

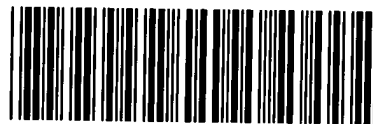
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REGISTERED NUMBER: 07697935 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
FOR
SYNDICATE ROOM LTD**

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FOR THE YEAR ENDED 31 DECEMBER 2018**

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SYNDICATE ROOM LTD

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018**

DIRECTORS:

G Vasconcelos
D E Gill
T Britton
P T Bellis
Dr J Milner

REGISTERED OFFICE:

The Pitt Building
Trumpington Street
Cambridge
CB2 1RP

REGISTERED NUMBER:

07697935 (England and Wales)

AUDITORS:

Chater Allan LLP
Chartered Accountants
& Statutory Auditors
Beech House
4a Newmarket Road
Cambridge
Cambridgeshire
CB5 8DT

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their strategic report for the year ended 31 December 2018.

REVIEW OF BUSINESS

The company has continued to increase the number of companies that raised finance through the platform. This resulted in an overall increase in revenue of c30% between the year under review and the previous period. Costs were kept under tight control and remained virtually the same as the previous period as a result of the continuation of the focus on ongoing improvement of internal processes and increase internal efficiencies.

Fund Twenty8 raised c£3.8m, confirming its success as a product. The fund is not meant to, and does not, represent a significant source of revenue to the business. The main added value is the marketing element of attracting more companies due to the availability of a fund to leverage the platform. The company expects to raise capital for funds on a quarterly basis in 2019.

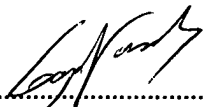
During the year under review the company went through a review of its value proposition. As a result of this review the company is taking steps that are likely to result in a change of the strategic approach to fund raising, shifting the focus from the companies to the lead investors instead. Whilst this is still work in progress that will extend into 2019, it is becoming increasingly apparent that a greater focus will be placed on partnering with top quality lead investors and push to have access to as much of their deal flow as possible rather than focusing on a company by company as it has been happening to date. The impact of such change may be significant from an internal structure and how the team approaches business development and sales but the impact will be less visible outside of SR from the clients' perspective other than a hopefully significant improvement in customer service due to the speed and simplicity of dealing with SR in future funding rounds.

PRINCIPAL RISKS AND UNCERTAINTIES

The company measures its performance by the number of new and repeat investors, the number of companies successfully raising funds, the total raised into the funds, and the total invested into deals on the platform. These represent the main drivers of revenue for the business and so are leading indicators of future income. Assets under management is also tracked, as a lagging indicator, and this increased c60% from the previous year. Overall, indicators remained strong throughout the previous year and will continue to be the main measures of performance going into 2019.

The competitive risks to SyndicateRoom have remained the same as previous years as the company occupies a more niche position in the crowdfunding market. The mass market crowdfunders typically target a different investor and company base. Although some have made attempts to raise formal funds, they have not been able to reach the scale of Fund Twenty8. SyndicateRoom faces more competition from angels and venture capitalists in investing in attractive deals and is pursuing its improved value proposition to gain access to the best deals for investors. With regards to other risks, the EIS regulation has changed only slightly, enabling further investment into knowledge intensive companies and preventing investments into asset-backed enterprises (which do not currently receive any investment through SyndicateRoom). The underlying performance of the portfolio will represent an ongoing risk for the company, as poor performance may deter future investors and reduce potential revenue, but thus far the total growth has been positive and beneficial to the company.

ON BEHALF OF THE BOARD:



.....
G Vasconcelos - Director

Date: 12/4/2019

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of an online investment platform for private investors and institutional investors to co-invest in private companies alongside seasoned investors. The company also had a minor activity of running two EIS funds called Fund Twenty8 and Growth Fund which accounted for around 15% of the overall revenues of the company.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2018.

RESEARCH AND DEVELOPMENT

Expenditure on research is written off in the year in which it is incurred.

Expenditure on development costs, where it meets the criteria for capitalisation in accordance with IAS 38, is capitalised and amortised over the period revenues are expected to be received. Where development costs do not meet the criteria for capitalisation, as set out in IAS 38, the expenditure is written off in the year in which it is incurred.

During the year development expenditure that met the criteria of capitalisation of £Nil was incurred .

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

G Vasconcelos
D E Gill
T Britton
P T Bellis
Dr J Milner

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 International Financial Reporting Standards as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

SYNDICATE ROOM LTD (REGISTERED NUMBER: 07697935)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018**

AUDITORS

The auditors, Chater Allan LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....

G Vasconcelos - Director

Date: 18/4/19

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SYNDICATE ROOM LTD

Opinion

We have audited the financial statements of Syndicate Room Ltd (the 'company') for the year ended 31 December 2018 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SYNDICATE ROOM LTD

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 Strategic Report or the Report of the Directors.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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 a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Stuart Graham Berriman FCCA FCA (Senior Statutory Auditor)
for and on behalf of Chater Allan LLP
Chartered Accountants
& Statutory Auditors
Beech House
4a Newmarket Road
Cambridge
Cambridgeshire
CB5 8DT

Date: 24 April 2019

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
CONTINUING OPERATIONS			
Revenue		1,036,535	804,245
Administrative expenses		(1,940,913)	(1,902,922)
OPERATING LOSS		(904,378)	(1,098,677)
Finance income	4	1,618	12
LOSS BEFORE INCOME TAX	5	(902,760)	(1,098,665)
Income tax	6	(5,455)	20,054
LOSS FOR THE YEAR		(908,215)	(1,078,611)
OTHER COMPREHENSIVE INCOME			
Item that may be reclassified subsequently to profit or loss:			
Share options granted		78,883	40,672
Income tax relating to item that may be reclassified subsequently to profit or loss		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		78,883	40,672
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(829,332)	(1,037,939)

**STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2018**

	Notes	2018 £	2017 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	7	218,429	218,429
Property, plant and equipment	8	30,427	46,979
Trade and other receivables	9	42,732	42,732
		<u>291,588</u>	<u>308,140</u>
CURRENT ASSETS			
Trade and other receivables	9	48,212	157,506
Tax receivable		3,349	20,326
Cash and cash equivalents	10	2,809,119	203,883
		<u>2,860,680</u>	<u>381,715</u>
TOTAL ASSETS		<u><u>3,152,268</u></u>	<u><u>689,855</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	11	2,530	2,530
Share premium	12	1,924,477	1,924,477
Retained earnings	12	(4,348,673)	(3,519,341)
TOTAL EQUITY		<u>(2,421,666)</u>	<u>(1,592,334)</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	5,573,934	2,282,168
Financial liabilities - borrowings			
Bank overdrafts	14	-	21
		<u>5,573,934</u>	<u>2,282,189</u>
TOTAL LIABILITIES		<u>5,573,934</u>	<u>2,282,189</u>
TOTAL EQUITY AND LIABILITIES		<u><u>3,152,268</u></u>	<u><u>689,855</u></u>

The financial statements were approved by the Board of Directors on 18/4/2019 and were signed on its behalf by:



.....
G Vasconcelos - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2017	2,530	(2,481,402)	1,924,477	(554,395)
Changes in equity				
Total comprehensive loss	-	(1,037,939)	-	(1,037,939)
Balance at 31 December 2017	<u>2,530</u>	<u>(3,519,341)</u>	<u>1,924,477</u>	<u>(1,592,334)</u>
Changes in equity				
Total comprehensive loss	-	(829,332)	-	(829,332)
Balance at 31 December 2018	<u>2,530</u>	<u>(4,348,673)</u>	<u>1,924,477</u>	<u>(2,421,666)</u>

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	2,046,347	(1,203,302)
Tax paid		11,522	97,649
Net cash from operating activities		<u>2,057,869</u>	<u>(1,105,653)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(4,230)	(43,938)
Interest received		1,618	12
Net cash from investing activities		<u>(2,612)</u>	<u>(43,926)</u>
Cash flows from financing activities			
New loans in year		550,000	1,319,023
Net cash from financing activities		<u>550,000</u>	<u>1,319,023</u>
Increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year	2	203,862	34,418
Cash and cash equivalents at end of year	2	<u><u>2,809,119</u></u>	<u><u>203,862</u></u>

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2018 £	2017 £
Loss before income tax	(902,760)	(1,098,665)
Depreciation charges	16,685	14,579
Loss on disposal of fixed assets	4,097	-
Share options granted	78,883	40,672
Impairment losses	-	45,264
Finance income	(1,618)	(12)
	<u>(804,713)</u>	<u>(998,162)</u>
Decrease/(increase) in trade and other receivables	109,294	(120,472)
Increase/(decrease) in trade and other payables	2,741,766	(84,668)
Cash generated from operations	<u><u>2,046,347</u></u>	<u><u>(1,203,302)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2018

	31/12/18 £	1/1/18 £
Cash and cash equivalents	2,809,119	203,883
Bank overdrafts	-	(21)
	<u><u>2,809,119</u></u>	<u><u>203,862</u></u>

Year ended 31 December 2017

	31/12/17 £	1/1/17 £
Cash and cash equivalents	203,883	34,418
Bank overdrafts	(21)	-
	<u><u>203,862</u></u>	<u><u>34,418</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. STATUTORY INFORMATION

Syndicate Room Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Critical accounting judgements and key sources of estimation uncertainty

The directors make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

The directors are of the opinion that the fair value of Share Options granted, as disclosed in note 18 to the financial statements, are not materially different from the market value of the underlying Ordinary Shares as at the date of grant of the Options. Any differences between the market value of the underlying shares and the fair value of the Options would impact on the carrying amount of reserves.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Income from set-up fees is recognised when a fund-raising contract has been signed with a client company. Income arising as a result of successful fund raising by a client company is recognised when cleared funds have been received from investors.

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Fixtures and fittings	- 25% on cost
Computer equipment	- 33% on cost and 25% on cost

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Research and development

Expenditure on research is written off in the year in which it is incurred.

Expenditure on development costs, where it meets the criteria for capitalisation in accordance with IAS 38, is capitalised and amortised over the period revenues are expected to be received. Where development costs do not meet the criteria for capitalisation, as set out in IAS 38, the expenditure is written off in the year in which it is incurred.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Going concern

The directors have considered the financial position of the company and believe it is well placed to manage its business risks successfully. The parent undertaking, Syndicate Room Group Ltd, has agreed to continue to support the company both in terms of not demanding repayment of amounts due to it until the company has sufficient resources to settle all debts and by further financial support if required. The directors have a reasonable expectation therefore that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of preparation in preparing the financial statements.

3. EMPLOYEES AND DIRECTORS

	2018 £	2017 £
Wages and salaries	993,648	931,887
Social security costs	115,742	118,953
Other pension costs	23,352	7,368
	<u>1,132,742</u>	<u>1,058,208</u>

The average number of employees during the year was as follows:

	2018	2017
Directors	2	2
Technical and administration	22	20
	<u>24</u>	<u>22</u>

	2018 £	2017 £
Directors' remuneration	<u>133,630</u>	<u>106,250</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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4. NET FINANCE INCOME

	2018 £	2017 £
Finance income:		
Deposit account interest	<u>1,618</u>	<u>12</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging/(crediting):

	2018 £	2017 £
Other operating leases	112,156	95,007
Depreciation - owned assets	16,685	14,579
Loss on disposal of fixed assets	4,097	-
Auditors' remuneration	10,000	9,240
Foreign exchange differences	(1,633)	(2,692)
Directors and officers liability insurance	1,125	1,125
Research and development	10,042	60,946
Impairment of development costs capitalised	-	45,264
	<u> </u>	<u> </u>

6. INCOME TAX

Analysis of tax expense/(income)

	2018 £	2017 £
Current tax:		
Tax	(3,243)	(20,054)
(Over)/under tax provision	8,698	-
	<u> </u>	<u> </u>
Total tax expense/(income) in statement of profit or loss and other comprehensive income	<u>5,455</u>	<u>(20,054)</u>

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £	2017 £
Loss before income tax	<u>(902,760)</u>	<u>(1,098,665)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19%)	(171,524)	(208,746)
Effects of:		
Depreciation in excess of capital allowances	3,145	2,943
Expenditure not allowed for tax purposes (primarily share options)	15,844	10,252
Enhanced research and development expenditure net of losses surrendered	1,908	11,580
Tax losses carried forward to set against future taxable profits	150,363	182,911
Research and development tax credit	(3,349)	(20,326)
Overseas tax	106	272
Group relief claim	264	1,060
Over provision of tax credit in previous year	8,698	-
	<u> </u>	<u> </u>
Tax expense/(income)	<u>5,455</u>	<u>(20,054)</u>

The Company has circa £4.2mn of taxable losses to carry forward and set against future taxable profits. A potential deferred tax asset of circa. £806k has not been included for these losses due to the uncertainty of the timing and recoverability.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. INTANGIBLE ASSETS

	Development costs £
COST	
At 1 January 2018 and 31 December 2018	<u>263,693</u>
AMORTISATION	
At 1 January 2018 and 31 December 2018	<u>45,264</u>
NET BOOK VALUE	
At 31 December 2018	<u><u>218,429</u></u>
At 31 December 2017	<u><u>218,429</u></u>

The intangible asset relates to internally generated development costs. The intangible asset is deemed to have an indefinite useful economic life and therefore amortisation is only charged where specific expenditure is deemed to have a shorter life. The intangible asset is reviewed for impairment on an annual basis.

8. PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2018	34,135	34,433	68,568
Additions	-	4,230	4,230
Disposals	-	(11,198)	(11,198)
At 31 December 2018	<u>34,135</u>	<u>27,465</u>	<u>61,600</u>
DEPRECIATION			
At 1 January 2018	7,306	14,283	21,589
Charge for year	8,444	8,241	16,685
Eliminated on disposal	-	(7,101)	(7,101)
At 31 December 2018	<u>15,750</u>	<u>15,423</u>	<u>31,173</u>
NET BOOK VALUE			
At 31 December 2018	<u><u>18,385</u></u>	<u><u>12,042</u></u>	<u><u>30,427</u></u>
At 31 December 2017	<u><u>26,829</u></u>	<u><u>20,150</u></u>	<u><u>46,979</u></u>

9. TRADE AND OTHER RECEIVABLES

	2018 £	2017 £
Current:		
Trade debtors	33,010	25,801
Other debtors	-	108,217
VAT	991	-
Prepayments and accrued income	14,211	23,488
	<u><u>48,212</u></u>	<u><u>157,506</u></u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. TRADE AND OTHER RECEIVABLES - continued

	2018 £	2017 £
Non-current:		
Other debtors	<u>42,732</u>	<u>42,732</u>
Aggregate amounts	<u>90,944</u>	<u>200,238</u>

10. CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	-	71
Bank accounts	<u>2,809,119</u>	<u>203,812</u>
	<u>2,809,119</u>	<u>203,883</u>

Included above are monies held in client bank accounts totalling £2,775,003; see note 13 for the corresponding liability.

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2018	2017
Number:	Class:	Nominal value:	£	£
2,530	Ordinary	£0.001	<u>2,530</u>	<u>2,530</u>

The Ordinary shares have the following rights:

- A right to vote based on one share one vote;
- A right to participate in a dividend distribution;
- A right to participate in a capital distribution in the event of a winding up.

12. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 January 2018	(3,519,341)	1,924,477	(1,594,864)
Deficit for the year	(908,215)		(908,215)
Share options granted	78,883	-	78,883
At 31 December 2018	<u>(4,348,673)</u>	<u>1,924,477</u>	<u>(2,424,196)</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. TRADE AND OTHER PAYABLES

	2018 £	2017 £
Current:		
Trade creditors	13,746	32,540
Amounts owed to group undertakings	2,724,175	2,174,175
Social security and other taxes	26,240	31,058
Other creditors	2,781,676	2,244
Accruals and deferred income	28,097	42,151
	<u>5,573,934</u>	<u>2,282,168</u>

Included in "Other creditors" above are amounts held in client bank accounts totalling £2,775,003.

14. FINANCIAL LIABILITIES - BORROWINGS

	2018 £	2017 £
Current:		
Bank overdrafts	-	21
	<u>-</u>	<u>21</u>

15. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018 £	2017 £
Within one year	102,556	102,556
Between one and five years	205,111	307,669
	<u>307,667</u>	<u>410,225</u>

16. ULTIMATE PARENT COMPANY

The ultimate parent company is Syndicate Room Group Ltd, a company incorporated in England and Wales, registration number 10124624. The registered office of Syndicate Room Group Ltd is, The Pitt Building, Trumpington Street, Cambridge, United Kingdom, CB2 1RP.

17. RELATED PARTY DISCLOSURES

The company is controlled by Syndicate Room Group Ltd.

During the year ended 31 December 2015 the company established a registered Branch in Portugal, "SyndicateRoom Ltd - Sucursal em Portugal". The Branch is wholly owned by Syndicate Room Ltd. the accounts for Syndicate Room Ltd reflect all of the transactions that have gone through the Portuguese Branch. The Branch was closed during the year ended 31 December 2018.

At the year end Syndicate Room Ltd owed its parent undertaking, Syndicate Room Group Ltd £2,724,175.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**

18. SHARE-BASED PAYMENT TRANSACTIONS

In 2015 the company established an Enterprise Management Investment Share Option Scheme. The Scheme was established to recruit, motivate and retain key permanent employees.

At 31 December 2017, 255,120 EMI share options were outstanding at an exercise price of between £0.001 and £1.04. During the year 179,715 EMI options were issued at an exercise price of £1.04, 126,870 options were cancelled, no options were exercised, and 25,548 options lapsed. At 31 December 2018, 282,417 EMI share options were outstanding at an exercise price of between £0.001 and £1.04.

EMI Share Options have varying vesting dates including, the first anniversary of the date of grant, at a rate of 20,000 at each anniversary from the date of grant of 100,000 EMI Share Options granted on 19 April 2016, and at a varying rate of options granted, on 1 January each year thereafter, based on employee performance.

The Company also operates an unapproved Share Option Scheme. At 31 December 2017, 64,136 share options were in issue with an exercise price of between £0.34 and £1.04. 63,636 share options were cancelled during the year and no share options were granted, exercised or lapsed. At 31 December 2018, 500 share options were in issue with an exercise price of £1.04.