
SYNCREON UK HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



SYNCREON UK HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Patrick Enright Colin Enright (appointed 28 February 2022)
Registered number	07029846
Registered office	Unit 5 Logix Road R D Park Hinckley Leicestershire United Kingdom LE10 3BQ
Independent auditors	Peters Elworthy & Moore Statutory Auditor & Chartered Accountants Salisbury House Station Road Cambridge CB1 2LA
Bankers	Barclays Bank plc 1 Churchill Place London United Kingdom E14 5HP
Solicitors	Knights plc The Brampton Newcastle-Under-Lyme Staffordshire United Kingdom ST5 0QW

SYNCREON UK HOLDINGS LIMITED

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SYNCREON UK HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The Directors present their Strategic Report on the Company for the year ended 31 December 2021.

syncreon partners with customers to provide specialised logistics, operational excellence and value added solutions in: warehouse management, inbound to manufacturing, export packing, fulfillment, aftermarket, reverse and repair and transport management.

Business review

The Company is an investment holding company within the syncreon Group.

The syncreon Group provides end-to-end logistics and supply chain solutions based on leading edge technology, innovative thinking and designed to deliver cost savings and competitive advantage to its customers. The Group has operations in Ireland, UK, the Netherlands, Germany, Hungary, Belgium, United States, Canada, Brazil and various other countries.

The Company generated no turnover during the year ended 31 December 2021 or in the previous year.

The loss for the year which was taken directly to reserves was £1,968,596 (2020: loss £7,625,710). The loss for the year is a result of interest charged on intercompany loans.

The net liabilities for the year have increased from £12,716,419 in 2020 to £14,685,015 in 2021, this is due to the loss made in the year.

Directors' statement of compliance with duty to promote the success of the Company

The board of syncreon UK Holdings Limited consider that they have adhered to the requirements of Section 172 of the Companies Act 2006 and have, in good faith, acted in a way that they consider would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so, have had regard to and recognised the importance of considering all stakeholders and other matters, as set out in S.172 (1) (a-f) of the Companies Act 2006, in its decision making.

The board is ultimately responsible for setting the Groups strategy and for overseeing the financial performance and being accountable to the shareholders. The day-to-day operational decisions are delegated to the senior management team with a clear reporting line feeding back to the board. Maintaining positive relationships and sharing the same values, along with working towards the same goals, is key to the success of the business.

In discharging our section 172 duties, the board have regard to factors that they consider relevant to the decisions being made, including the interest and relationships with employees, customers and suppliers. The board has considered all of its key stakeholders and how their obligations to these stakeholders affect their decision making, details of these can be found in the Directors' Report.

Financial key performance indicators

We consider that our key financial performance indicators are those that communicate the financial performance and strengths of the Company as a whole. As a holding company, no turnover has been generated in the year, therefore the key performance indicator used to monitor the performance of the business is the net assets or liabilities as shown on the Balance Sheet. Further information on these key performance indicators can be found in the business review section above.

SYNCREON UK HOLDINGS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Principal risks and uncertainties

The Company's wholly owned subsidiary's business is generated from the UK market where competitive pressures and technology change represent ongoing risks. Uncertainty surrounding Britain's decision to leave the EU will inevitably impact their customer's investment decisions and specifically their decision on which syncreon entity elements of their business sits with.

Brexit

The UK Brexit transition period ended on 31 December 2020 with the new rules applying from 1 January 2021.

We have worked closely with both our customers and internal stakeholders to ensure our IT and Customs systems and supply chain has run efficiently and uninterrupted during this period.

Russia-Ukraine conflict

In late February 2022, Russia invaded Ukraine, and the potential for wider conflict may increase financial market volatility and have severe adverse effects on regional and global economic markets and supply chain disruptions. Leadership within the Company continues to monitor the impact of the Russia-Ukraine conflict. To date the Directors are not forecasting any significant negative impact on the financial results of syncreon UK Holdings Limited.

Future developments

It is the intention of the Company to continue as an investment holdings company within the syncreon Group.

This report was approved by the board on 23 August 2022 and signed on its behalf.



Patrick Enright
Director

SYNCREON UK HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the financial statements for the year ended 31 December 2021.

Future developments

Details of future developments can be found in the Strategic Report and form part of this report by cross-reference.

Post balance sheet events

There have been no significant events after the Balance Sheet date that require disclosure.

Financial risk management objectives

The financial risk of the Company is primarily managed by the syncreon Group European Headquarters finance department. The Company's principal financial instruments comprise cash and short-term deposits and loans from Group undertakings. The Company has various other financial instruments such as trade debtors and trade creditors, which arise from its operations. The Company does not enter into derivative transactions. It is, and has been throughout the year under review, the Company's policy that no trading in derivatives shall be undertaken.

The main risks arising from the Company's financial instruments are liquidity risk, cash flow risk and interest rate risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Liquidity risk

The Company actively maintains a mixture of long-term debt and short-term inter-company finance that is designed to ensure the Company has sufficient available funds for its operations.

Cash flow risk

The cash flow of syncreon UK Holdings Limited is monitored along with the other European syncreon companies and cash shortfalls can be offset by surpluses elsewhere in the European Group and globally as applicable. This helps to ensure the stability of cash outflows and hence manage interest rate risk. The Company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied. The finance department is controlled by strict guidelines set by the Global Parent Company.

Interest rate risk

Due to current fluctuations in interest rates, current syncreon group strategy is to minimise finance costs through the use of short-term interest rate agreements.

Results and dividends

The loss for the year, after taxation, amounted to £1,968,596 (2020: loss £7,625,710).

There were no dividends paid in the year (2020: £Nil) and no further dividends have been proposed to be paid.

Going concern

The financial statements have been prepared on a going concern basis.

Although the Company has high interest charges on outstanding loan balances, which have also led to net liabilities, the Company is considered to be a going concern as the nature of the Company's activities is linked to the activities of the syncreon Group undertakings. Based on the financial support that the Company receives from the syncreon Group, the Directors have reasonable expectation that the Company will continue in existence for the foreseeable future.

SYNCREON UK HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Going concern (continued)

A letter of support has been made available from syncreon Treasury Services D.A.C. This Company operates the intra-group cash for the syncreon Group and has the funds available to meet the short-term cash requirements of the Company, therefore management feel this is most the appropriate Company to offer this letter of support. There are existing formal arrangements in place between syncreon Treasury Services D.A.C. and syncreon UK Holdings Limited whereby the policy is to provide support to the Company in order to continue to operate as a going concern.

Given the Company is an integrated part of the wider Group, and is party to a legally binding cash pooling agreement, the Directors have sought confirmation from the treasury company that it would continue to provide support, if the Company requires, to ensure the Company meets its obligations as they fall due.

Given the overall current financial position of the Group, there are no plans to change the activities of the Company and the intention is to continue to support the operational existence of the Company, therefore Directors deemed it appropriate to adopt the going concern basis in preparing the financial statements.

Director

The Director who served during the year and to the date of this report were:

Patrick Enright
Colin Enright (appointed 28 February 2022)

Director indemnity provisions

No director indemnity provisions were made during the year and up to the date of this report.

Political contributions

No political donations were made during the year (2020: £Nil).

Engagement with suppliers, customers and others

The Directors consider the following Groups to be the Company's key stakeholders and seeks to understand the respective interest of such stakeholder groups so that they may be considered in the board's decision making.

Shareholders

The shareholders are vital to the future success of the business by providing funds to aid growth. The ultimate shareholders are individuals who own shares in the parent company, Dubai World Corporation. The board aims to provide clear and accurate information to the parent company on the performance of the business on a regular basis. The decisions of the board are focused on delivering the overall business plan in order to generate value for the shareholders.

Customers

Customers are key to providing the business with revenue. Each customer has their own account managers who build lasting relationships in order to understand their objectives and requirements. The board are dedicated to making sure that processes are refined to ensure the best possible services are provided to fulfil the needs of our customers.

Suppliers

We rely on our suppliers to help support the operational needs of the business. It is important for the business to maintain strong relationships with key suppliers in order to obtain value for money for our investors and the desired quality and service levels for our customers.

SYNCREON UK HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Communities and the environment

We are proud members of our communities, and we encourage both our employees and customers' associates to be personally active in their local areas as well. We proactively create strong relationships and share what we have and what we know with others in order to improve lives and the world around us both on individual and collective scale. Our culture of innovation and continuous improvement means that we are always searching for new ways to improve our systems, processes and facilities in order to reduce our impact on the environment.

Energy and carbon reporting

No disclosure relating to energy and carbon reporting has been made as the Company has not consumed more than 40,000 kWh of energy during the year.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditors

Peters Elworthy & Moore were appointed as auditors in the period. They have expressed their willingness to remain in office and will therefore be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 23 August 2022 and signed on its behalf.



Patrick Enright
Director

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

SYNCREON UK HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SYNCREON UK HOLDINGS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion

We have audited the financial statements of syncreon UK Holdings Limited. for the year ended 31 December 2021, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the 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 101 "Reduced Disclosure Framework" (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 2021, and of the Company's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006.

Basis for Opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Opinions on other matters prescribed by the Companies Act 2006

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

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

SYNCREON UK HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SYNCREON UK HOLDINGS LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Matters on which we are required to report by exception

In the light of our 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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the Company through discussions with management and from our commercial knowledge and experience of the industry;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements, including IFRS, the Companies Act 2006 and relevant taxation legislation in the jurisdictions in which the Company operates;
- we obtained an understanding of the Company's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance; and
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting correspondence available.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SYNCREON UK HOLDINGS LIMITED
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Auditors' responsibilities for the audit of the financial statements (continued)

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of fraud through management bias and override of controls. In addressing the risk of fraud through management override of controls we:

- tested the appropriateness of journal entries and other adjustments;
- designed procedures to identify unexpected and unusual journal entries and performed testing to confirm the validity of such postings;
- assessed whether the significant accounting judgements and estimates made in the financial statements were indicative of potential bias; and
- evaluated the business rationale of any significant transactions that were unusual or outside the normal course of business.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditors' report.

SYNCREON UK HOLDINGS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SYNCREON UK HOLDINGS LIMITED
(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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.

Sean McCann (Senior statutory auditor)

for and on behalf of

Peters Elworthy & Moore

Statutory Auditor

Chartered Accountants

Salisbury House

Station Road

Cambridge

CB1 2LA

23 August 2022

SYNCREON UK HOLDINGS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Administrative expenses		(9,825)	(4,455)
Impairment on investments		-	(5,018,243)
Operating loss		<u>(9,825)</u>	<u>(5,022,698)</u>
Interest payable and similar expenses	6	<u>(1,958,771)</u>	<u>(2,603,012)</u>
Loss before tax		<u>(1,968,596)</u>	<u>(7,625,710)</u>
Tax on loss	7	-	-
Loss for the financial year	8	<u><u>(1,968,596)</u></u>	<u><u>(7,625,710)</u></u>

The above results arise from continuing operations.

There were no other comprehensive income or expense for 2021 or 2020 other than those included in the profit and loss account.

The notes on pages 14 to 24 form part of these financial statements.

SYNCREON UK HOLDINGS LIMITED
REGISTERED NUMBER:07029846

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	9	25,774,917	25,774,917
		<u>25,774,917</u>	<u>25,774,917</u>
Current assets			
Debtors	10	113	19,577
		<u>113</u>	<u>19,577</u>
Creditors: Amounts falling due within one year	11	(40,460,045)	(38,510,913)
Net current liabilities		<u>(40,459,932)</u>	<u>(38,491,336)</u>
Total assets less current liabilities		<u>(14,685,015)</u>	<u>(12,716,419)</u>
Net liabilities		<u>(14,685,015)</u>	<u>(12,716,419)</u>
Capital and reserves			
Called up share capital	12	37,002,009	37,002,009
Share premium account	13	20,038,548	20,038,548
Profit and loss account	13	(71,725,572)	(69,756,976)
		<u>(14,685,015)</u>	<u>(12,716,419)</u>

The financial statements of syncreon UK Holdings Limited (registered number: 07029846) were approved and authorised for issue by the board and were signed on its behalf on 23 August 2022.



Patrick Enright
Director

The notes on pages 14 to 24 form part of these financial statements.

SYNCREON UK HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called-up share capital £	Share premium account £	Profit and loss account £	Total £
Balance at 1 January 2021	37,002,009	20,038,548	(69,756,976)	(12,716,419)
Loss for the financial year	-	-	(1,968,596)	(1,968,596)
Other comprehensive result for the year	-	-	-	-
Total comprehensive expense for the year	-	-	(1,968,596)	(1,968,596)
Balance at 31 December 2021	<u>37,002,009</u>	<u>20,038,548</u>	<u>(71,725,572)</u>	<u>(14,685,015)</u>

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

	Called-up share capital £	Share premium account £	Profit and loss account £	Total £
Balance at 1 January 2020	30,002,009	20,038,548	(62,131,266)	(12,090,709)
Profit for the financial year	-	-	(7,625,710)	(7,625,710)
Other comprehensive result for the year	-	-	-	-
Total comprehensive expense for the year	-	-	(7,625,710)	(7,625,710)
Shares issued during the year (see Note 12)	7,000,000	-	-	7,000,000
Balance at 31 December 2020	<u>37,002,009</u>	<u>20,038,548</u>	<u>(69,756,976)</u>	<u>(12,716,419)</u>

The notes on pages 14 to 24 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

syncreon UK Holdings Limited, (the Company) is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is provided on the company information page.

The Company is an investment holding company within the syncreon Group as explained in the Strategic Report on pages 1 to 2.

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the Group accounts of Dubai World Corporation. The Group accounts of Dubai World Corporation are available to the public and can be obtained as set out in Note 14.

2. Accounting Policies

2.1 Basis of preparation of financial statements

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly these financial statements were prepared in accordance with Financial Reporting 101 'Reduced Disclosure Framework' (see Note 2.2 for disclosure exemptions availed).

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see Note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of paragraph 33(c) of IFRS 5 Non-Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting Policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions (continued)

- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

Where relevant, equivalent disclosures have been given in the Group accounts of DP World Corporation. The Group accounts of DP World Corporation are available to the public and can be obtained as set out in Note 14.

2.3 Going concern

The financial statements have been prepared on a going concern basis.

Although the Company has high interest charges on outstanding loan balances, which have also led to net liabilities, the Company is considered to be a going concern as the nature of the Company's activities is linked to the activities of the syncreon Group undertakings. Based on the financial support that the Company receives from the syncreon Group, the Directors have reasonable expectation that the Company will continue in existence for the foreseeable future.

A letter of support has been made available from syncreon Treasury Services D.A.C. This Company operates the intra-group cash for the syncreon Group and has the funds available to meet the short-term cash requirements of the Company, therefore management feel this is most the appropriate Company to offer this letter of support. There are existing formal arrangements in place between syncreon Treasury Services D.A.C. and syncreon UK Holdings Limited whereby the policy is to provide support to the Company in order to continue to operate as a going concern.

Given the Company is an integrated part of the wider Group, and is party to a legally binding cash pooling agreement, the Directors have sought confirmation from the treasury company that it would continue to provide support, if the Company requires, to ensure the Company meets its obligations as they fall due.

Given the overall current financial position of the Group, there are no plans to change the activities of the Company and the intention is to continue to support the operational existence of the Company, therefore Directors deemed it appropriate to adopt the going concern basis in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting Policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is pounds sterling.

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 except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'administrative expenses'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 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.

2.7 Taxation

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 Balance Sheet date in the countries where the Company operates and generates income. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items that are never taxable or deductible.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting Policies (continued)

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

At each Balance Sheet date, the Company reviews the carrying amounts of its investment in subsidiaries 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 to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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.

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.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting Policies (continued)

2.11 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual term expire. The Company's accounting policies in respect of financial instruments transactions are explained below.

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such as provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance Sheet.

2.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.13 Share premium

Amounts in excess of the nominal value of share capital paid to the Company for the purchase of shares are classed as share premium within equity in the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting Policies (continued)

2.14 Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company accounting policies, which are described in Note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following judgements have had the most significant effect on amounts recognised in the financial statements.

Impairment of investments

The Company conducts impairment reviews of investments in subsidiaries to determine whether their carrying amounts may not be recoverable, on an annual basis. Determining whether an investment is impaired requires an estimation of the recoverable amount, being the fair value less costs to sell (Level 3 of Fair value hierarchy), which requires assumptions by the Company to calculate the value of the cash-generating unit. The impairment analysis is calculated based on the EBITDA multiple for comparative companies.

Key sources of estimation uncertainty

There are no assumptions concerning the future or other sources of uncertainty at the Balance Sheet date that have a significant risk of causing material adjustment to the carrying value of the assets and liabilities within the next financial year.

4. Auditor's remuneration

The Company paid the following amounts to its auditor in respect of the audit of the financial statements and for other services provided to the Company:

	2021 £	2020 £
Fees for auditing of the financial statements	5,400	5,120
	<u>5,400</u>	<u>5,120</u>

There were no fees incurred for non-audit services during the year (2020: £Nil).

SYNCREON UK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. Employees

The Company has no employees other than the Directors, who did not receive any remuneration (2020: £Nil).

6. Interest payable and similar expenses

	2021 £	2020 £
Loans from group undertakings	1,958,771	2,603,012
	<u>1,958,771</u>	<u>2,603,012</u>

7. Tax on loss

	2021 £	2020 £
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on loss	-	-

SYNCREON UK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Tax on loss (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2020: *lower than*) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Loss before tax	(1,968,596)	(7,625,710)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(374,033)	(1,448,885)
Effects of:		
Expenses not deductible	142	953,467
Utilisation of losses through Group relief	373,347	293,272
Amounts not recognised	544	202,146
Total tax charge for the year	-	-

Unrecognised deferred tax

Unrecognised deferred tax of £3,510,650 (2020: £2,724,662) relates to losses carried forward of £808,019 (2020: £614,094) and interest restriction expenses of £2,702,631 (2020: £2,110,568). The restricted amounts are carried forward indefinitely and can potentially be utilised in subsequent periods to the extent that there is an excess interest allowance available.

Factors that may affect future tax charges

In the UK Budget Statement on 3 March 2021 the Chancellor announced that the main rate of corporation tax will rise to 25% with effect from 1 April 2023 for companies earning annual taxable profits in excess of £250,000. The Finance Act 2021, which incorporates this announcement, was substantively enacted on 24 May 2021.

8. Loss for the financial year

Loss for the financial year has been arrived at after charging/(crediting):

	2021 £	2020 £
Impairment of investments	-	5,018,243
Net foreign exchange gains	-	(4,411)

SYNCREON UK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	25,774,917
At 31 December 2021	25,774,917
Net book value	
At 31 December 2021	25,774,917
At 31 December 2020	25,774,917

Impairment review

The impairment review was undertaken on 31 December 2021, it was concluded that the performance of the trading companies were in line with expectations, therefore there has been no impairment in the financial year.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Direct holding
syncreon Technology (UK) Ltd	Unit 5 Logix Road, R D Park, Watling Street, Hinckley, Leicestershire, LE10 3BQ	Transport and logistics	Ordinary shares	100%
syncreon Automotive (UK) Ltd	Unit 5 Logix Road, R D Park, Watling Street, Hinckley, Leicestershire, LE10 3BQ	Transport and logistics	Ordinary shares	100%
syncreon Asia Holdings (UK) Limited	C/o syncreon Technology, Unit 5 Logix Road, R D Park, Hinckley, Leicestershire, LE10 3BQ	Holding Company	Ordinary shares	100%

SYNCREON UK HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Debtors

	2021 £	2020 £
Amounts owed by group undertakings	-	19,464
Other debtors	113	113
	<u>113</u>	<u>19,577</u>

Amounts owed by Group undertakings include outstanding intercompany loans receivable from syncreon Treasury Services D.A.C., for cash pooling arrangements, of £Nil (2020: £19,464) which are unsecured, not subject to interest and are repayable on demand.

11. Creditors: Amounts falling due within one year

	2021 £	2020 £
Amounts owed to group undertakings	40,451,325	38,502,513
Other creditors	8,720	8,400
	<u>40,460,045</u>	<u>38,510,913</u>

Amounts owed to Group undertakings include outstanding intercompany loans (including interest) payable to syncreon International Group of £40,444,825 (2020: £38,484,915) which are unsecured, subject to interest at 8.5% (2020: 8.5%) and are repayable on demand. The remaining balance owed for Group undertakings are in respect of management charges and other trade services, due within 90 days, upon which no interest is charged.

12. Share capital

	2021 £	2020 £
Authorised		
37,002,010 (2020: 37,002,010) Ordinary shares of £1.00 each	<u>37,002,010</u>	<u>37,002,010</u>
Allotted, called up and fully paid		
37,002,009 (2020: 37,002,009) Ordinary shares of £1.00 each	<u>37,002,009</u>	<u>37,002,009</u>

SYNCREON UK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

13. Reserves

Share premium account

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

Profit and loss account

The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments.

14. Controlling party

The Ultimate Parent Company and controlling party of syncreon UK Holdings Limited is Dubai World Corporation, a company incorporated in the United Arab Emirates (registered office: 5th Floor, LOB 17, Jebel Ali Free Zone, PO BOX 17000, Dubai, United Arab Emirates).

The Company regards syncreon International Group, a company incorporated in Ireland, as the immediate parent undertaking.

The parent company of the smallest and largest group to consolidate these financial statements is Dubai World Corporation, a company incorporated in the United Arab Emirates. Copies of these consolidated financial statements can be obtained from the website of Dubai World corporation, section Investor relations.

syncreon UK Holdings Limited has availed of the following exemption - preparation of consolidated financial statements (E.U 7th Directive).

This exemption is available as 100% of syncreon UK Holdings Limited's voting rights are controlled within the syncreon group and the consolidated financial statements of Dubai World Corporation (in which syncreon UK Holdings Limited is included) are publicly available.