REGISTERED NUMBER: 09164342 (England and Wales)

# STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

# FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 31 DECEMBER 2020

# FOR

# SYMPHONY VENTURES LIMITED

## CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

# STRATEGIC REPORT
# FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their strategic report for the year ended 31 December 2020.

Symphony Ventures Ltd, "Symphony", is a wholly owned subsidiary of Sykes Enterprises Incorporated BV, a company registered in the Netherlands. The ultimate parent company is Sykes Enterprises Inc, a company registered in the USA.

**Principal activities**
Symphony is the leading specialist consulting, implementation, and managed services firm focused on 'Future of Work' technologies. We are global leaders in enterprise digital transformation leveraging Robotic Process Automation (RPA), Artificial Intelligence (AI), and Robotic Business Process Outsourcing (R-BPO).

Symphony provides its customers with a full suite of services focused on Digital Operations, including training, hosting, and the provision of our AI-enabled platforms to provide clients with the ability to work more efficiently and effectively. Symphony has clients in more than 25 countries in every major industry and works with a roster of leading software providers including Automation Anywhere (AA), Blue Prism, UiPath, Thoughtonomy, NICE Systems, eNate, ABBYY and Celaton. In response to changing market trends, the company continues to expand its digital ecosystem of tools to offer expanded solutions for clients.

Symphony is the leading global professional services firm specialising in this enterprise automation sphere. Symphony Ventures Ltd has offices in the United Kingdom, but its subsidiaries have offices in the United States, Poland and India.

**Review of business**
2020 was significantly impacted by the Covid 19 pandemic, leading to difficult market conditions from early in the year. With restrictions on travel, the sales team could not hold face to face meetings and many clients cut all investment as they looked to see the overall impact on their own business of the pandemic. This particularly impacted certain industries, such as aviation, though many others who were not significantly impacted as it transpired, wanted to reduce all non-essential investments due to the uncertain nature of the situation. For the first time Symphony did not see year on year growth in revenue. Additionally, in the second half of the year Symphony initiated a significant programme designed to automate other parts of the Sykes business - the Operational Value Chain (OVC). This programme is on-going into 2021.

Total revenue for 2020 was £10.6 million, a £9.5million decrease on 2019 (£20.1 million). Headcount for Symphony Ventures Ltd fell from 63 in 2019 to 57 at the end of 2020, with further reductions in our subsidiaries. No redundancies were made due to Covid, but natural attrition was not offset by limited recruitment of replacements.

Gross profit fell from £8.3 million in 2019 to £1.5 million in 2020, reflecting the drop in revenue. Additionally, the decision was made - supported by Sykes senior management - to not make significant reductions to the team so that when the impact of the pandemic was over, Symphony would be in a position to take advantage of pent up demand. However, the impact lasted longer and was more widespread than expected, but with focus on SYKES internal transformation, most of the team were fully occupied for Q4. This did lead to a proportionately higher staff cost of sales in the year.

Total administrative costs remained essentially flat year on year at £7.1 million. Again, no significant reductions were made to the support team and Symphony absorbed increased costs for services from other Sykes divisions, offsetting the reduction in heads from attrition during the year.

Net loss after tax came to £5.2 million (2019 profit of £2.2m).

Net liabilities are £1.3m (2019 net assets of £3.9 million).

Net cash in the business remained at £2.3m (2019 £2.3m). However, amounts owed to group undertakings increased from £1.6m at the end of 2019 to £4.0m at the end of 2020, following the losses in the year.

**SYKES Digital Services (SDS)**
During 2020, Symphony became increasingly integrated with other technologies already part of the SYKES family - together SYKES Digital Services (SDS). As such 2020 was focused on bringing these together under a single umbrella - SYKES Digital Services (SDS) - to both increase the opportunities for cross-selling the different services and increase the benefits for clients from adopting a range of efficiency strategies.

SDS is a collection of SYKES entities, mostly recently acquired, that focus on the automation and digitisation of aspects of business. There are three main entities currently marketing products - Talent Sprout (SYKES Digital Learning, SDL), based in the US, that focuses on online interactive training solutions; Qelp (SYKES Digital Self Service, SDSS) that creates website content enabling customer support online and Symphony (SYKES Digital Operations, SDO). In addition, other areas have become part of the team offering further digital solutions. This will be led by the current President of Symphony, David Brain.

**Summary of current strategy**
Symphony's current strategy remains as before and can be summarised as follows:

- Symphony will continue to target major corporations where the benefits of RPA will be greatest utilising our current contact list and that of our sales team.
- As we start to see a recovery from the pandemic, there will be an increased focus on lead generation and ensuring Sykes Digital Operations/Symphony's name remains a focus of any business looking for RPA.
- Building on our already strong partnerships with RPA software providers, Symphony will look to increase the opportunities via our partners.
- Part of the sales team is now focused purely on opportunities with SYKES' clients globally to both bring opportunities to Symphony and to enable a better offering from our SYKES' partner to the client.
- During 2020 Symphony has developed the SDS offering and created a broad digital offering so that clients can choose a range of digital opportunities, looking towards synergies within our teams.
- Symphony will also work internally automating entities across the SYKES group.

**Business Model/Sales offerings**
SDS will focus on four market areas:
- Growing the current customer base through cross-selling and further automation opportunities.
- Continuing to market and sell to corporations looking to make efficiencies and enable remote working.
- Offering automation opportunities to the clients of SYKES, either directly or through other SYKES entities that have the client relationship.
- Increasing the efficiency through automation within SYKES itself, much of which should benefit SYKES' clients.

This will end with a mix of intercompany and third-party sales.

**Current trends**
At the time of writing, Covid 19 continues to lead to significant uncertainty and risks, though also opportunities. After significant growth in the RPA market in 2019, there was a significant dip in demand in 2020 which has continued into 2021. The outlook remains, however, indicative that longer term there will be a push towards automation due to it enabling businesses to remain more robust for any future pandemic. The reluctance to spend has remained however, as most business outlooks remain uncertain globally and a desire to conserve cash has overridden longer term considerations. We have seen though an increase in interest in North America in the second quarter of 2021 and would expect that to spread to other areas as the vaccination programme is rolled out. At this stage it is difficult to predict when investment will fully recover, but we see significant latent demand and the focus remains on positioning Symphony to be the go-to partner for automation.

**Risks and uncertainties**
There are several key risks to the Symphony strategy, but many can be mitigated:
- Due to the short-term nature of the majority of our contracts, we need to continually sell more. Any failure to continually sell will lead to drops in revenue and cash flow issues. However, as part of Sykes, which not only is a $2.1 billion company but has also benefited in many areas of its business due to Covid 19, we are confident in our funding for the medium term. Additionally, we can balance internal work with third-party clients if there are gaps between contracts.
- Competition from larger, better known companies also in the RPA sector could reduce our revenue. To mitigate this, we are both ensuring our marketing makes Symphony a well-known brand in the business and ensuring our focus is clear, whereas the majority of our competitors are broader, with RPA only part of their offering. We would look to make it clear that Symphony is the only RPA specialist of size and focus on ensuring our reputation based on the quality of work already carried out remains extremely high.
- Covid 19 impacts are still uncertain, particularly how long there will be restrictions on working required. As such, there could be a delay in the recovery of our main revenue stream, though we are also seeing signs that the Covid 19 impact is increasing corporations' interest in additional automation as it future-proofs the company from at least some of the issues seen during the pandemic.

**Section 172(1) statement**
This section describes how the directors have had regard to the matters set out in section 172(1) (a) to (f) Companies Act 2006 in exercising their duty to promote the success of the company for the benefit of its members as a whole.

Our stakeholders
The directors consider its employees, customers, suppliers and Sykes family companies to be the company's key stakeholders.

The board seeks to understand the respective interests of such stakeholder groups so that these may be properly considered in the board's decisions. We do this through various methods, including direct engagement by board members; receiving reports and updates from members of management who engage with such groups; and coverage in our board papers of relevant stakeholder interests with regard to proposed courses of action.

Within this strategic report the board has set out its key strategic decisions and how it engages with its key stakeholders.

**Environmental**
The SYKES Enterprises Inc Group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. Symphony operates in accordance with group policies, which are described in the group's Annual Report which does not form part of this report.

**Employee involvement**
Symphony is reliant on the quality of its team. We pride ourselves on being a highly rated employer and with our staff being by far our most significant asset, it is a priority to ensure the team is happy and positive. Symphony has regular calls, meetings and briefings to ensure all employees are kept informed of the operational, financial and economic factors affecting the performance of the company. As a small company, Symphony ensures short communication channels and regular team meetings to both inform and consult on matters affecting the employees' current and future interests. Although Covid restrictions have made this harder than in previous years, additional electronic meetings have been organised, both work related and more social, to ensure as cohesive a team as possible.

**Disabled employees**
Applications for employment from disabled persons are encouraged and given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities In the event an employee becomes disabled, every effort is made to aid them in order that their employment with Symphony can continue. It is the policy of Symphony that the training, career development and promotion of disabled employees should, as far as possible, be identical with that of other employees.

**Employee gender diversity**
As a business in the technical sector, gender diversity has always been a challenge. Our recruitment pool is focused on graduates from a maths, physics, engineering, chemistry or computer studies background who are interested in innovation and new ways of working. This has led to a pool of talent that is predominantly male and is the main reason we had a gender split at the end of 2020 of 75% male and 25% female (2019: 75% male and 25% female). Symphony always pushes for more female applicants and longer term we aim to get as close to 50:50 as we can, whilst still appointing the best qualified candidates for the roles.

**ON BEHALF OF THE BOARD:**

J Chapman - Director

17 August 2021

# REPORT OF THE DIRECTORS
# FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

**DIVIDENDS**
No dividends will be distributed for the year ended 31 December 2020.

**EVENTS SINCE THE END OF THE YEAR**
Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**
The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

J Chapman
J Holder

**DISCLOSURE IN THE STRATEGIC REPORT**
The company has chosen, in accordance with the Companies Act 2006 s414C(11), to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**
The directors are responsible for preparing the Strategic Report, the Report of the Directors 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**
The auditors, Galloways Accounting, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

J Chapman - Director

17 August 2021

**Opinion**
We have audited the financial statements of Symphony Ventures Limited (the 'company') for the year ended 31 December 2020 which comprise the Income statement, Balance Sheet, 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).

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

In connection with our audit of the financial statements, 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 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**
As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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.

**Auditors' 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Challenging assumptions and judgements made by management in determining significant accounting estimates;
- Identifying and testing journal entries, in particular journal entries posted into unusual account combinations; and
- Challenging why certain items are excluded or included from the underlying profit.

There are inherent limitations in the audit procedures described above 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 would become aware of it. Also, 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 or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**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 a Report of the Auditors 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.

COLIN YOUNG BA FCA (Senior Statutory Auditor)
for and on behalf of Galloways Accounting
Statutory Auditor
Atlas Chambers
33 West Street
Brighton
East Sussex
BN1 2RE

19 August 2021

## INCOME STATEMENT
## FOR THE YEAR ENDED 31 DECEMBER 2020

| | Notes | 2020 £ | 2019 £ |
|---|---|---|---|
| **TURNOVER** | 3 | **10,633,873** | 20,140,600 |
| Cost of sales | | **9,165,473** | 11,805,777 |
| **GROSS PROFIT** | | **1,468,400** | 8,334,823 |
| Administrative expenses | | **7,111,359** | 6,962,545 |
| | | **(5,642,959)** | 1,372,278 |
| Other operating income | | **5,510** | 134,627 |
| **OPERATING (LOSS)/PROFIT** | 5 | **(5,637,449)** | 1,506,905 |
| Interest receivable and similar income | | **146** | 386 |
| | | **(5,637,303)** | 1,507,291 |
| Interest payable and similar expenses | 6 | **41,562** | 43,887 |
| **(LOSS)/PROFIT BEFORE TAXATION** | | **(5,678,865)** | 1,463,404 |
| Tax on (loss)/profit | 7 | **(436,444)** | (746,244) |
| **(LOSS)/PROFIT FOR THE FINANCIAL YEAR** | | **(5,242,421)** | 2,209,648 |

The notes form part of these financial statements

# BALANCE SHEET
## 31 DECEMBER 2020

| | Notes | 2020 £ | 2020 £ | 2019 £ | 2019 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Intangible assets | 8 | | **-** | | 130 |
| Tangible assets | 9 | | **7,158** | | 12,068 |
| Investments | 10 | | **3,277** | | 3,277 |
| | | | **10,435** | | 15,475 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 11 | **3,410,684** | | 5,703,100 | |
| Cash at bank | | **2,268,563** | | 2,345,506 | |
| | | **5,679,247** | | 8,048,606 | |
| **CREDITORS** | | | | | |
| Amounts falling due within one year | 12 | **6,989,405** | | 4,121,383 | |
| **NET CURRENT (LIABILITIES)/ASSETS** | | | **(1,310,158)** | | 3,927,223 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | **(1,299,723)** | | 3,942,698 |
| **CAPITAL AND RESERVES** | | | | | |
| Called up share capital | 15 | | **378** | | 378 |
| Share premium | 16 | | **1,462,374** | | 1,462,374 |
| Capital contribution reserve | 16 | | **3,989,953** | | 3,989,953 |
| Retained earnings | 16 | | **(6,752,428)** | | (1,510,007) |
| **SHAREHOLDERS' FUNDS** | | | **(1,299,723)** | | 3,942,698 |

The financial statements were approved by the Board of Directors and authorised for issue on 17 August 2021 and were signed on its behalf by:

J Chapman - Director

The notes form part of these financial statements

## STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 DECEMBER 2020

| | Called up share capital £ | Retained earnings £ | Share premium £ | Capital contribution reserve £ | Total equity £ |
|---|---|---|---|---|---|
| **Balance at 1 January 2019** | 378 | (3,719,655) | 1,462,374 | 366,643 | (1,890,260) |
| **Changes in equity** | | | | | |
| Total comprehensive income | - | 2,209,648 | - | - | 2,209,648 |
| Capital contribution | - | - | - | 3,623,310 | 3,623,310 |
| **Balance at 31 December 2019** | 378 | (1,510,007) | 1,462,374 | 3,989,953 | 3,942,698 |
| **Changes in equity** | | | | | |
| Total comprehensive income | - | (5,242,421) | - | - | (5,242,421) |
| **Balance at 31 December 2020** | 378 | (6,752,428) | 1,462,374 | 3,989,953 | (1,299,723) |

The notes form part of these financial statements

## 1. STATUTORY INFORMATION

Symphony Ventures Limited is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address are as below:

| | |
|---|---|
| **Registered number:** | 09164342 |
| **Registered office:** | 1 Bartholomew Lane<br>London<br>EC2N 2AX |

The presentation currency of the financial statements is the Pound Sterling (£).

## 2. ACCOUNTING POLICIES

**Basis of preparing the financial statements**
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Going concern**
The directors have reviewed the financial viability of the company.

The market for RPA has been impacted by covid, but the directors believe that underlying demand remains strong. Symphony's revenue dipped in 2020 due to the impacts of the pandemic, in particular the lockdowns and travel restrictions, and the recovery is yet to really kick in in mid-2021. The company is seeing an uptick in interest, particularly in the US, and it is believed that there is significant latent demand built up. Many companies are looking to see how much impact the pandemic will have in their own cash flows and outlook prior to investing, but they are also seeing how automation could really improve their resilience in any future pandemics.

The forecast for the remainder of 2021 and of 2022 indicates that the company will return to profitability with an expected increase in revenue. The directors have identified a number of risks which could impact the forecast. As described below, the directors have put measures in place to mitigate the risks.

- All of the company's contracts are short term. As such the company is reliant on continually selling new contracts to either current or new clients. To mitigate this, the directors have taken steps to increase the sales team and constantly review the effectiveness of its members.
- Experienced consultants are difficult to find and tend to command high salaries due to their scarcity. There is a lot of competition for more experienced staff and there is a risk that the company could become overstretched. The company focuses on training its team to ensure they have the quality of training required.
- Several companies are reducing their discretionary spend due to the uncertainty and/or the losses they have incurred due to the covid 19 pandemic. However, as the company's offering increases efficiency and can lead to major ongoing cost savings, there are indications of a latent demand in this market.
- Competition is increasing with more firms targeting a similar market. The directors are confident that the company is well placed since it is the only RPA specialist of size.

With the impact of the pandemic still prevalent, the company continues to be supported by its parent company. However, the directors expect to no longer require significant support once revenue recovers from the covid impacts seen in 2020 and 2021.

Based on the above, the directors confirm that, in their view, the company can continue as a going concern for the foreseeable future and, accordingly the financial statements are prepared on the going concern basis.



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2. **ACCOUNTING POLICIES - continued**

**Financial Reporting Standard 102 - reduced disclosure exemptions**
The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 33.7.

Symphony Ventures Limited meets the definition of a qualifying entity under FRS 102 as its ultimate parent prepares publicly available consolidated financial statements, and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to presentation of a cash flow statement and remuneration of key management personnel.

**Preparation of consolidated financial statements**
The financial statements contain information about Symphony Ventures Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 401 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Sykes Enterprises, Incorporated, SYKES Corporate Headquarters, 400 North Ashley Drive, Tampa, Florida 33602 USA.

**Significant judgements and estimates**
Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Critical areas of judgement**
In the course of preparing the financial statements, no judgements have been made in the process of applying the Group's accounting policies, other than those involving estimations, that have had a significant effect on the amounts recognised in the financial statements.

**Critical accounting estimates and assumptions**
The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Within the tax charge is a credit of £504,682 (2019: £766,239) relating to recognition of the net benefit of unused tax losses arising in the current year, this has been estimated based on the prevailing rate of tax at the time of the approval of these financial statements. The ultimate utilisation of these losses is considered probable based on forecast results.

**Turnover**
Turnover represents revenue in respect of software sales, consulting, service and training contracts, net of discounts and value added tax.

Revenue for the sale of software is recognised when the company has transferred the risks and rewards of ownership to the customer.

Revenue from long term consulting, support and training contracts is recognised by reference to the stage of completion of the contract determined by the value of services provided at the balance sheet date as a proportion of the total value of the contract. Where the amount of revenue is contingent on future events, this is only recognised where the amount of revenue can be measured reliably and it is probable economic benefits will be received.

**Intangible assets**
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of three years.



continued...

2. **ACCOUNTING POLICIES - continued**

**Tangible fixed assets**
Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

| | |
|---|---|
| Fixtures and fittings | - 25% on reducing balance |
| Computer equipment | - 33.3% straight line |

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

**Investments in subsidiaries**
Investments in subsidiary undertakings are recognised at cost, less impairment.

**Financial instruments**
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

**Taxation**
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Research and development**
Research and development expenditure is written off in the profit and loss account in the period in which it is incurred.

**Foreign currencies**
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Pension costs and other post-retirement benefits**
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Provisions and contingencies**
Provisions are recognised in the financial statements when the company has an obligation at the reporting date as a result of a past event and it is probable that there will be a requirement to transfer economic benefits in settlement, and the amount of the obligation can be estimated reliably. Significant judgement is required in both the determination of probability and the determination as to whether the amount can be reliably estimated. In the event the Company determines that an obligation is not probable, but is reasonably possible, and it is able to develop a reasonable range of a possible loss, the Company will include disclosures related to such a contingent liability as appropriate.



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3. **TURNOVER**

The turnover and loss (2019 - profit) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Rendering of services | 7,686,959 | 17,978,180 |
| Sale of goods | 2,946,914 | 2,162,420 |
| | 10,633,873 | 20,140,600 |

4. **EMPLOYEES AND DIRECTORS**

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Wages and salaries | 4,554,603 | 5,383,513 |
| Social security costs | 611,980 | 586,538 |
| Other pension costs | 238,330 | 200,237 |
| | 5,404,913 | 6,170,288 |

The average number of employees during the year was as follows:

| | 2020 | 2019 |
|---|---|---|
| C&I and training | 31 | 37 |
| Executives | 5 | 6 |
| Finance & admin | 3 | 3 |
| HR | 2 | 2 |
| IT | 1 | 1 |
| Operations management & support | 3 | 3 |
| Sales | 7 | 6 |
| Research & development | 4 | 5 |
| Solutions | 1 | - |
| | 57 | 63 |

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Directors' remuneration | - | - |

5. **OPERATING (LOSS)/PROFIT**

The operating loss (2019 - operating profit) is stated after charging/(crediting):

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Depreciation - owned assets | 6,159 | 4,634 |
| Computer software amortisation | 130 | 2,353 |
| Foreign exchange differences | (60,704) | 116,276 |
| Research and development costs | - | 531,422 |
| Operating lease rentals | 296,160 | 358,910 |
| Auditors remuneration - audit services | 27,650 | 27,650 |
| Auditors remuneration - non-audit services | 4,876 | 20,438 |



continued...

## 6. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Loan Interest | 41,562 | 43,887 |

## 7. TAXATION

**Analysis of the tax credit**
The tax credit on the loss for the year was as follows:

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Current tax: | | |
| UK corporation tax | - | 25,579 |
| Foreign tax | 70,678 | 19,995 |
| Total current tax | 70,678 | 45,574 |
| | | |
| Deferred tax | (507,122) | (791,818) |
| Tax on (loss)/profit | (436,444) | (746,244) |

UK corporation tax has been charged at 19% .

**Reconciliation of total tax credit included in profit and loss**
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| (Loss)/profit before tax | (5,678,865) | 1,463,404 |
| (Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%) | (1,078,984) | 278,047 |
| | | |
| Effects of: | | |
| Expenses not deductible for tax purposes | - | 1,527 |
| Income not taxable for tax purposes | (13,429) | (13,463) |
| Capital allowances in excess of depreciation | - | (1,467) |
| Depreciation in excess of capital allowances | 25 | - |
| Utilisation of tax losses | 587,434 | (264,644) |
| Adjustments to tax charge in respect of previous periods | (2,168) | - |
| Trading losses brought forward now recognised as a deferred tax asset | - | (766,239) |
| Foreign taxation | 70,678 | 19,995 |
| Total tax credit | (436,444) | (746,244) |



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## 8. INTANGIBLE FIXED ASSETS

| | Computer software £ |
|---|---|
| **COST** | |
| At 1 January 2020 and 31 December 2020 | 7,449 |
| **AMORTISATION** | |
| At 1 January 2020 | 7,319 |
| Amortisation for year | 130 |
| At 31 December 2020 | 7,449 |
| **NET BOOK VALUE** | |
| At 31 December 2020 | - |
| At 31 December 2019 | 130 |

## 9. TANGIBLE FIXED ASSETS

| | Fixtures and fittings £ | Computer equipment £ | Totals £ |
|---|---|---|---|
| **COST** | | | |
| At 1 January 2020 | 4,133 | 46,470 | 50,603 |
| Additions | - | 1,249 | 1,249 |
| At 31 December 2020 | 4,133 | 47,719 | 51,852 |
| **DEPRECIATION** | | | |
| At 1 January 2020 | 3,486 | 35,049 | 38,535 |
| Charge for year | 647 | 5,512 | 6,159 |
| At 31 December 2020 | 4,133 | 40,561 | 44,694 |
| **NET BOOK VALUE** | | | |
| At 31 December 2020 | - | 7,158 | 7,158 |
| At 31 December 2019 | 647 | 11,421 | 12,068 |

## 10. FIXED ASSET INVESTMENTS

| | Shares in group undertakings £ |
|---|---|
| **COST** | |
| At 1 January 2020 and 31 December 2020 | 3,277 |
| **NET BOOK VALUE** | |
| At 31 December 2020 | 3,277 |
| At 31 December 2019 | 3,277 |



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## 10. FIXED ASSET INVESTMENTS - continued

The company's investments at the Balance Sheet date in the share capital of companies include the following:

**Symphony Ventures SP Z.O.O**
Registered office: ul. Rynek Glowny, nr 6, lok., miejsc. Krakow, Poland
Nature of business: IT consultancy

| Class of shares: | % holding |
|---|---|
| Ordinary | 100.00 |

**Symphony Ventures Inc.**
Registered office: 400 North Ashley Drive, Tampa, Florida 33602, USA
Nature of business: IT consultancy

| Class of shares: | % holding |
|---|---|
| Common stock | 100.00 |

**Symphony RPA Private Ltd**
Registered office: Survey No 414/1 90/13, Suite No 208, 2nd Floor, PSR Complex, Govinda Reddy Layout, Bannerghatta Road Bangalore- 560076, Karnataka, India
Nature of business: Support services

| Class of shares: | % holding |
|---|---|
| Ordinary | 100.00 |

## 11. DEBTORS

| | 2020 £ | 2019 £ |
|---|---|---|
| Amounts falling due within one year: | | |
| Trade debtors | **1,454,690** | 3,632,834 |
| Amounts owed by group undertakings | **-** | 615,955 |
| Other debtors | **345,155** | 28,206 |
| Tax | **51,655** | 109,048 |
| Deferred tax asset | **-** | 791,818 |
| Prepayments and accrued income | **260,244** | 525,239 |
| | **2,111,744** | 5,703,100 |
| Amounts falling due after more than one year: | | |
| Deferred tax asset | **1,298,940** | - |
| Aggregate amounts | **3,410,684** | 5,703,100 |

Deferred tax asset

| | 2020 £ | 2019 £ |
|---|---|---|
| Accelerated capital allowances | **(1,360)** | - |
| Tax losses carried forward | **1,270,921** | 766,239 |
| Other timing differences | **29,379** | 25,579 |
| | **1,298,940** | 791,818 |



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

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Trade creditors | **1,612,996** | 1,293,245 |
| Amounts owed to group undertakings | **3,957,828** | 1,565,748 |
| Social security and other taxes | **286,395** | 296,414 |
| Other creditors | **29,007** | 22,963 |
| Accruals and deferred income | **1,103,179** | 943,013 |
| | **6,989,405** | 4,121,383 |

## 13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

| | 2020 | 2019 |
|---|---|---|
| | £ | £ |
| Within one year | **31,204** | 133,464 |
| Between one and five years | **-** | 27,454 |
| | **31,204** | 160,918 |

## 14. DEFERRED TAX

| | £ |
|---|---|
| Balance at 1 January 2020 | **(791,818)** |
| Provided during year | **(507,122)** |
| Balance at 31 December 2020 | **(1,298,940)** |

## 15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 2020 £ | 2019 £ |
|---|---|---|---|---|
| 5,905,173 | Ordinary | 0.00005p | 295 | 295 |
| 656,250 | Ordinary B | 0.00005p | 33 | 33 |
| 49,343,750 | Ordinary C | 0.000001p | 49 | 49 |
| 900,000 | Ordinary D | 0.000001p | 1 | 1 |
| | | | 378 | 378 |

No shares were issued during the year.

The Ordinary shares and Ordinary B shares have full voting rights and are entitled to 99.9% of any dividend paid.

The Ordinary C shares and Ordinary D shares have no rights to attend or vote at any general meeting and are entitled to 0.1% of any dividend paid.



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## 16. RESERVES

| | Retained earnings £ | Share premium £ | Capital contribution reserve £ | Totals £ |
|---|---|---|---|---|
| At 1 January 2020 | (1,510,007) | 1,462,374 | 3,989,953 | 3,942,320 |
| Deficit for the year | (5,242,421) | | | (5,242,421) |
| At 31 December 2020 | (6,752,428) | 1,462,374 | 3,989,953 | (1,300,101) |

**Share premium reserve**
The share premium account represents the premium arising on the issue of shares net of issue costs.

**Capital contribution reserve**
The capital contribution reserve represents a contribution of funds to the capital of the company by the . shareholders.

**Retained earnings**
The retained earnings account represents cumulative profits and losses net of dividends and other adjustments.

## 17. PENSION COMMITMENTS

The company operates a defined contribution pension plan for its employees. The amount recognised as an expense in the period was £238,330 (2019:£200,237).

## 18. CONTINGENT LIABILITIES

The prior year financial statements included a contingent liability for estimated income tax and national insurance liability exposure of £1,570,000 relating to the value assigned to granted share options under an EMI scheme in 2018. The company settled with HM Revenue and Customs in May 2021 for an amount of £319,521 plus interest, which is included in accruals and deferred income in the current year financial statements.

## 19. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with the company's parent company or wholly owned subsidiaries within the group.

## 20. POST BALANCE SHEET EVENTS

In May 2021, the company issued 1,000,000 ordinary £0.00005 shares at an issue price of £1 each and in July 2021, the company issued a further 850,000 ordinary £0.00005 shares at an issue price of £1 each.

In June 2021, Sykes Enterprises, Inc, the ultimate parent company of Symphony Ventures Limited, announced that it had entered into a definitive agreement in which a subsidiary of Sitel Group will acquire all outstanding shares of Sykes Enterprises, Inc's common stock.

## 21. PARENT COMPANIES

The company's immediate parent undertaking is Sykes Enterprises Inc. B.V., the company's ultimate parent undertaking and controlling party is Sykes Enterprises, Inc. which is registered in the United States of America.

The largest and smallest group in which the results of this company are consolidated is that headed by the ultimate parent company, Sykes Enterprises, Inc.

Copies of the ultimate parent undertaking's consolidated financial statements may be obtained from its registered office and principal place of business at 400 North Ashley Drive, Tampa, Florida 33602 USA.