	<u> </u>

The impairment losses in respect of fixed assets investments are recognised in other gains and losses in the Statement of Comprehensive Income, details of which are given in note 11.

The impairment losses in respect of goodwill are recognised in exceptional items in the Statement of Comprehensive Income, and arose on the hive up of the trade and assets of its subsidiary, see note 16 for details, as the directors concluded that based on the considerations given in note 2 that the goodwill should be fully impaired.

E Y C LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

14 Intangible fixed assets

	Goodwill	Software licences	Total
	£	£	£
Cost			
At 1 January 2021	-	572,120	572,120
Additions - business combinations	3,370,393	-	3,370,393
	<u>3,370,393</u>	<u>572,120</u>	<u>3,942,513</u>
At 31 December 2021	3,370,393	572,120	3,942,513
Amortisation and impairment			
At 1 January 2021	-	572,120	572,120
Impairment losses	3,370,393	-	3,370,393
	<u>3,370,393</u>	<u>572,120</u>	<u>3,942,513</u>
At 31 December 2021	3,370,393	572,120	3,942,513
Carrying amount			
At 31 December 2021	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2020	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

More information on impairment movements in the year is given in note 13.

The amortisation charge for the year is recognised within amortisation and other amounts written off tangible and intangible fixed assets impairment losses are recognised within exceptional items in the statement of comprehensive income.

The business combinations in the year relate to the hive up of SymphonyEYC Solution UK Limited, for details please see note 16.

E Y C LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

15 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Total £
Cost			
At 1 January 2021	527,500	3,883,202	4,410,702
Additions	-	41,850	41,850
Business combinations	-	70,862	70,862
Disposals	(374,278)	(103,940)	(478,218)
At 31 December 2021	153,222	3,891,974	4,045,196
Depreciation and impairment			
At 1 January 2021	492,621	3,805,999	4,298,620
Depreciation charged in the year	10,969	109,879	120,848
Eliminated in respect of disposals	(374,278)	(96,611)	(470,889)
At 31 December 2021	129,312	3,819,267	3,948,579
Carrying amount			
At 31 December 2021	23,910	72,707	96,617
At 31 December 2020	34,879	77,203	112,082

Included in the total depreciation of leasehold improvements is £nil (2020: £160,498) in relation to accelerated depreciation. These prior year costs are shown in the property lease exit charges within exceptional items in these financial statements. The assets were disposed of in the current year.

The business combinations in the year relate to the hive up of SymphonyEYC Solution UK Limited, for details please see note 16.

E Y C LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

16 Acquisition of trade and assets

On 1 April 2021 the company hived up the entire trade and assets of its subsidiary company, SymphonyEYC Solution UK Limited, for consideration of £2,655,983.

	Book Value £	Adjustments £	Fair Value £
Tangible fixed assets	70,862	-	70,862
Trade and other receivables	1,713,766	289,607	2,003,373
Trade and other payables	(2,788,645)	-	(2,788,645)
Total identifiable net assets	<u>(1,004,017)</u>	<u>289,607</u>	<u>(714,410)</u>
Goodwill			<u>3,370,393</u>
Total consideration			<u>2,655,983</u>
Satisfied by:			£
Cash			134,680
Unsecured loan note			<u>2,521,303</u>
			<u>2,655,983</u>

E Y C LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

17 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	18	33,722	3,693,722
Movements in fixed asset investments			
			Shares in group undertakings £
Cost or valuation			
At 1 January 2021 & 31 December 2021			3,693,722
Impairment			
At 1 January 2021			-
Impairment losses			3,660,000
At 31 December 2021			3,660,000
Carrying amount			
At 31 December 2021			33,722
At 31 December 2020			3,693,722

18 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct
EYC Limited	1	Business and management consultancy	Ordinary share	100.00
EYC BV	2	Business and management consultancy	Ordinary share	100.00
EYC GmbH	3	Business and management consultancy	Ordinary share	100.00
SymphonyEYC (Ireland) Limited	4	Business and management consultancy	Ordinary share	100.00
EYC LLC	5	Business and management consultancy	Ordinary share	0.01
SymphonyEYC Solution UK Limited	6	Dormant company	Ordinary share	0.01

E Y C LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

18 Subsidiaries (Continued)

Registered office addresses (all UK unless otherwise indicated):

- 1 6th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong
- 2 Herengracht 449a, 5e etage, 1017 BR Amsterdam, Netherlands
- 3 Josef-Lammerting-Allee 25, 50 933 Köln, Germany
- 4 6th Floor, Riverpoint, Lower Mallow Street, Co. Limerick, V94 WC6A, Ireland
- 5 28, Fizkultury Street, Kiev, 03680, Ukraine
- 6 1 More London Place, London, SE1 2AF

As the company controls EYC LLC, it is considered to be a subsidiary.

On 1 April 2021 SymphonyEYC Solution UK Limited trade and assets were hived up to E Y C Limited, for details please see note and SymphonyEYC Solution UK Limited ceased to trade and became a dormant company.

Subsequent to the year end, SymphonyEYC Solution UK Limited entered voluntary liquidation on 7 March 2022 and EYC Limited was dissolved on 2 June 2022.

19 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	1,203,015	841,576
Corporation tax recoverable	339,644	556,466
Amounts owed by group undertakings	2,296,652	10,755,080
Other debtors	777,114	103,337
Prepayments	224,004	161,905
Accrued income	891,988	-
	<u>5,732,417</u>	<u>12,418,364</u>
Deferred tax asset (note 22)	-	19,443
	<u>5,732,417</u>	<u>12,437,807</u>
	2021	2020
	£	£
Amounts falling due after more than one year:		
Deferred tax asset (note 22)	-	96,694
	<u>-</u>	<u>96,694</u>
Total debtors	<u>5,732,417</u>	<u>12,534,501</u>

E Y C LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

20 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	685,912	241,171
Amounts due to group undertakings	16,860,053	13,391,465
Other taxation and social security	330,586	150,954
Deferred income	1,000,843	402,572
Other creditors	9,043	304
Accruals	1,892,317	776,136
	<u>20,778,754</u>	<u>14,962,602</u>

Interest is charged at United States Prime rate + 1.5% per annum against certain balances within amounts due to group undertakings.

Included within amounts due to group undertakings is an unsecured loan note of £2,521,303 (2020: £nil). The loan note is unsecured and is repayable in whole or in part at any time with interest charged on the principal amount at a rate of 2.75% + SONIA (Sterling Overnight Index Average) per annum. See note 16 for circumstances of the loan note issue, and subsequent to the acquisition the loan note was reassigned from SymphonyEYC Solution UK Limited to Symphony Retail Solutions S.à r.l.

21 Provisions for liabilities

	2021 £	2020 £
Onerous lease provision	<u>131,950</u>	<u>237,510</u>
Movements on provisions:		
		Onerous lease provision £
At 1 January 2021		237,510
Utilisation of provision		(105,560)
At 31 December 2021		<u>131,950</u>

The onerous lease provision arose due to property exits due to increased home working and is expected to be utilised in the next financial year.

E Y C LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

22 Deferred taxation

The major deferred tax assets recognised by the company are:

	Assets 2021 £	Assets 2020 £
Balances:		
Fixed asset timing differences	-	97,017
Short term timing differences	-	5,059
Losses and other deductions	-	14,061
	<u>-</u>	<u>116,137</u>
		2021
Movements in the year:		£
Asset at 1 January 2021		(116,137)
Charge to profit or loss		116,137
		<u>-</u>
Liability at 31 December 2021		<u>-</u>

The directors have concluded it is no longer probable that the deferred tax assets will be recovered in the near future and as such have decided to not recognise any deferred tax assets. At 31 December 2021 the company had unrecognised deferred tax assets of £4,618,166 (2020: £nil).

£nil (2020: £19,443) of the recognised deferred tax asset set out above was expected to reverse within 12 months.

The deferred tax assets, both recognised and unrecognised, relate to the utilisation of tax losses against future expected profits, short-term timing differences regarding provisions, and the effect of decelerated capital allowances.

23 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>232,899</u>	<u>149,165</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the year end the total pension contributions outstanding and included in accruals was £50,851 (2020: £26,626).

E Y C LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

24 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	11,960	11,960	11,960	11,960

Ordinary shares rank equally with respect to voting, distribution of income and capital.

25 Reserves

Capital contribution reserve

Capital contributions are in connection with the share-based payment arrangement granted to employees of the company in relation to shares in its ultimate parent company, SymphonyAI LLC.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

26 Financial commitments, guarantees and contingent liabilities

A fixed and floating charge is held over the assets of the company in respect of a bank loan taken out by various companies within the SymphonyAI LLC group.

27 Operating lease commitments

Lessee

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:

	2021 £	2020 £
Within one year	128,348	130,310
Between one and five years	422,240	445,028
In over five years	105,560	211,120
	<u>656,148</u>	<u>786,458</u>

28 Ultimate controlling party

The immediate parent undertaking at the commencement of the year was EYC Group Ltd, which is incorporated and registered in the UK. The immediate parent undertaking at the year end is EYC, Inc., which is incorporated and registered in the Delaware, USA.

The financial statements of the company are consolidated in the financial statements of SymphonyAI LLC, registered in Delaware under number 6131424, 160 Greentree Drive, Suite 101, City of Dover, Kent County, DE 19904, USA. The consolidated financial statements, drawing up the largest and smallest body of undertakings of which the company forms part as a subsidiary undertaking, can be obtained from the Investor Relations Department.

The ultimate controlling parties of the group are Romesh and Kathleen Wadwhani.