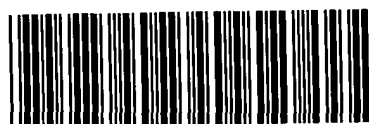


Company registration number SC538756 (Scotland)

CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

TUESDAY



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COMPANIES HOUSE

CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)

COMPANY INFORMATION

Directors	Ian Stevenson Mercia Fund Management (Nominees) Limited Paul Brennan Mark Wheelhouse Richard McBride	(Appointed 20 October 2022) (Appointed 1 October 2023)
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Secretary	Burness Paul LLP
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Company number	SC538756
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Registered office	50 Lothian Road Festival Square EDINBURGH EH3 9WJ
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Auditor	Chiene + Tait LLP (trading at CT) Chartered Accountants and Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL
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CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)

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CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the period ended 31 December 2022. The company changed its name to Cyacomb Limited on 28 February 2022, having previously been named Cyan Forensics Ltd.

Principal activities

The principal activity of the company continued to be that of developing and selling computer forensic software.

Directors

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

Ian Stevenson	
Mercia Fund Management (Nominees) Limited	
Hugh Lennie	(Resigned 8 July 2022)
Paul Brennan	
Ciara Smyth	(Resigned 27 September 2023)
Tobin Ireland	(Resigned 27 September 2023)
Mark Wheelhouse	(Appointed 20 October 2022)
Richard McBride	(Appointed 1 October 2023)

Auditor

In accordance with the company's articles, a resolution proposing that CT be reappointed as auditor of the company will be put at a General Meeting.

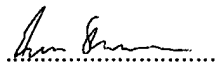
Statement of disclosure to auditor

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

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



Ian Stevenson
Director

12/13/2023

Date:

CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2022

The directors are responsible for preparing the annual 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;
- 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.

CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)

Opinion

We have audited the financial statements of Cyacomb Limited (formerly Cyan Forensics Limited) (the 'company') for the period ended 31 December 2022 which comprise the Income and Expenditure Account, the Balance Sheet, the cashflow Statement 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 Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).'

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to the 'Going concern' section of Note 1.3 in the financial statements, which notes that, based on current sales forecasts, the going concern basis of preparation is appropriate. Whilst no evidence has been obtained that casts significant doubt over the company's ability to achieve the forecast results, these events or conditions, along with other matters as set forth in Note 1.3, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the director 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. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 our audit:

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)

Matters on which we are required to report by exception

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

- the company has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation;
- the revenue account, any other accounts to which our report relates, and the balance sheet are not in agreement with the company's books of account; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more in the Director's responsibilities statement set out on page 2, 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.

CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Companies Act 2006.

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.

We focused on laws and regulations that could give rise to a material misstatement in the company's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the management and the directors;
- review of minutes of board meetings throughout the period;
- review of legal correspondence and invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of financial statements 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. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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 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.



Barry Truswell CA (Senior Statutory Auditor)

for and on behalf of CT Chartered Accountants & Statutory Auditor 18 December 2023

61 Dublin Street

Edinburgh

EH3 6NL

CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)**PROFIT AND LOSS ACCOUNT****FOR THE PERIOD ENDED 31 DECEMBER 2022**

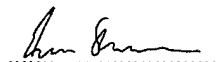
		15 months ended 31 December 2022 £	Year ended 30 September 2021 £
	Notes		
Turnover		368,399	544,572
Cost of sales		(63,247)	(3,750)
Gross profit		305,152	540,822
Administrative expenses		(5,560,401)	(1,975,371)
Other operating income		123,909	9,800
Operating loss		(5,131,340)	(1,424,749)
Interest receivable and similar income		7,065	-
Interest payable and similar expenses		(4)	-
Loss before taxation		(5,124,279)	(1,424,749)
Tax on loss	5	55,750	(72,946)
Loss for the financial period		(5,068,529)	(1,497,695)

The notes on pages 9 to 18 form part of these financial statements.

CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)**BALANCE SHEET****AS AT 31 DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	5	902,053		1,009,126	
Tangible assets	7	47,022		45,598	
Investments	8	8		-	
		<u>949,083</u>		<u>1,054,724</u>	
Current assets					
Stocks		156,978		17,553	
Debtors falling due after more than one year	9	583,944		-	
Debtors falling due within one year	9	456,387		62,281	
Cash at bank and in hand		<u>1,841,429</u>		<u>4,444,587</u>	
		3,038,738		4,524,421	
Creditors: amounts falling due within one year	10	<u>(1,191,176)</u>		<u>(364,634)</u>	
Net current assets		<u>1,847,562</u>		<u>4,159,787</u>	
Total assets less current liabilities		<u>2,796,645</u>		<u>5,214,511</u>	
Creditors: amounts falling due after more than one year	11	(750,000)		-	
Net assets		<u><u>2,046,645</u></u>		<u><u>5,214,511</u></u>	
Capital and reserves					
Called up share capital	13	67		66	
Share premium account		7,644,329		7,644,329	
Other reserves	14	1,709,150		-	
Profit and loss reserves		<u>(7,306,901)</u>		<u>(2,429,884)</u>	
Total equity		<u><u>2,046,645</u></u>		<u><u>5,214,511</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 12/13/2023 and are signed on its behalf by:



Ian Stevenson
Director

Company Registration No. SC538756

CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)**STATEMENT OF CHANGES IN EQUITY****FOR THE PERIOD ENDED 31 DECEMBER 2022**

	Notes	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 October 2020		31	2,819,517	-	(1,233,036)	1,586,512
Period ended 30 September 2021:						
Loss and total comprehensive income for the period		-	-	-	(1,497,695)	(1,497,695)
Issue of share capital		33	5,029,941	-	-	5,029,974
Conversion of loan to shares	13	2	239,272	-	-	239,274
Credit to equity for equity settled share-based payments	12	-	-	-	300,847	300,847
Costs relating to share issue		-	(444,401)	-	-	(444,401)
Balance at 30 September 2021		66	7,644,329	-	(2,429,884)	5,214,511
Period ended 31 December 2022:						
Loss and total comprehensive income for the period		-	-	-	(5,068,529)	(5,068,529)
Issue of share capital	13	1	-	-	-	1
Advanced subscription	14	-	-	1,855,900	-	1,855,900
Credit to equity for equity settled share-based payments	12	-	-	-	191,512	191,512
Costs relating to advanced subscription	14	-	-	(146,750)	-	(146,750)
Balance at 31 December 2022		67	7,644,329	1,709,150	(7,306,901)	2,046,645

CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Cyacomb Limited (formerly Cyan Forensics Limited) is a private company limited by shares incorporated in Scotland. The registered office is 50 Lothian Road, Festival Square, EDINBURGH, EH3 9WJ.

The company changed its name to Cyacomb Limited on 28 February 2022, having previously been named Cyan Forensics Ltd.

1.1 Reporting period

In order to align the year end with an appropriate profile, the company year end was altered to 31 December in the period meaning that the 2022 accounts present 15 months to that date. The prior period was for 12 months to 30 Sept 2021.

1.2 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

1.3 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operations for the foreseeable future.

The company made a loss for the period of £5,068,529 but had net assets of £2,046,645 which included current assets of £2,454,794 as at the period end. A loan of £750,000 was converted into shares in May 2023 which improves the company's net asset position. The company also secured further investment of £3,828,937 after the year end which was paid in September 2023. Based on current sales forecasts, the directors are of the opinion that whilst there is an element of uncertainty they still believe the going concern basis of preparation of the financial statements is appropriate.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.5 Intangible fixed assets other than goodwill

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

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

The directors have chosen to capitalise certain employee costs relating to the development of a software asset. Employees assigned to this are the technical team who undertake software development. Their time is dedicated to building the software that forms this asset, including managing the process of building the asset. No other costs are capitalised.

The directors consider the intangible assets to have a useful life of 7 years. Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents & licences	over 7 years from revenue commencing
Development costs	over 7 years from revenue commencing

1.6 Tangible fixed assets

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

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

Fixtures and fittings	20% straight line
Computers	33.33% straight line

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.

1.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities 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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.8 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, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

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

CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.11 Financial instruments

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

Financial instruments are recognised in the company's balance sheet 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 debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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 creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

1.12 Compound instruments

The component parts of compound instruments issued by the company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

1.13 Equity instruments

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

1.14 Taxation

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

CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)

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

1 Accounting policies

(Continued)

Current tax

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

Deferred tax

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

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

1.15 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.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.17 Share-based payments

Equity-settled share-based payment transactions are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. This is based upon the company's estimate of the shares or share options that will eventually vest which takes into account all vesting conditions and non-market performance conditions, with adjustments being made where new information indicates the number of shares or share options expected to vest differs from previous estimates.

Fair value is determined using an appropriate pricing model. All market conditions and non-vesting conditions are taken into account when estimating the fair value of the shares or share options. As long as all other vesting conditions are satisfied, no adjustment is made irrespective of whether market or non-vesting conditions are met.

Where the terms of an equity-settled transaction are modified, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the fair value of the transaction, as measured at the date of modification.

Where an equity-settled transaction is cancelled or settled, it is treated as if it had vested on the date of cancellation or settlement, and any expense not yet recognised in profit or loss is expensed immediately.

Cash-settled share-based payment transactions are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

1.18 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.

1.19 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.

1.20 Foreign exchange

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

CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. 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.

3 Employees

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

	2022 Number	2021 Number
Total	33	19

4 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	351,124	242,156
Company pension contributions to defined contribution schemes	12,588	8,373
	<u>363,712</u>	<u>250,529</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2021 - 2).

The highest paid director received total remuneration including pension costs of £177,578 (being 15 months) (2021 - £111,476).

The directors are considered to be the Key Management Personnel.

Details of transactions with entities that have common directors are included in note 17.

5 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	(30,041)	-
Adjustments in respect of prior periods	<u>(25,709)</u>	<u>72,946</u>
Total current tax	<u>(55,750)</u>	<u>72,946</u>

CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2022****5 Taxation****(Continued)**

There is an unrecognised deferred tax asset of £1,740,956 (2021: £582,941). This arises as a result of losses carried forward, offset by fixed asset timing differences. Losses can only be offset against future profits, which cannot be determined with certainty.

6 Intangible fixed assets

	Other	Development	Total
	£	costs	£
Cost			
At 1 October 2021	37,570	1,144,975	1,182,545
Additions	-	90,077	90,077
At 31 December 2022	37,570	1,235,052	1,272,622
Amortisation and impairment			
At 1 October 2021	11,181	162,238	173,419
Amortisation charged for the period	6,708	190,442	197,150
At 31 December 2022	17,889	352,680	370,569
Carrying amount			
At 31 December 2022	19,681	882,372	902,053
At 30 September 2021	26,389	982,737	1,009,126

7 Tangible fixed assets

	Fixture, fitting and office equipments
	£
Cost	
At 1 October 2021	73,903
Additions	31,115
At 31 December 2022	105,018
Depreciation and impairment	
At 1 October 2021	28,304
Depreciation charged in the period	29,692
At 31 December 2022	57,996
Carrying amount	
At 31 December 2022	47,022
At 30 September 2021	45,598

CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2022****8 Fixed asset investments**

	2022 £	2021 £
Shares in group undertakings and participating interests	8	-

Movements in fixed asset investments

	Shares in subsidiaries £
Cost or valuation	
At 1 October 2021	-
Additions	8
At 31 December 2022	8
Carrying amount	
At 31 December 2022	8
At 30 September 2021	-

Investments above includes the share capital in the trading subsidiary 'Cyacomb Inc' a US company incorporated in Delaware, USA.

9 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	316,080	-
Corporation tax recoverable	33,535	3,499
Other debtors	106,772	58,782
	456,387	62,281

	2022 £	2021 £
Amounts falling due after more than one year:		
Amounts owed by group undertakings	583,944	-
Total debtors	1,040,331	62,281

CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2022****10 Creditors: amounts falling due within one year**

	2022	2021
	£	£
Deferred income	811,501	53,235
Trade creditors	39,961	70,292
Corporation tax	-	72,946
Other taxation and social security	210,546	40,835
Other creditors	23,795	16,972
Accruals	105,373	110,354
	<u>1,191,176</u>	<u>364,634</u>

11 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Convertible loans	<u>750,000</u>	<u>-</u>

12 Share-based payment transactions

The company has issued share options under the terms of its EMI option scheme. The estimated fair value of the options outstanding in the year was calculated by applying the Black Scholes model. The expenses recognised for share based payments in respect of employee services received during the 15 month period to 31 December 2022 is £191,512 (Year to 30 Sept 2021: Expense of £300,847).

During the year, certain employees of the company entered into an agreement with the company to surrender options previously granted and receive new options. For the purpose of accounting standards only, the new options are considered to be replacements for those surrendered and the issue of new options is treated as a modification of the conditions associated with the original instruments.

47,052 EMI options and 4,372 unapproved options were granted during the year and, therefore, the corresponding incremental increase in fair value has been recognised as an expense in the profit and loss account in addition to expense relating to the original options.

Options are exercisable on the occurrence of certain events as outlined in the option rules. The only other condition of vesting is remaining an employee. On ceasing to be an employee, any unvested options lapse. If exercised, the options lapse no later than the tenth anniversary of the date of grant.

Details of the number and weighted average exercise prices (WAEP) of share options during the year are as follows:

CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2022****12 Share-based payment transactions****(Continued)**

	Number of share options		Weighted average exercise price	
	2022 Number	2021 Number	2022 £	2021 £
Outstanding at 1 October 2021	64,535	32,082	10.22	12.35
Granted	191,511	35,787	3.07	8.17
Lapsed/Returned	(62,115)	(3,334)	9.39	9.74
Outstanding at 31 December 2022	193,931	64,535	3.78	10.22
Exercisable at 31 December 2022	-	-	-	-

13 Called up share capital

	2022 £	2021 £
Ordinary share capital		
Issued and fully paid		
73,056 Ordinary shares of 0.01p each	7	7
124,433 A Ordinary shares of 0.01p each	13	13
423,989 B Ordinary shares of 0.01p each	42	42
11,858 Hurdle shares of 0.01p each	1	1
32,561 Hurdle 2 shares of 0.01p each	4	3
	67	66

The company has five classes of shares which carry no right to fixed income. All classes of ordinary shares have the same rights being full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption. The hurdle shares and the hurdle 2 shares have the same rights as the Ordinary A and Ordinary B shares. The hurdle amount is £5,559,387 for the hurdle shares and £14,803,610 for the hurdle 2 shares.

8886 Hurdle 2 shares were issued on 19 October 2021 for nominal value £0.0001 each.

14 Reserves

Advanced subscriptions of £1,855,900 were received in December 2022 along with a convertible loan of £750,000. The loan is included within liabilities. The advanced subscriptions of £1,855,900 less costs relating to the subscription of £146,750 are included as other reserves of £1,709,150.

CYACOMB LIMITED (FORMERLY CYAN FORENSICS LIMITED)**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE PERIOD ENDED 31 DECEMBER 2022****15 Operating lease commitments****Lessee**

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

	2022 £	2021 £
Not later than 1 year	31,230	27,760

16 Events after the reporting date

The company has secured investment totalling £3,828,937 of investment in September 2023. Also in May 2023 shares were issued totalling £2,605,691. Of this, £750,000 related to the conversion of the convertible loan and £1,855,691 related to the advance subscriptions included within other reserves.

17 Related party transactions

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

Consultancy fees were paid of £74,375 (2021 - £17,500) to TT Partnership Limited, a company in which Tobin Ireland is a director.

Consultancy fees were paid of £24,563 to Ciara Smyth who is a director.

£50,000 of direct monitoring fees were paid to Mercia Fund Management Ltd. Mercia Fund Management (Nominees) Limited is a director.