

Registration number: 09520940

BEMYEYE UK LIMITED

Financial Statements

for the Year Ended 31 December 2020

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BEMYEYE UK LIMITED

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BEMYEYE UK LIMITED

Company Information

Directors

G L Petrelli
L Pagano

Company number

09520940

Registered office

BeMyEye UK Limited
C/o Gianni, Origoni, Grippo, Cappelli & Partners
6-8 Tokenhouse Yard
London
EC2R 7AS

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

BEMYEYE UK LIMITED

Directors' Report for the Year Ended 31 December 2020

The directors present their annual report and the financial statements for the year ended 31 December 2020.

Directors of the company

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

G L Petrelli

L Pagano

T S Sandhu (resigned 15/01/2021)

Principal activity

The principal activity of the company during the year was market research and public opinion polling.

Results and dividends

The loss for the year after taxation, amount to £536,888 (2020 - £991,285) and are set out on page 8.

No ordinary dividends were paid in the period (2019 £Nil). The directors do not recommend payment of a further dividend.

COVID-19 Outbreak

From Q2 2020 the COVID-19 Coronavirus has impacted the Company's operations, principally by way of government lockdowns restricting eye activity and hence revenue generation. Lockdown pursued in 2021 were approached differently as the level of restrictions was globally lower, although in response the business has sought to preserve its operations as such:

Operations

Due to the onset of the COVID-19 virus in Europe the Company has experienced a contraction in its business operations. Lockdowns have restricted data collecting 'Eyes' from working on behalf of the business and a number of the Company's clients requested planned activity be paused to reduce virus risk.

Where available the business has sought to utilise government support, either by way of grants and loans or delay of statutory payments such as social or value added tax.

Revenue

The Company recognises revenue based upon stage of the underlying work performed. Due to differences in the effect and timings of COVID-19 on different markets, in times of lockdown ongoing revenue generating activity has been predominantly limited to markets for which freedom of movement was least restricted.

Further, activity has been greater or lesser effected based upon the form of the underlying services, with physical FMCG visits recovering quicker than electronic goods.

BEMYEYE UK LIMITED

Directors' Report for the Year Ended 31 December 2020

COVID-19 Outbreak (continued)

The business' forecasts have been adjusted on an ongoing basis throughout the period as new information has arisen, both from clients and recovery risks/expectations from experts. In order to assess impact and guide decision-making the business has modelled a number of outcome scenarios, which have been stress tested for reasonability.

Cashflow

The effect of cashflow has been limited in the short term due to reduction in working capital requirements with activity and delay of statutory payments. The Company is supported by its parent, BeMyEye Holdings Limited, whom funds any shortfall in working capital via loans. Excluding balances that have arisen as a result of intergroup funding the Company has a net liabilities position at the reporting date of £222,926

On 21st August 2020 BeMyEye Holdings Limited raised funds from its existing investors and the Future Fund in the form a £2.9m (€3.2m) Convertible loan note.

Due to the recovery of activity in the business and more limited and greater scalability of associated cost base the Group does not presently anticipate the cashflow effect arising from COVID-19 to have a long-term material effect on the business ability to operate.

Mitigating factors

In making the assessment above, the directors have made steps to anticipate and plan for the further expected downturn in cash flow and performance. These measures include:

- Application for Government supported loans and grants;
- Negotiate extension of debt repayment;
- Further utilisation of part-time and government schemes as available;
- Flexible office arrangements, with all staff able to remote work; and
- Scaling of workforce as required.

Going Concern

The company made a pre-tax loss of £536,888 in the period and had net liabilities of £3,736,631 at the statement of financial position date including cash at bank and in hand of £78,605.

The Company is supported by its parent, BeMyEye Holdings Limited (the 'Group'), whom funds any shortfall in working capital via loans. Excluding balances that have arisen as a result of intergroup funding the Company has a net asset position at the reporting date of £222,926. The Group directors have confirmed that this support will not be withdrawn and have provided a letter of support confirming this. At the signing date cash at bank and in hand has increased compared to the reporting date.

As detailed in the directors' report of BeMyEye Holdings Limited, the Group has undertaken various steps to reduce its cash requirement in the short term through reduction of its fixed cost base by way of utilisation of government part-time redundancy schemes, salary reductions, payment deferrals and renegotiation/exit of contracted costs. Further, in November 2021 the parent company raised funds of £1.2m (€1.4m) from its existing via a convertible loan note and renegotiated the terms of its venture debt facility which matures in February 2024. The wider Group drew up a detailed budget for the forthcoming year which assumes a further £1.7m (€2m) of equity funding will be raised by April 2022. Per the parent company financial statements, existing investors have the option to support the parent company with this further funding however the parent company is free to pursue other potential funding in the meantime. Per the 3-year business plan this further funding will bring the Group to cash break-even. The commitment of the existing investors in connection with the planned April 2022 equity funding is not legally enforceable at the date of signing these financial statements.

After making enquires and taking into account the circumstances detailed above the Directors have revisited the company forecasts to consider a range of scenarios. Assuming the identified April 2022 funding requirement of £1.7m is received by the parent company, all reasonably possible scenarios should provide sufficient capital for the parent company to be able to support the operations of the Company for at least twelve months from the signing date. However, should this support not be forthcoming, failure of the Group to obtain any further funding that may be required in the next 12 months may prevent the Company from being able to meet its financial

BEMYEYE UK LIMITED

Directors' Report for the Year Ended 31 December 2020

Directors' Report for the Year Ended 31 December 2020

Going Concern (continued)

obligations as they fall due. This matter indicates that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. These financial statements do not include any adjustments that would result if the company were unable to continue as a going concern.

The directors of the company believe that the existing, or alternative, investors will provide the Group any further funding that may be required, and accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime per section 415A of the Companies Act 2006.

Approved by the Board on 29 December 2021 and signed on its behalf by



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L Pagano
Director

BEMYEYE UK LIMITED

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

BEMYEYE UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEMYEYE UK LIMITED

Opinion on the financial statements

In our opinion the financial statements:

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

We have audited the financial statements of BeMyEye UK Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of Income and Retained Deficit, Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

We draw attention to note 2 to the financial statements, which indicates the directors' considerations over going concern. The company is dependent on the financial support of its parent company whose ability to provide such support is dependent on itself obtaining additional funding from existing or alternative investors. As stated in note 2, these events or conditions, along with other matters as set forth in note 2, 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 Directors with respect to going concern are described in the relevant sections of this report.

BEMYEYE UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEMYEYE UK LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the report and financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

BEMYEYE UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEMYEYE UK 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.

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework, the Companies Act 2006 and relevant tax compliance legislation.
- We understood how the Company is complying with those legal and regulatory frameworks by making enquiries of management and through reviewing legal correspondence.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it is considered there was a susceptibility of fraud.
- Our audit planning identified fraud risks in relation to management override and inappropriate or incorrect revenue recognition. We obtained an understanding of the processes and controls that the Company has established to address the risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors those processes and controls.
- We designed our audit procedures to detect irregularities, including fraud. Our procedures included journal transaction testing, with a focus on large or unusual transactions based on our knowledge of the business, seeking substantiation for a sample of accrued and deferred revenue transactions, evidence of service delivery for revenue transactions recognised and challenging the assumptions made by management in their significant accounting estimates.
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

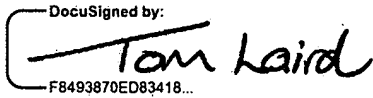
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BEMYEYE UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEMYEYE UK LIMITED

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Tom Laird (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK

Date: 30 December 2021

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

BEMYEYE UK LIMITED

Statement of Income and Retained Deficit for the Year Ended 31 December 2020

	Note	2020	2019
		£	£
Turnover		303,040	1,887,649
Cost of sales		(120,140)	(807,453)
Gross profit		182,901	1,080,196
Administrative expenses		(1,710,128)	(2,574,133)
Other operating income	4	1,100,893	634,508
Operating loss	5	(426,334)	(859,429)
Interest receivable		7,717	-
Interest payable and similar charges	6	(118,271)	(131,856)
Loss before tax		(536,888)	(991,285)
Taxation		-	-
Loss after taxation being loss for the financial year		(536,888)	(991,285)
Retained deficit brought forward		(3,210,744)	(2,219,459)
Retained deficit carried forward		(3,747,631)	(3,210,744)

The above results arise from continuing operations.

The notes on pages 12 to 18 form an integral part of these financial statements.

BEMYEYE UK LIMITED

Statement of Financial Position as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets		4,064	2,425
Current assets			
Debtors	8	376,300	800,840
Cash at bank and in hand		78,605	53,618
		<u>458,969</u>	<u>856,883</u>
Creditors: Amounts falling due within one year	9	<u>(4,196,600)</u>	<u>(4,057,627)</u>
Net current liabilities		<u>(3,737,631)</u>	<u>(3,200,744)</u>
Net liabilities		<u>(3,737,631)</u>	<u>(3,200,744)</u>
Capital and reserves			
Called up share capital		10,000	10,000
Profit and loss account		(3,747,631)	(3,210,744)
Total equity		<u>(3,737,631)</u>	<u>(3,200,744)</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime and in accordance with FRS 102 Section 1A – small entities.

Approved and authorised by the Board on 29 December 2021 and signed on its behalf by:



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L Pagano

Director

Company registration number: 09520940

The notes on pages 12 to 18 form an integral part of these financial statements.

BEMYEYE UK LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2020

1 GENERAL INFORMATION

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

BeMyEye UK Limited
C/O Gianni, Origoni, Grippo, Cappelli & Partners
6-8 Tokenhouse Yard
London
EC2R 7AS

The principal activity of the company during the year was market research and public opinion polling.

ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except any items disclosed in the accounting policies as being shown at fair value and are presented in sterling, which is the functional currency of the entity.

Going concern

The company made a pre-tax loss of £536,888 in the period and had net liabilities of £3,736,631 at the statement of financial position date including cash at bank and in hand of £78,605.

The Company is supported by its parent, BeMyEye Holdings Limited (the 'Group'), whom funds any shortfall in working capital via loans. Excluding balances that have arisen as a result of intergroup funding the Company has a net liabilities position at the reporting date of £222,926. The Group directors have confirmed that this support will not be withdrawn and have provided a letter of support confirming this. At the signing date cash at bank and in hand has increased compared to the reporting date.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and the accounts.

Operations

Due to the onset of the COVID-19 virus in Europe the Company has experienced a temporary contraction in its business operations. Lockdowns have restricted data collecting 'Eyes' from working on behalf of the business and many of the company's clients requested planned activity be paused to reduce virus risk.

Driven by this reduction in operational activity, where applicable the company has placed a number of its staff on government supported part-time redundancy schemes and or agreed salary reductions. Material contracts such as leases have been renegotiated or exited and payment plans sought for large accounts.

Where available the business has sought to utilise government support, either by way of grants and loans or delay of statutory payments such as social or value added tax.

BEMYEYE UK LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2019

Going concern (continued)

The Company has considered the strength of its existing and target customer base and the impact of restrictions on their ability to continue to operate for at least 12 months following the signing date. All debtor balances and open orders have been assessed for present and future collectability. As a result of review the Company does not anticipate an increase in collectability issues for its customer base.

The Company has considered the potential impact on its key suppliers and the availability of services. The Company relies on its data collecting 'Eyes' to perform tasks, whom are based across Europe and Russia. The effect of lockdowns has been to restrict the Eyes ability to collect information, due either to temporary closure of locations or by government implemented restrictions of movement. Whilst lockdowns are in place the business has reduced the incidence of tasks in these locations, however, on re-scaling activity on easing of restrictions the business has not experienced a material reduction in task completion.

The Company's employees have adapted well to working from home where required and infrastructure is in place for remote work to continue in the future should the need arise.

Revenue

The business recognises revenue based upon stage of the underlying work performed. Due to differences in the effect and timings of COVID-19 on different markets, ongoing revenue generating activity has been predominantly limited to markets for which freedom of movement was least restricted. Russia and its surrounding states have experienced more consistent activity due to delay in the onset of the virus and less restrictive movement.

Further, activity has been greater or lesser effected based upon the form of the underlying services, with physical FMCG visits recovering quicker than electronic goods.

The business revised forecasts have been revisited on an ongoing basis as new information arises, both from clients and recovery risks/expectations from experts. In order to assess impact and guide decision-making the business has modelled a number of outcome scenarios, which have been stress tested for reasonability.

Cashflow

The Company is supported by its parent, BeMyEye Holdings Limited (the 'Group'), whom funds any shortfall in working capital via loans. Excluding balances that have arisen as a result of intergroup funding the Company has a net liabilities position at the reporting date of £222,926. The Group directors have confirmed that this support will not be withdrawn and have provided a letter of support confirming this. At the signing date cash at bank and in hand has increased compared to the reporting date.

As detailed in the directors' report of BeMyEye Holdings Limited, the Group has undertaken various steps to reduce its cash requirement in the short term through reduction of its fixed cost base by way of utilisation of government part-time redundancy schemes, salary reductions, payment deferrals and renegotiation/exit of contracted costs. Further, in November 2021 the parent company raised funds of £1.2m (€1.4m) from its existing via a convertible loan note and renegotiated the terms of its venture debt facility which matures in February 2024. The wider Group drew up a detailed budget for the forthcoming year which assumes a further £1.7m (€2m) of equity funding will be raised by April 2022. Per the parent company financial statements, existing investors have the option to support the parent company with this further funding however the parent company is free to pursue other potential funding in the meantime. Per the 3-year business plan this further funding will bring the Group to cash break-even. The commitment of the existing investors in connection with the planned April 2022 equity funding is not legally enforceable at the date of signing these financial statements.

After making enquires and taking into account the circumstances detailed above the Directors have revisited the company forecasts to consider a range of scenarios. Assuming the identified April 2022 funding requirement of £1.7m is received by the Group, all reasonably possible scenarios should provide sufficient capital for the Group to be able to support the operations of the Company for at least twelve months from the signing date. However, should this support not be forthcoming, failure of the Group to obtain any further funding that may be required in the next 12 months may prevent the Company from being able to meet its financial obligations as they fall due. This matter indicates that a material uncertainty exists that may cast significant doubt on the Company's ability

BEMYEYE UK LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2020

Going concern (continued)

to continue as a going concern. These financial statements do not include any adjustments that would result if the Company were unable to continue as a going concern.

The directors of the Company believe that the existing, or alternative, investors will provide the Group any further funding that may be required and therefore that the support from the Group will be forthcoming, and accordingly they continue to adopt the going concern basis in preparing the annual report and accounts.

Mitigating factors

In making the assessment above, the Directors have made steps to anticipate and plan for the further expected downturn in cash flow and performance. These measures include:

- Application for Government supported loans and grants
- Negotiate extension of debt repayment
- Further utilisation of part-time and government schemes as available
- Flexible office arrangements, with all staff able to remote work
- Scaling of workforce as required

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and specific criteria have been met for each of the company's activities.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Finance costs

All interest-bearing loans and borrowings are initially recognised at net proceeds. After initial recognition debt is increased by the finance cost in respect of the reporting period and reduced by repayments made in the period. Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

Operating leases

Operating lease annual rentals are credited to profit or loss on a straight-line basis over the term of the lease.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

Other operating income

Other operating income consists of expenses recharged to other group entities. Other operating income is recognised in the same period in which the expense relates.

BEMYEYE UK LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2020

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Cash at bank and in hand

Cash at bank and in hand comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Debtors are amounts due from customers for services performed in the ordinary course of business.

Debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Taxation

Taxation represents the sum of tax currently payable and deferred tax and is recognised in the statement of income and retained deficit.

The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on all timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

BEMYEYE UK LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2020

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity

2 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determining when the significant risks and rewards have transferred to the customer and a sale is recognised.

Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

3 STAFF NUMBERS

The average number of persons employed by the company during the year, was 14 (2019 - 13).

4 OTHER OPERATING INCOME

Other operating income arises from costs recharged by the company to its parent, BeMyEye Holdings Limited.

BEMYEYE UK LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2020

5 OPERATING LOSS

Arrived at after charging/(crediting)

	2020	2019
	£	£
Depreciation expense	1,134	207
Audit fee	4,000	6,000
Foreign exchange	10,379	24,438
Pension contribution expense	19,495	27,340

6 INTEREST PAYABLE, SIMILAR CHARGES

Interest expense in the period relate to charges on intercompany loan balances

7 PENSIONS COMMITMENTS

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £19,495 (2019 - £27,340).

8 DEBTORS

	2020	2019
	£	£
Trade debtors	162,147	615,092
Amounts owed by group undertakings	161,908	70,747
Other debtors	7,895	20,228
Prepayments and accrued income	44,350	94,773
	<u>376,300</u>	<u>800,840</u>

Amounts owed by group undertakings are unsecured, attract annual interest at 6% and are repayable on demand.

BEMYEYE UK LIMITED

Notes to the Financial Statements for the Year Ended 31 December 2020

9 CREDITORS

	2020	2019
	£	£
Trade creditors	45,735	13,600
Amounts owed to group undertakings	3,960,557	3,904,191
Taxation and social security	151,861	67,648
Accrued expenses and deferred income	38,447	60,692
Other creditors	-	11,496
	<u>4,196,600</u>	<u>4,057,627</u>

Amounts owed to group undertakings are unsecured, attract annual interest at 6% and are repayable on demand.

10 COMMITMENTS AND CONTINENCIES

Leases

The total of future minimum lease payments is as follows:

	2020	2019
	£	£
Not later than one year	-	32,217
Later than one year and not later than five years	-	-
	<u>-</u>	<u>32,217</u>

11 RELATED PARTY TRANSACTIONS

In accordance with FRS 102 paragraph 33.1A exemption is taken not to disclose transactions in the year between group undertakings where 100% of the voting rights are controlled within the group.

Amounts due to and from group undertakings are aggregated as permitted by FRS 102 and shown separately in debtors and creditors.

12 ULTIMATE HOLDING COMPANY

BeMyEye UK Limited's ultimate parent undertaking is BeMyEye Holdings Limited, registered in England and Wales. Copies of the consolidated financial statements for the year ended 31 December 2020 can be obtained from Companies House.