

COMPANY REGISTRATION NUMBER: 09100943

Expert System Cogito Ltd
Financial Statements
31 December 2022



LEAMAN MATTEI
Chartered accountants & statutory auditor
Suite 1, First floor
1 Duchess Street
London
W1W 6AN

Expert System Cogito Ltd

Financial Statements

Year ended 31 December 2022

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Expert System Cogito Ltd

Director's Report

Year ended 31 December 2022

The director presents his report and the financial statements of the company for the year ended 31 December 2022.

Principal activities

The principal activity of the company during the year was the development of semantic technology and applications.

Directors

The directors who served the company during the year were as follows:

Mr S Spaggiari	(Appointed 4 November 2022)
Mr M Pellacani	(Resigned 4 November 2022)

Director's responsibilities statement

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

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

The director is 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. He is 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.

Auditor

Leaman Mattei, were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Each of the persons who is a director at the date of approval of this report confirms that:

So far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and

They have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Expert System Cogito Ltd

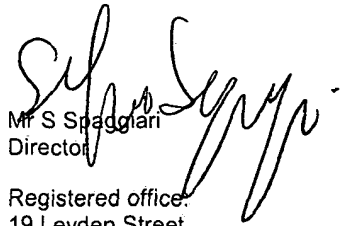
Director's Report *(continued)*

Year ended 31 December 2022

Small company provisions

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

This report was approved by the board of directors on 28 March 2023 and signed on behalf of the board by:



Mr S Spadgiani
Director

Registered office:
19 Leyden Street
London
England
E1 7LE

Expert System Cogito Ltd

Independent Auditor's Report to the Members of Expert System Cogito Ltd

Year ended 31 December 2022

Opinion

We have audited the financial statements of Expert System Cogito Ltd (the 'company') for the year ended 31 December 2022 which comprise the statement of income and retained earnings, statement of financial position and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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.

In forming our opinion, we have also considered the adequacy of the disclosure made in note 3 of the financial statements concerning the liabilities of the company and the availability of the funds to fulfill the company's obligations. In view of the significance of this matter we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Expert System Cogito Ltd

Independent Auditor's Report to the Members of Expert System Cogito Ltd (continued)

Year ended 31 December 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was 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 director's report and from the requirement to prepare a strategic report.

Expert System Cogito Ltd

Independent Auditor's Report to the Members of Expert System Cogito Ltd (continued)

Year ended 31 December 2022

Responsibilities of the director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Expert System Cogito Ltd

Independent Auditor's Report to the Members of Expert System Cogito Ltd

(continued)

Year ended 31 December 2022

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

The extent to which the audit was considered capable of detecting irregularities including fraud

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:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operation of the company, including the Companies Act 2006, taxation legislation, data protection, employment, environmental and health and safety legislation;
- we assessed the extent of non-compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence

We assess 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;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical review procedures to identify any unusual or unexpected relationships;
 - tested journal entries to identify unusual transactions;
 - assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
-

Expert System Cogito Ltd

Independent Auditor's Report to the Members of Expert System Cogito Ltd

(continued)

Year ended 31 December 2022

- investigated the rationale behind significant or unusual transactions

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 the financial disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual or potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx.

This description forms part of our auditor's report.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

Expert System Cogito Ltd

Independent Auditor's Report to the Members of Expert System Cogito Ltd (continued)

Year ended 31 December 2022

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Paul Mattei (Senior Statutory Auditor)

For and on behalf of
Leaman Mattei
Chartered accountants & statutory auditor
Suite 1, First floor
1 Duchess Street
London
W1W 6AN

29 March 2023

Expert System Cogito Ltd
Statement of Income and Retained Earnings
Year ended 31 December 2022

	Note	2022 £	2021 £
Turnover		1,143,354	1,051,118
Cost of sales		468,788	638,300
Gross profit		674,566	412,818
Administrative expenses		974,182	622,336
Operating loss		(299,616)	(209,518)
Interest payable and similar expenses		—	8,888
Loss before taxation	6	(299,616)	(218,406)
Tax on loss		—	—
Loss for the financial year and total comprehensive income		(299,616)	(218,406)
Retained losses at the start of the year		(1,606,717)	(1,388,311)
Retained losses at the end of the year		(1,906,333)	(1,606,717)

All the activities of the company are from continuing operations.

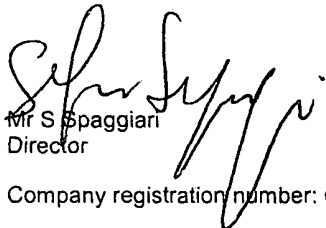
The notes on pages 11 to 16 form part of these financial statements.

Expert System Cogito Ltd
Statement of Financial Position
31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	7	3,092	3,092
Tangible assets	8	1,350	1,189
		<u>4,442</u>	<u>4,281</u>
Current assets			
Debtors	9	1,314,614	928,287
Cash at bank and in hand		179,643	119,828
		<u>1,494,257</u>	<u>1,048,115</u>
Creditors: amounts falling due within one year	10	2,801,048	2,061,231
Net current liabilities		<u>1,306,791</u>	<u>1,013,116</u>
Total assets less current liabilities		(1,302,349)	(1,008,835)
Creditors: amounts falling due after more than one year	11	602,984	596,882
Net liabilities		<u>(1,905,333)</u>	<u>(1,605,717)</u>
Capital and reserves			
Called up share capital	12	1,000	1,000
Profit and loss account		<u>(1,906,333)</u>	<u>(1,606,717)</u>
Shareholders deficit		<u>(1,905,333)</u>	<u>(1,605,717)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 28 March 2023, and are signed on behalf of the board by:


Mr S Spaggiari
Director

Company registration number: 09100943

The notes on pages 11 to 16 form part of these financial statements.

Expert System Cogito Ltd
Notes to the Financial Statements
Year ended 31 December 2022

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 19 Leyden Street, London, E1 7LE, England.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. If the company were unable to continue for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of assets to their recoverable amounts and to provide for any further liabilities that might arise.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered, stated net of discounts and of Value Added Tax.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Expert System Cogito Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Intangible assets *(continued)*

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 25% straight line
Equipment	- 33% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Expert System Cogito Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Auditor's remuneration

	2022	2021
	£	£
Fees payable for the audit of the financial statements	<u>6,000</u>	<u>5,750</u>

Expert System Cogito Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

5. Employee numbers

The average number of persons employed by the company during the year amounted to 2 (2021: 2).

6. Profit before taxation

Profit before taxation is stated after charging:

	2022 £	2021 £
Depreciation of tangible assets	987	1,265

7. Intangible assets

	Software £
Cost	
At 1 January 2022 and 31 December 2022	3,092
Amortisation	
At 1 January 2022 and 31 December 2022	—
Carrying amount	
At 31 December 2022	3,092
At 31 December 2021	3,092

8. Tangible assets

	Plant and machinery £	Equipment £	Total £
Cost			
At 1 January 2022	425	6,409	6,834
Additions	—	1,148	1,148
At 31 December 2022	425	7,557	7,982
Depreciation			
At 1 January 2022	425	5,220	5,645
Charge for the year	—	987	987
At 31 December 2022	425	6,207	6,632
Carrying amount			
At 31 December 2022	—	1,350	1,350
At 31 December 2021	—	1,189	1,189

Expert System Cogito Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

9. Debtors

	2022	2021
	£	£
Trade debtors	260,412	66,240
Amounts owed by group undertakings and undertakings in which the company has a participating interest	85,625	232,801
Other debtors	968,577	629,246
	<u>1,314,614</u>	<u>928,287</u>

10. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	12,332	17,012
Amounts owed to group undertakings and undertakings in which the company has a participating interest	2,684,565	2,020,759
Social security and other taxes	87,202	11,210
Other creditors	16,949	12,250
	<u>2,801,048</u>	<u>2,061,231</u>

11. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Amounts owed to group undertakings and undertakings in which the company has a participating interest	596,882	596,882
Other creditors	6,102	—
	<u>602,984</u>	<u>596,882</u>

12. Called up share capital

	2022	2021
	£	£
Allotted, called up and fully paid 1,000 Ordinary shares of £1 each	1,000	1,000

13. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Not later than 1 year	—	29,670

Expert System Cogito Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

14. Related party transactions

During the year technical consulting services to the value of £211,369 (2021: £163,644) and software licenses to the value of £217,500 (2021: £184,466), maintenance to the value £nil (2021: £15,859) and various refunds to the value £202,415 (2021: £63,555) were provided by the parent company.

The parent company also provided a loan of £596,882 (2021: £596,882). Interest was charged on the outstanding loan balance as well as the outstanding trading debt totaling £nil (2021: £8,888).

At 31st December 2022 the balance due to the parent was £1,582,918 (2021: £2,174,211).

During the year Expert System Cogito Ltd charged commission to the value of £nil (2021: £8,687) to the parent company.

During the year technical consulting services to the value of £24,553 (2021: £87,400) were provided by Expert System France, an associate company.

At 31st December 2022 the balance due to Expert System France was £309,378 (2021: £217,948).

During the year technical consulting services to the value of £nil (2021: £131,196) were provided by Expert System Enterprise Corp, an associate company.

At 31st December 2022 the balance due to Expert System Enterprise Corp was £284,890 (2021: £170,858).

During the year technical consulting services to the value of £nil (2021: £6,833) were provided by Expert System Helvetia, an associate company.

At 31st December 2022 the balance due to Expert System Helvetia was £17,951 (2021: £16,275).

During the year technical consulting services to the value of £9,384 (2021: £18,521) were provided by Expert System GMBH, an associate company.

At 31st December 2022 the balance due to Expert System GMBH was £47,284 (2021: £36,537).

During the year technical consulting services to the value of £3,246 (2021: £1,393) were provided by Expert System Iberia, an associate company.

At 31st December 2022 the balance due to Expert System Iberia was £1,912 (2021: £1,813).

15. Controlling party

The company's immediate parent is Expert.ai S.p.A., incorporated in Italy at Via F. Zeni, 8, 38068 Rovereto, Trento (TN).

Expert System Cogito Ltd

Management Information

Year ended 31 December 2022

The following pages do not form part of the financial statements.

Expert System Cogito Ltd

Detailed Income Statement

Year ended 31 December 2022

	2022 £	2021 £
Turnover		
Sales	725,000	725,499
Fees	248,120	316,932
Reimbursed expenses	170,234	8,687
	<u>1,143,354</u>	<u>1,051,118</u>
 Cost of sales		
Direct costs	468,788	638,300
	<u>674,566</u>	<u>412,818</u>
Gross profit		
 Overheads		
Administrative expenses	974,182	622,336
	<u>(299,616)</u>	<u>(209,518)</u>
Operating loss		
Interest payable and similar expenses	—	(8,888)
	<u>(299,616)</u>	<u>(218,406)</u>
Loss before taxation		

Expert System Cogito Ltd
Notes to the Detailed Income Statement
Year ended 31 December 2022

	2022	2021
	£	£
Administrative expenses		
Wages and salaries	298,071	180,914
Pensions	1,046	991
Employer's NI	46,326	18,355
Sales commissions	74,153	–
Entertainment	2,601	(2,468)
Rent	33,901	44,955
Rates	1,397	764
Light and heat	1,763	1,064
Telephone and Fax	720	530
Postage	–	10
Subscriptions	–	2,750
Bank charges	309	262
Insurance	1,588	2,202
Software	513	953
Accountancy fees	9,601	8,342
Consultancy fees	391,469	308,143
Advertising and PR	36,100	(283)
Other legal and professional	3,271	16,894
Travel and Subsistence	4,911	2,022
Temporary staff and recruitment	18,316	12,607
Fines and penalties	2,471	–
Auditors remuneration	7,200	12,250
Depreciation of tangible assets	987	1,265
Loss due to foreign exchange differences	37,468	9,814
	<u>974,182</u>	<u>622,336</u>
Interest payable and similar expenses		
Other interest payable and similar charges	<u>–</u>	<u>8,888</u>