

# SteelEye Limited

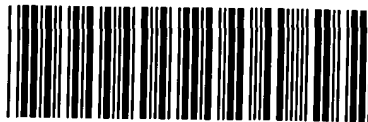
Report and Consolidated Financial Statements

Year Ended

31 December 2019

Company Number 10581067

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**SteelEye Limited**  
Registered number: 10581067

**Consolidated Statement of Financial Position**  
As at 31 December 2019

	Note	2019 £	Unaudited and as restated 2018 £
<b>Fixed assets</b>			
Intangible fixed assets	6	1,834,402	1,906,826
Tangible fixed assets	7	29,746	38,430
		<u>1,864,148</u>	<u>1,945,256</u>
<b>Current assets</b>			
Debtors	9	1,432,961	203,534
Cash and cash equivalents		259,058	485,188
		<u>1,692,019</u>	<u>688,722</u>
Creditors: amounts falling due within one year	10	(1,100,902)	(577,207)
<b>Net current assets</b>		<u>591,117</u>	<u>111,515</u>
<b>Total assets less current liabilities</b>		<u>2,455,265</u>	<u>2,056,771</u>
Creditors: amounts falling due after more than one year	11	(668,135)	-
<b>Provisions for liabilities</b>			
Deferred taxation		-	(98)
<b>Net assets</b>		<u><u>1,787,130</u></u>	<u><u>2,056,673</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	5,018	4,253
Share premium account		6,818,396	4,935,709
Foreign exchange reserve		(1,429)	(5)
Profit and loss account		(5,034,855)	(2,883,284)
		<u><u>1,787,130</u></u>	<u><u>2,056,673</u></u>

**SteelEye Limited**  
Registered number: 10581067

**Consolidated Statement of Financial Position (continued)**  
**As at 31 December 2019**

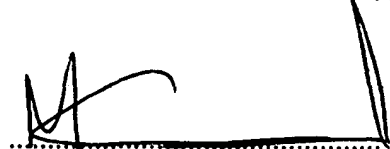
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The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the consolidated statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

A handwritten signature in black ink, appearing to be 'M Smith', written over a horizontal dotted line.

**M Smith**  
Director

Date: 10 November 2020

The notes on pages 5 to 20 form part of these financial statements.

**SteelEye Limited**  
Registered number: 10581067

**Company Statement of Financial Position**  
As at 31 December 2019

	Note	2019 £	Unaudited and as restated 2018 £
<b>Fixed assets</b>			
Intangible assets	6	1,834,401	1,906,825
Tangible assets	7	27,813	34,382
Investments	8	1,115	1,115
		<u>1,863,329</u>	<u>1,942,322</u>
<b>Current assets</b>			
Debtors	9	1,422,024	198,621
Cash and cash equivalents		245,946	478,974
		<u>1,667,970</u>	<u>677,595</u>
Creditors: amounts falling due within one year	10	(1,099,253)	(576,999)
<b>Net current assets</b>		<u>568,717</u>	100,596
<b>Total assets less current liabilities</b>		<u>2,432,046</u>	<u>2,042,918</u>
Creditors: amounts falling due after more than one year	11	(668,135)	-
<b>Net assets excluding pension asset</b>		<u>1,763,911</u>	2,042,918
<b>Net assets</b>		<u><u>1,763,911</u></u>	<u><u>2,042,918</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	5,018	4,253
Share premium account		6,818,396	4,935,709
Profit and loss account carried forward		(5,059,503)	(2,897,044)
		<u>1,763,911</u>	<u>2,042,918</u>

**SteelEye Limited**  
Registered number: 10581067

**Company Statement of Financial Position (continued)**  
**As at 31 December 2019**

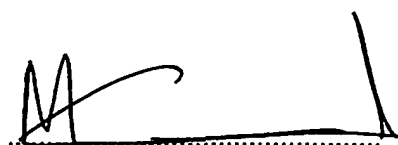
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The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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The Company has opted not to file the consolidated statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

A handwritten signature in black ink, appearing to be 'M Smith', written over a dotted horizontal line.

**M Smith**  
Director

Date: 10 November 2020

The notes on pages 5 to 20 form part of these financial statements.

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

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### 1. General information

SteelEye Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is 5th Floor, 55 Strand, London, England, WC2N 5LR.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

#### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

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### 2. Accounting policies (continued)

#### 2.3 Going concern

On the basis of their assessment of the Company's financial position and resources, the Directors believe that the Group is well placed to manage its business risks.

As detailed in the post balance sheet events note, the outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty.

As a business, SteelEye has adapted very well to working from home, and is evidencing the ability to continue to meet sales targets set prior to the pandemic. It is also now transitioning back to office working. The business has sufficient cash runway for the at least medium term and a strategy for longer term funding, management of the business are confident that there is sufficient cash in the business for its going concern assessment to beyond 12 months of the date of signing the financial statements and also have the ability to utilise a variety of levers to reduce the cash burn and extend the cash runway if necessary. At Board level, the CEO presents a COVID assessment at each board meeting.

Given the above the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and thus continue to adopt the going concern basis of accounting in preparing the annual financial statements.

#### 2.4 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

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### 2. Accounting policies (continued)

#### 2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

##### Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Licence revenue is recognised over the term of the licence contract.

Integration fees and other revenue in respect of ad-hoc projects is recognised on a monthly basis when the services are provided.

#### 2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

#### 2.7 Research and development / Intangible assets

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which are 3 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

#### 2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

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### 2. Accounting policies (continued)

#### 2.9 Pensions

##### Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

#### 2.10 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

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

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. Developed intangible assets are amortised over 3 years on a straight line basis. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

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### 2. Accounting policies (continued)

#### 2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	-	20% straight line
Furniture and fixtures	-	10% straight line
Office equipment	-	25% straight line
Computer equipment	-	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

#### 2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

#### 2.14 Debtors

Short term debtors are measured at transaction price, less any impairment.

#### 2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

#### 2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

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### 2. Accounting policies (continued)

#### 2.17 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the consolidated statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

#### 2.18 Convertible debt

The proceeds received on issue of the Group's convertible debt are allocated into their liability and equity components and presented separately in the statement of financial position.

The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that did not include an option to convert.

The difference between the net proceeds of the convertible debt and the amount allocated to the debt component is credited direct to equity and is not subsequently remeasured. On conversion, the debt and equity elements are credited to share capital and share premium as appropriate.

Transaction costs that relate to the issue of the instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The directors consider the following areas to involve considerable degree of estimation uncertainty:

- **Research and development**

The company incurs research and development expenditure. Research expenditure cannot be capitalised, however development costs are capitalised as intangible assets. As such judgement is applied to determine whether expenditure constitutes research or development.

### 4. Employees

The average monthly number of employees, including directors, during the year for the Group was 25 (2018 - 25), and for the Company was 20 (2018 - 20).

### 5. Taxation

	2019 £	Unaudited 2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	(300,105)	-
Adjustments in respect of previous periods	(506,391)	(271,968)
<b>Foreign tax</b>		
Foreign tax on income for the year	4,727	1,479
<b>Total current tax</b>	<u>(801,769)</u>	<u>(270,489)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(106)	102
<b>Total deferred tax</b>	<u>(106)</u>	<u>102</u>
<b>Taxation on loss on ordinary activities</b>	<u>(801,875)</u>	<u>(270,387)</u>

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 6. Intangible assets

#### Group and Company

	Research and development £
<b>Cost</b>	
At 1 January 2019	2,645,088
Additions - internal	976,774
At 31 December 2019	<u>3,621,862</u>
<b>Amortisation</b>	
At 1 January 2019 (as previously stated)	-
Prior Year Adjustment	738,262
At 1 January 2019 (as restated)	<u>738,262</u>
Charge for the year	1,049,198
At 31 December 2019	<u>1,787,460</u>
<b>Net book value</b>	
At 31 December 2019	<u>1,834,402</u>
At 31 December 2018 (as restated)	<u>1,906,826</u>

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 7. Tangible fixed assets

#### Group

	Leasehold improvements £	Furniture, fittings and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2019	8,485	43,045	6,406	57,936
Additions	-	5,541	857	6,398
Exchange adjustments	-	-	(393)	(393)
At 31 December 2019	<u>8,485</u>	<u>48,586</u>	<u>6,870</u>	<u>63,941</u>
<b>Depreciation</b>				
At 1 January 2019	3,001	14,147	2,358	19,506
Charge for the year	1,697	10,413	2,818	14,928
Exchange adjustments	-	-	(239)	(239)
At 31 December 2019	<u>4,698</u>	<u>24,560</u>	<u>4,937</u>	<u>34,195</u>
<b>Net book value</b>				
At 31 December 2019	<u><u>3,787</u></u>	<u><u>24,026</u></u>	<u><u>1,933</u></u>	<u><u>29,746</u></u>
At 31 December 2018	<u><u>5,484</u></u>	<u><u>28,898</u></u>	<u><u>4,048</u></u>	<u><u>38,430</u></u>

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 7. Tangible fixed assets (continued)

#### Company

	Leasehold improvements £	Furniture, fittings and equipment £	Total £
<b>Cost or valuation</b>			
At 1 January 2019	8,485	43,045	51,530
Additions	-	5,541	5,541
At 31 December 2019	<u>8,485</u>	<u>48,586</u>	<u>57,071</u>
<b>Depreciation</b>			
At 1 January 2019	3,001	14,147	17,148
Charge for the year	1,697	10,413	12,110
At 31 December 2019	<u>4,698</u>	<u>24,560</u>	<u>29,258</u>
<b>Net book value</b>			
At 31 December 2019	<u>3,787</u>	<u>24,026</u>	<u>27,813</u>
At 31 December 2018	<u>5,484</u>	<u>28,898</u>	<u>34,382</u>

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 8. Fixed asset investments

#### Company

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2019 (as previously stated)	-
Prior Year Adjustment	1,115
	<hr/>
At 1 January 2019 (as restated)	1,115
	<hr/>
At 31 December 2019	<u>1,115</u>

#### Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
SteelEye India Private Limited	No 7 KSRTC Layout, Chikkalasandra, Bangalore, KA560061, India	Ordinary	100%

### 9. Debtors

	Group 2019 £	Group Unaudited 2018 £	Company 2019 £	Company Unaudited 2018 £
Trade debtors	534,850	101,920	534,850	101,920
Other debtors	828,113	68,098	825,812	65,635
Prepayments and accrued income	61,362	31,066	61,362	31,066
Tax recoverable	8,628	2,450	-	-
Deferred taxation	8	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>1,432,961</u>	<u>203,534</u>	<u>1,422,024</u>	<u>198,621</u>

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 10. Creditors: Amounts falling due within one year

	Group 2019 £	Group Unaudited 2018 £	Company 2019 £	Company Unaudited 2018 £
Trade creditors	174,205	113,679	173,922	113,471
Other taxation and social security	121,685	77,872	121,685	77,872
Other creditors	57,780	60,988	56,414	60,988
Accruals and deferred income	747,232	324,668	747,232	324,668
	<u>1,100,902</u>	<u>577,207</u>	<u>1,099,253</u>	<u>576,999</u>

### 11. Creditors: Amounts falling due after more than one year

	Group 2019 £	Group Unaudited 2018 £	Company 2019 £	Company Unaudited 2018 £
Share capital treated as debt	668,135	-	668,135	-

### 12. Share capital

	2019 £	Unaudited 2018 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
3,411,116 (2018 - 3,411,120) Ordinary shares of £0.001 each	3,411	3,411
1,607,440 (2018 - 842,000) Seed Preferred shares of £0.001 each	1,607	842
	<u>5,018</u>	<u>4,253</u>
<b>Convertible debt</b>		
Convertible loan notes (to shares of £0.001 each)	<u>668,135</u>	<u>-</u>

On 4 February 2019, 285,814 Seed Preferred shares were issued at £2.50 per share.

On 14 June 2019, 480,000 Seed Preferred shares were issued at £2.50 per share.

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 13. Share based payments

SteelEye Limited operates an equity-settled share based remuneration scheme for employees. Certain UK employees are eligible to participate in the long-term incentive scheme. The options vest in full immediately prior to the occurrence of an exit or sixty-five percent of the option shares vest on 9 November 2022 provided that the option holder is still an employee, with the remainder vesting immediately prior to the occurrence of an exit. All options expire after a period of ten years from the date of grant.

	Weighted average exercise price (pence) 2019	Number 2019	Weighted average exercise price (pence) 2018	Number Unaudited 2018
Outstanding at the beginning of the year	0.10	485,000		-
Granted during the year		-	0.10	485,000
Cancelled during the year	0.10	(100,000)		-
<b>Outstanding at the end of the year</b>	<b>0.10</b>	<b>385,000</b>	<b>0.10</b>	<b>485,000</b>

The fair value of the options has been taken to be the valuation agreed with HMRC as this is considered to be indicative of a market valuation for the Company.

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

### 14. Prior year adjustment

In previous years, intangible fixed assets were not amortised. Comparatives have been restated to recognise amortisation for the years ended 31 December 2017 and 31 December 2018. In addition, Investments in subsidiary companies were previously disclosed within share premium and as a result have been allocated to investments in order that they are disclosed appropriately. The effects on the primary statements are as follows:

	As originally presented £	Restatement £	As restated £
<b>Consolidated statement of comprehensive income</b>			
Administrative expenses for the year ended 31 December 2018	1,909,618	589,555	2,499,173
<b>Company statement of financial position</b>			
Intangible fixed assets as at 31 December 2018	2,645,088	(738,262)	1,906,826
Investments	-	1,115	1,115
<b>Company statement of changes in equity</b>			
Profit and loss account as at 1 January 2018	(688,125)	(148,707)	(836,832)
Share premium account as at 1 January 2018	1,095,020	1,115	1,096,135
Loss for the year ended 31 December 2018	(1,470,657)	(589,555)	(2,060,212)

### 15. Commitments under operating leases

At 31 December 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group Unaudited 2018 £	Company 2019 £	Company Unaudited 2018 £
Not later than 1 year	46,085	61,446	46,085	61,446
	<u>46,085</u>	<u>61,446</u>	<u>46,085</u>	<u>61,446</u>

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

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### 16. Related party transactions

The Company has taken exemption under FRS 102 section 1AC.35 from disclosing transactions with group companies, on the grounds that each company party to the transactions is wholly owned within the group.

The Company became aware in May 2020 that the 1,730,000 ordinary shares issued to the Founders in February 2017 were not paid up. The outstanding amount of £1,730 is shown within other debtors.

The Company entered into a convertible loan with existing Preferential Shareholders. This loan was converted to Equity in Feb 2020.

### 17. Post balance sheet events

During March 2020, the outbreak of COVID-19 was declared a global pandemic by the World Health Organisation. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The effects of COVID-19 have and may continue to adversely affect the global economy and the economies of certain nations, including those that the Company operates in. Although COVID-19 was initially discovered in late 2019, the changes to market conditions caused as a consequence of the outbreak did not exist prior to 31 December 2019 and therefore these conditions are considered non-adjusting post balance sheet events.

The directors have reviewed and assessed the associated risks of the COVID-19 global pandemic. In their opinion, they do not consider the impact of the pandemic to have any material impact on the realisable value of any of the Company's assets, nor on its ability to continue as a going concern.

After the year end, the Company has raised further cash through a funding round totalling £6.4m. The funding round was completed in two tranches, the first being on 7 February 2020 for £3m and the second being on the 10 June 2020 for £3.4m, which give the Company sufficient cash to continue its operations in line with its planned growth.

### 18. Controlling party

The directors do not consider there to be an ultimate controlling party of the Company and Group.

# SteelEye Limited

## Notes to the Financial Statements For the Year Ended 31 December 2019

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### 19. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2019 was qualified.

The qualification in the audit report was as follows:

We were appointed as auditors of the Company on 3 June 2020 and, at the request of the Directors, our work did not include procedures to obtain sufficient appropriate audit evidence over the opening balances. Specifically, we have not obtained sufficient appropriate audit evidence over the opening balance of trade debtors (£101,920), other debtors (£68,098), other creditors (£60,988) and accruals and deferred income (£324,668). Consequently we were unable to determine whether any adjustments to these balances as at 1 January 2019 were necessary.

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 qualified opinion.

The audit report was signed on 10 November 2020 by Peter Smithson (senior statutory auditor) on behalf of BDO LLP.