

Nlyte Software Americas Limited

Report and Financial Statements

Year Ended

31 December 2021

Company Number 07470046



Nlyte Software Americas Limited

Report and financial statements for the year ended 31 December 2021

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Directors

Simon Boniface
Neil Andrew Vincent Gregor Macgregor
Nisbett Owen

Company Secretary

Simon Boniface

Registered office

Ciat/Toshiba Carrier UK Ltd, Porsham Close, Roborough, Plymouth, PL6 7DB.

Company number

07470046

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Nlyte Software Americas Limited

Strategic report for the year ended 31 December 2021

Principal activity

The Company resells software on an on-premise perpetual basis but also licenses the software on a on-premise subscription basis. Notwithstanding that, it does make the software available on a SaaS platform which a number of customers have taken advantage of. The Company also provides a hosting service for those companies not wishing to host the software on-premise.

Review of business

Nlyte Software Limited, the Company's parent company, was acquired by Carrier Corporation, a Delaware corporation, on 5 October 2021.

The Company experienced a 18% year on year increase in total revenue generating a 75% year on year increase in its operating profit.

The Company closed the year with \$553,000 (2020 - \$840,000) in cash.

The Company's net cash position is as follows:

	Cash and cash equivalents \$'000
At 1 January 2021	840
Net cash outflow	(287)
	<hr/>
At 31 December 2021	553
	<hr/>
<i>Comprising:</i>	
Cash at bank and in hand	553
	<hr/>

Key Performance Indicators

The directors consider that the year on year increases in turnover and customer numbers are its key performance indicator. This result was once again achieved in a difficult trading environment.

	2021	2020	Increase%
Turnover	\$31,019,000	\$26,346,000	18%
Customer numbers	129	127	2%

Nlyte Software Americas Limited

Strategic report for the year ended 31 December 2021 (*continued*)

Future developments

Following the acquisition of its parent company Nlyte Software Limited by Carrier Corporation in October 2021, it has been decided to transfer the business including assets and liabilities of the Company to Automated Logic Corporation, a subsidiary of Carrier Corporation, and liquidate the Company. The transfer the business including assets and liabilities will be actioned prior to 31 December 2022.

The directors do not consider there is any impairment in the carrying value of the assets as at 31 December 2021.

Principal risks and uncertainties

Prior to the transfer the business including assets and liabilities of the Company to Automated Logic Corporation, the management of the business and the execution of the Company's strategy are subject to a number of risks. Risks are formally reviewed by the Directors and appropriate processes put in place to monitor and mitigate them. If more than one event occurs, it is possible that the overall effect of such events would compound the possible adverse effects on the Company.

The key business risks and uncertainties affecting the Company are set out below:

Competition

The market in which the Company operates has a number of competitors within it. The Company monitors these competitors and the functionality that they offer to the market on an on-going basis. The director considers that the independence of the Company is a particular advantage to its customers.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from credit sales. The Company can at times have substantial debts owing to it due to the sale of its software and ancillary services. The directors consider the risk from its customers defaulting on payment is minimal due to the 'blue-chip' nature of its customers. The collection of debts is monitored by the Director on a quarterly basis.

At a local level, regular reviews of the trade receivables' ageing analysis is undertaken.

Liquidity

The Company prepares twelve months forward looking cash projections annually, which are monitored on a monthly basis. The directors are satisfied sufficient liquid resources are available to meet liabilities as they fall due.

Approval

This Strategic Report was approved on behalf of the Director on 8 December 2022

DocuSigned by:

Gregor Macgregor

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N Gregor Macgregor
Director

Nlyte Software Americas Limited

Directors' report for the year ended 31 December 2021

Directors

The directors of the Nlyte Software Americas Limited ("the Company") during the year were:

Simon Boniface (appointed 5 October 2021)
Gregor Macgregor (appointed 5 October 2021)
Owen Nisbett (appointed 1 June 2022)
Maria Ribas (appointed 5 October 2021, resigned 1 June 2022)
Douglas Sabella (resigned 5 October 2021)

Strategic Report

A review of the principal business risks and uncertainties and future developments of the Company is included within the Strategic Report.

Going concern

Following the acquisition of its parent company Nlyte Software Limited by Carrier Corporation in October 2021, it has been decided to transfer the business including assets and liabilities of the Company to Automated Logic Corporation, a subsidiary of Carrier Corporation, and liquidate the Company. The transfer of the business including assets and liabilities will be actioned prior to 31 December 2022.

Notwithstanding the above, the Nlyte Software Group, which the Company is currently part of, is forecasting a 18% year over year increase in 2022 revenue resulting in an overall group operating profit. The Group and Company continue to leverage their costs in line with revenue expectations.

The directors believe the Company has sufficient resources to continue trading for the foreseeable future up to the date the transfer of the Company's business including assets and liabilities of the Company to Automated Logic Corporation.

Employment of disabled persons

The Company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training and promotion of disabled employees to ensure that their career development is not unfairly restricted by their disability, or perceptions of it.

The Company's HR procedures make clear that full and fair consideration must be given to applications made by and the promotion of disabled persons. Where an employee becomes disabled whilst employed by the Company, the HR procedures also require that reasonable effort is made to ensure they have the opportunity for continued employment within the Company. Retraining of employees who become disabled whilst employed by the Company is offered where appropriate.

Director's liabilities

The Company's ultimate parent company has arranged third party indemnity for the directors against liabilities, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provisions remains in force as at the date of approving the Director's report

Nlyte Software Americas Limited

Director's report (*continued*) for the year ended 31 December 2021

Auditors

The director as at the date of this report has taken all the steps that the ought to have taken to make himself aware of any relevant audit information and to establish that the auditors are aware of that information. The director is not aware of any relevant audit information of which the Company's auditor is unaware.

Approval

This Director's Report was approved by order of the Director on 08 December 2022

DocuSigned by:



N Gregor Macgregor

Director

Nlyte Software Americas Limited

Statement of directors' responsibilities for the year ended 31 December 2021

Directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Director's 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 Company and Company 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. As disclosed in note 1 to the financial statements the directors do not consider the Company to be a going concern and the financial statements have been prepared on a basis other than that of a going concern.

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.

Nlyte Software Americas Limited

Independent auditor's report for the year ended 31 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NLYTE SOFTWARE AMERICAS LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit 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.

We have audited the financial statements of Nlyte Software Americas Limited ("the Company") for the year ended 31 December 2021 which comprise Statement of comprehensive income, Statement of financial position, Statement of changes in equity 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Emphasis of matter – basis of preparation

We draw attention to Note 1 to the financial statements which explains it has been decided to transfer the business, including the assets and liabilities of the Company, to another group entity, and to liquidate the company. Accordingly, the financial statements have been prepared a basis other than that of a going concern as described in note 1. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Strategic report, Directors report and financial statements, other than the financial statements and our auditor's report thereon. 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.

Nlyte Software Americas Limited

Independent auditor's report (*continued*) for the year ended 31 December 2021

Other Companies Act 2006 reporting

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified 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 Statement of Directors Responsibilities, 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.

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

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework: United Kingdom Generally Accepted Accounting Practice and the Companies Act 2006. We have evaluated management's incentives and opportunities for fraudulent manipulation

Nlyte Software Americas Limited

Independent auditor's report (*continued*) for the year ended 31 December 2021

of the financial statements and determined that the principal risks related to management override of controls, posting journal entries to increase revenue or profits and management bias in accounting estimates.

In order to address the identified risks, we have performed the following procedures:

- We gained an understanding of how the Company is complying with reporting requirements by making enquiries of management. We corroborated our enquiries through our review of board minutes and review of any regulatory correspondence.
- We have considered the processes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud and how management monitors that processes and controls.
- We designed our audit procedures to detect irregularities, including fraud. Our procedures included targeted testing of specific journal entries based on identified characteristics the audit team considered could be indicative of fraud, for example credit entries to revenue without a corresponding entry to trade debtor, cash, accrued income or deferred income as well as a focus on large and unusual transactions based on our knowledge of the business.

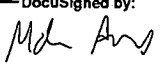
We have performed testing on the financial statement disclosures to supporting documentation, performing substantive testing on account balances which were considered to be a greater risk of susceptibility to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

DocuSigned by:

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Mark Ayres (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
08 December 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Nlyte Software Americas Limited

Statement of comprehensive income for the year ended 31 December 2021

	Note	2021 \$'000	2020 \$'000
Turnover	3	31,019	26,346
Cost of sales		(16,422)	(12,364)
Gross profit		14,597	13,982
Administrative expenses		(13,117)	(13,137)
Operating profit	4	1,480	845
Interest payable and similar charges	7	(18)	(25)
Profit on ordinary activities before taxation		1,462	820
Taxation on ordinary activities	8	(187)	(12)
Profit on ordinary activities after taxation		1,275	808
Total comprehensive profit for the year		1,275	808

All amounts relate to continuing activities.

The notes on pages 12 to 21 form part of these financial statements.

Nlyte Software Americas Limited

Statement of financial position at 31 December 2021

Company number 07470046	Note	2021 \$'000	2021 \$'000	2020 \$'000	2020 \$'000
Fixed assets					
Tangible assets	9		22		75
Fixed asset investments	10		-		4
			<u>22</u>		<u>79</u>
Current assets					
Debtors	11	12,568		12,401	
Cash at bank and in hand		553		840	
		<u>13,121</u>		<u>13,241</u>	
Creditors: amounts falling due within one year	12	(27,185)		(27,209)	
Net current liabilities			<u>(14,064)</u>		<u>(13,968)</u>
Total assets less current liabilities			<u>(14,042)</u>		<u>(13,889)</u>
Creditors: amounts falling due after one year	13		-		(1,655)
Net liabilities			<u>(14,042)</u>		<u>(15,544)</u>
Capital and reserves					
Called up share capital	15		-		-
Other reserves	16		721		721
Profit and loss account	16		(14,763)		(16,265)
Shareholders' deficit			<u>(14,042)</u>		<u>(15,544)</u>

The financial statements were approved by the Director and authorised for issue on 08 December 2022

DocuSigned by:

Gregor Macgregor

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N Gregor Macgregor
Director

The notes on pages 12 to 21 form part of these financial statements.

Nlyte Software Americas Limited

Statement of changes in equity at 31 December 2021

	Called up share capital \$'000	Other reserves \$'000	Profit and loss account \$'000	Total equity \$'000
1 January 2021	-	721	(16,265)	(15,544)
Comprehensive profit for the year				
Profit for the year	-	-	1,275	1,275
Total comprehensive profit for the year	-	-	1,275	1,275
Contributions by and distributions to owners				
Share based payment credit	-	-	227	227
31 December 2021	-	721	(14,763)	(14,042)
	Called up Share Capital \$'000	Other reserves \$'000	Profit and loss account \$'000	Total equity \$'000
1 January 2020	-	721	(17,224)	(16,503)
Comprehensive profit for the year				
Profit for the year	-	-	808	808
Total comprehensive profit for the year	-	-	808	808
Contributions by and distributions to owners				
Share based payment credit	-	-	151	151
Total contributions by and distributions to owners	-	-	151	151
31 December 2020	-	721	(16,265)	(15,544)

The notes on pages 12 to 21 form part of these financial statements.

Nlyte Software Americas Limited

Notes forming part of the financial statements for the year ended 31 December 2021

1 Accounting policies

Nlyte Software Americas Limited is a private company, limited by shares and incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Company's operations, and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

Pursuant to acquisition of the Parent by Carrier Global Corporation, the financial statements present information about the company as an individual undertaking and not as a group. The Company is exempt by virtue of section 401 of Companies Act 2006 from the requirement to prepare and deliver consolidated group financial statements.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies, these judgements are set out in note 2.

The following principal accounting policies have been applied:

Going concern

Following the acquisition of its parent company Nlyte Software Limited by Carrier Corporation in October 2021, it has been decided to transfer the business including assets and liabilities of the Company to Automated Logic Corporation, a subsidiary of Carrier Corporation, and liquidate the Company. The transfer of the business including assets and liabilities will be actioned prior to 31 December 2022. The directors do not consider the Company to be a going concern and have prepared the financial statements on a basis other than that of a going concern. No adjustments were required as a result of preparing them on a different basis.

Notwithstanding the above, the Nlyte Software Group, which the Company is currently part of, is forecasting a 18% year over year increase in 2022 revenue resulting in an overall group operating profit. The Group and Company continue to leverage their costs in line with revenue expectations.

The directors believe the Company has sufficient resources to continue trading for the foreseeable future from reporting date through the date the transfer of the Company's business including assets and liabilities of the Company to Automated Logic Corporation until liquidation of the company.

Functional and Presentational Currency

Items included in the financial statements of the Company is measured using the currency of the primary economic environments in which the entity operates ("the functional currency"). The results and financial position of the Company are expressed in US dollars, which is the functional currency of the Company financial statements.

Foreign currency

Foreign currency transactions are translated at the rates ruling when the transaction occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the statement of financial position date. Any differences are taken to the profit and loss account.

Turnover

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivables for goods and services provided, net of discounts and sales tax.

Turnover in respect of:

- i) The sale of software licences is recognised on delivery of the software to the customer.

Nlyte Software Americas Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

1 Accounting policies (continued)

- ii) Professional services (project management, implementation, integration and training) are recognised as the services are delivered to the customer and full performance has been agreed.
- iii) Support revenue is recognised evenly over the year in which the support contract services are provided to the customer.

Tangible fixed assets

All tangible fixed assets are stated at cost.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Computer equipment	-	33% per annum
Fixtures, fittings and equipment	-	20% per annum

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current tax is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the Company can control their reversal and such reversal is not considered probable in the foreseeable future.

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their estimated useful economic lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the year of the lease.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Nlyte Software Americas Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

1 Accounting policies (continued)

Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting year is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit and loss account over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the profit and loss account is charged with fair value of goods and services received.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

Financial assets

Financial assets are initially measured at transaction price and subsequently held at cost less any impairment.

Financial Liabilities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instruments legal form.

All creditors are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price. FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the company has calculated that the difference between the historical cost and amortised cost is not material and so these financial instruments are stated on the statement of financial position at historical cost.

The directors have considered the underlying agreements from entities in the Company and consider that under the terms of these agreements that all of the amounts should be shown as due in under one year at the statement of financial position date.

Intercompany loans are calculated on the present value of the future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Nlyte Software Americas Limited

Notes forming part of the financial statements for the year ended 31 December 2021 *(continued)*

1 Accounting policies *(continued)*

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Exemption from preparing a cash flow statement

The Company has taken the exemption within Chapter 1 of FRS 102, not to prepare a cash flow statement as it is included within the consolidated financial statements of its ultimate parent, Carrier Global Corporation, which are publicly available.

Nlyte Software Americas Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the director has made the following judgements:

The functional currency used in the Company accounts is USD. This decision was made with consideration to FRS 102 section 30. Judgements were made regarding the primary economic environment that the company operates in. Our judgement regarding functional currency is based on the United States of America being the primary economic environment that the company operates in. In reaching this decision the Company has considered which currency influences sales price, influences labour and other material costs along with the currency which funds from financing are received and funds from operating activities are usually retained.

The carrying value of the amounts owed by group undertakings is reviewed annually for impairment indicators such as a decline in market value of company assets, any current period operating losses, the statutory and regulatory environment the company operates in, major losses of employees or clients or changes in market interest rates

3 Analysis of Turnover

Turnover is attributable to the following markets:

	2021 \$'000	2020 \$'000
United Kingdom	5,356	5,446
North America	24,700	19,898
Australia & Far East	863	769
Other	100	233
	<u>31,019</u>	<u>26,346</u>

4 Operating Profit

	2021 \$'000	2020 \$'000
This is arrived at after charging:		
Depreciation	62	99
Hire of other assets - operating leases	65	63
Auditor's remuneration:		
- Fees payable to the Company auditor for the audit of the Company's annual financial statements	30	30
Exchange differences – loss	17	6
	<u></u>	<u></u>

5 Employees

	2021 \$'000	2020 \$'000
Staff costs (including directors) consist of:		
Wages and salaries	12,194	11,647
Social security cost	597	588
Share based payment (see note 18)	227	151
	<u>13,018</u>	<u>12,386</u>

The average number of employees (including directors) during the year was 55 (2020 - 61).

Nlyte Software Americas Limited

Notes forming part of the financial statements
for the year ended 31 December 2021 (continued)

6	Director's remuneration	2021	2020
		\$'000	\$'000
	Remuneration as directors and highest paid director	304	456
7	Interest payable and similar charges	2021	2020
		\$'000	\$'000
	Bank charges	18	25
8	Taxation on loss on ordinary activities	2021	2020
		\$'000	\$'000
	Current tax on foreign income	187	12
	Total current tax credit for year	187	12
The tax assessed for the year at the standard rate of corporation tax applied in the UK reconciled to the profit before tax is:			
		2021	2020
		\$'000	\$'000
	Profit on ordinary activities before tax	1,462	820
	Tax on loss at the average rate of 19% (2020 - 19%)	278	156
	Expenses not deductible for tax purposes	6	33
	Deferred tax not recognised	1,614	5
	Remeasurement of deferred tax for changes in tax rates	(1,668)	-
	Other permanent differences	(496)	-
	Foreign PE exemption	266	(194)
	Foreign tax	187	12
	Total tax amount as above	187	12

Factors that may affect future tax charges

The Company has significant tax losses of \$ 23,576,000 (2020 - \$22,982,000) which can be used against future taxable profits. No deferred tax asset has been recognised in respect of these losses as their utilisation in the foreseeable future is uncertain.

Nlyte Software Americas Limited

Notes forming part of the financial statements
for the year ended 31 December 2021 (*continued*)

9 Tangible fixed assets

	Computer equipment \$'000	Fixtures, fittings and equipment \$'000	Total \$'000
<i>Cost</i>			
At 1 January 2021	725	97	822
Additions	9	-	9
	<hr/>	<hr/>	<hr/>
At 31 December 2021	734	97	831
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 January 2021	658	89	747
Charge for the year	59	3	62
	<hr/>	<hr/>	<hr/>
At 31 December 2021	717	92	809
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2021	17	5	22
	<hr/>	<hr/>	<hr/>
At 31 December 2020	67	8	75
	<hr/>	<hr/>	<hr/>

10 Fixed asset investments

	Investment \$'000
Cost and net book value at 1 January 2021	4
Impairment	(4)
	<hr/>
Cost and net book value at 31 December 2021	-
	<hr/>

Nlyte Software India LLP is in the process of being dissolved and the Directors have assessed the carrying value of the investment in Nlyte Software India LLP to be 100% impaired.

Nlyte Software Americas Limited

Notes forming part of the financial statements
for the year ended 31 December 2021 (continued)

10 Fixed asset investments (continued)

The principal undertakings in which the Company's interest at the year-end are as follows:

Name	Country of incorporation or registration	Registered address	Proportion of voting rights	Nature of business
Nlyte Software India LLP	India	Flat No 202, Gangadhar Parvati Apartments, Survey No 1815, Near Vidyarthi Gruh, Sadashiv Peth, Pune Maharashtra- 411030 India	49%	Sales agent

11 Debtors

	2021 \$'000	2020 \$'000
Trade debtors	3,846	3,708
Amount owed by other group undertaking	6,864	7,798
Other debtors	2	1
Prepayment and accrued income	1,856	894
	<u>12,568</u>	<u>12,401</u>

All amounts shown under debtors fall due for payment within one year.

Amount owed by other group undertaking is unsecured, repayable on demand and non-interest bearing.

12 Creditors: amounts falling due within one year

	2021 \$'000	2020 \$'000
Trade creditors	263	527
Amount owed to parent company	13,956	18,275
Taxation and social security	146	61
Accruals and deferred income	12,820	8,346
	<u>27,185</u>	<u>27,209</u>

Amount owed to parent company is unsecured, repayable on demand and non-interest bearing.

13 Creditors: amounts falling due after one year

	2021 \$'000	2020 \$'000
Accruals and deferred income	-	1,655
	<u>-</u>	<u>1,655</u>

Nlyte Software Americas Limited

Notes forming part of the financial statements
for the year ended 31 December 2021 (continued)

14 Financial Instruments

The Company's financial instruments may be analysed as follows:

	2021 \$'000	2020 \$'000
Financial assets		
Financial assets measured at cost less any impairment.	11,508	12,356
Financial liabilities		
Financial liabilities measured at amortised cost	15,635	21,099

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors and amounts owed by group companies.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and provisions.

15 Called up share capital

	2021 Number	Allotted, called up and fully paid 2021 \$'000	2020 Number	2020 \$'000
Ordinary shares of £1.00 each	3	-	3	-

16 Reserves

Profit and loss account

Profit and loss account - includes all current and prior period retained profits and losses.

Other Reserves

Other reserves- relates to trade assets and liabilities acquired as part of a group reorganisation in 2010.

17 Commitments under operating leases

Minimum lease payments under non-cancellable operating leases are set out below:

	Land and buildings 2021 \$'000	Land and buildings 2020 \$'000
Operating leases which expire:		
Not later than one year	63	63
Later than 1 year and not later than 5 years	100	163
	163	226

Nlyte Software Americas Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

18 Share based payment

The parent company operated an Enterprise Management Incentive ("EMI") scheme for the Company's employees.

As a result of the parent company being acquired by Carrier Corporation on 5 October 2021, all share options granted to the Company's employees were exercised or have lapsed. All exercised options were purchased by Carrier pursuant to the parent company sale.

The share-based remuneration expense comprises:	2021	2020
	\$'000	\$'000
Equity-settled schemes	227	151
	<hr/>	<hr/>

19 Related party transactions

The total compensation paid to key management personnel for services provided to the Company was \$1,983,000 (2020 - \$1,924,000).

The company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the Nlyte Software Limited group. There are no other related party transactions not included within this exemption.

20 Ultimate parent company and controlling party

The immediate parent undertaking is Nlyte Software Limited.

The ultimate parent company is Carrier Global Corporation. The registered office of the ultimate parent company is 13995 Pasteur Boulevard, Palm Beach Gardens, Florida 33418. Copies of the Carrier Global Corporation group financial statements are publicly available and can be obtained from www.ir.carrier.com