

REGISTERED NUMBER: 07697935 (England and Wales)

REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
FOR
SYNDICATE ROOM LTD



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FOR THE YEAR ENDED 31 DECEMBER 2016**

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SYNDICATE ROOM LTD

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016**

DIRECTORS:

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

REGISTERED OFFICE:

First Floor
Essex House
71 Regents Street
Cambridge
CB2 1AB

REGISTERED NUMBER:

07697935 (England and Wales)

AUDITORS:

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

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of an online equity crowdfunding platform that allows its members to co-invest in startups with seasoned investors.

REVIEW OF BUSINESS

The company has continued to increase the number of companies that raised finance through its platform, and also to increase the number of investors using the platform for investing. The Company's platform has been improved, and it has had a new financial product added, Fund Twenty8, which is a fund which the company will manage and utilise by investing in appropriate companies that are raising money through the main platform. This fund closed to investment on 5th April 2017, successfully raising £4.5mn. The sum was significantly higher than initially estimated and the capital will be invested into companies raising via the platform between April 2017 and March 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 £171,819 was incurred .

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 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 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.

SYNDICATE ROOM LTD (REGISTERED NUMBER: 07697935)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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.

AUDITORS

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

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
G Vasconcelos - Director

Date: 24/02/2017

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

We have audited the financial statements of Syndicate Room Ltd for the year ended 31 December 2016 on pages six to seventeen. 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.

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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

Going Concern

The company's ability to continue as a going concern, as explained in Note 2 to the accounts, is dependent upon the continued support of its parent undertaking and the achievement of revenue forecasts as set out in its budget forecast. Our audit opinion is not qualified in this respect.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which we are required to report by exception

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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

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

A large, handwritten signature in black ink that reads "Chater Allan LLP". The signature is written in a cursive, flowing style.

Stuart Berriman (Senior Statutory Auditor)

Date: 7th August 2017

SYNDICATE ROOM LTD (REGISTERED NUMBER: 07697935)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

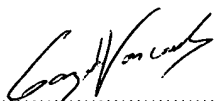
	Notes	2016 £	2015 as restated £
CONTINUING OPERATIONS			
Revenue		472,906	301,036
Administrative expenses		<u>(1,942,458)</u>	<u>(1,211,933)</u>
OPERATING LOSS		(1,469,552)	(910,897)
Finance costs	4	-	(4)
Finance income	4	<u>244</u>	<u>515</u>
LOSS BEFORE INCOME TAX	5	(1,469,308)	(910,386)
Income tax	6	<u>101,521</u>	<u>(4,003)</u>
LOSS FOR THE YEAR		(1,367,787)	(914,389)
OTHER COMPREHENSIVE INCOME			
Item that may be reclassified subsequently to profit or loss:			
Share options granted		128,337	1,782
Income tax relating to item		<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>128,337</u>	<u>1,782</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(1,239,450)	(912,607)
Prior year adjustment		<u>20,533</u>	<u>91,874</u>
TOTAL COMPREHENSIVE LOSS SINCE LAST ANNUAL REPORT		<u>(1,218,917)</u>	<u>(820,733)</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2016

	Notes	2016 £	2015 as restated £	2014 £
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	8	263,693	91,874	91,874
Property, plant and equipment	9	<u>17,620</u>	<u>17,911</u>	<u>5,435</u>
		<u>281,313</u>	<u>109,785</u>	<u>97,309</u>
CURRENT ASSETS				
Trade and other receivables	10	79,766	31,146	33,189
Tax receivable		97,921	9,576	9,978
Cash and cash equivalents	11	<u>34,418</u>	<u>613,777</u>	<u>265,420</u>
		<u>212,105</u>	<u>654,499</u>	<u>308,587</u>
TOTAL ASSETS		<u>493,418</u>	<u>764,284</u>	<u>405,896</u>
EQUITY				
SHAREHOLDERS' EQUITY				
Called up share capital	12	2,530	2,530	2,113
Share premium	13	1,924,477	1,924,477	724,891
Retained earnings	13	<u>(2,481,402)</u>	<u>(1,241,952)</u>	<u>(329,345)</u>
TOTAL EQUITY		<u>(554,395)</u>	<u>685,055</u>	<u>397,659</u>
LIABILITIES				
NON-CURRENT LIABILITIES				
Deferred tax	16	-	3,600	-
CURRENT LIABILITIES				
Trade and other payables	14	<u>1,047,813</u>	<u>75,629</u>	<u>8,237</u>
TOTAL LIABILITIES		<u>1,047,813</u>	<u>79,229</u>	<u>8,237</u>
TOTAL EQUITY AND LIABILITIES		<u>493,418</u>	<u>764,284</u>	<u>405,896</u>

The financial statements were approved by the Board of Directors on13/01/2017..... and were signed on its behalf by:



.....
G Vasconcelos - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2015	2,113	(421,219)	724,891	305,785
Prior year adjustment	-	91,874	-	91,874
As restated	<u>2,113</u>	<u>(329,345)</u>	<u>724,891</u>	<u>397,659</u>
Changes in equity				
Issue of share capital	417	-	1,199,586	1,200,003
Total comprehensive loss	-	(933,140)	-	(933,140)
Balance at 31 December 2015	<u>2,530</u>	<u>(1,262,485)</u>	<u>1,924,477</u>	<u>664,522</u>
Prior year adjustment	-	20,533	-	20,533
As restated	<u>2,530</u>	<u>(1,241,952)</u>	<u>1,924,477</u>	<u>685,055</u>
Changes in equity				
Total comprehensive loss	-	(1,239,450)	-	(1,239,450)
Balance at 31 December 2016	<u>2,530</u>	<u>(2,481,402)</u>	<u>1,924,477</u>	<u>(554,395)</u>

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

		2016	2015 as restated
		£	£
Cash flows from operating activities			
Cash generated from operations	1	(408,717)	(836,074)
Interest paid		-	(4)
Tax paid		<u>9,576</u>	<u>-</u>
Net cash from operating activities		<u>(399,141)</u>	<u>(836,078)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(171,819)	-
Purchase of tangible fixed assets		(8,643)	(15,554)
Interest received		<u>244</u>	<u>515</u>
Net cash from investing activities		<u>(180,218)</u>	<u>(15,039)</u>
Cash flows from financing activities			
Amount withdrawn by directors		-	(529)
Share issue		-	417
Share premium		<u>-</u>	<u>1,199,586</u>
Net cash from financing activities		<u>-</u>	<u>1,199,474</u>
(Decrease)/increase in cash and cash equivalents			
Cash and cash equivalents at beginning of year	2	<u>613,777</u>	<u>265,420</u>
Cash and cash equivalents at end of year	2	<u><u>34,418</u></u>	<u><u>613,777</u></u>

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

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

	2016	2015 as restated
	£	£
Loss before income tax	(1,469,308)	(910,386)
Depreciation charges	6,012	3,078
Loss on disposal of fixed assets	2,922	-
Share options granted	128,337	1,782
Finance costs	-	4
Finance income	<u>(244)</u>	<u>(515)</u>
	(1,332,281)	(906,037)
(Increase)/decrease in trade and other receivables	(48,620)	2,043
Increase in trade and other payables	<u>972,184</u>	<u>67,920</u>
Cash generated from operations	<u>(408,717)</u>	<u>(836,074)</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 2016

	31/12/16	1/1/16
	£	£
Cash and cash equivalents	<u>34,418</u>	<u>613,777</u>

Year ended 31 December 2015

	31/12/15	1/1/15
	as restated	as restated
	£	£
Cash and cash equivalents	<u>613,777</u>	<u>265,420</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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.

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	- 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.

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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES - continued

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

	2016	2015 as restated
	£	£
Wages and salaries	627,696	325,665
Social security costs	96,773	34,894
	<u>724,469</u>	<u>360,559</u>

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

	2016	2015 as restated
Directors	2	2
Technical and administration	20	9
	<u>22</u>	<u>11</u>

	2016	2015 as restated
	£	£
Directors' remuneration	<u>100,833</u>	<u>90,000</u>

4. NET FINANCE INCOME

	2016	2015 as restated
	£	£
Finance income:		
Deposit account interest	<u>244</u>	<u>515</u>
Finance costs:		
Bank interest	<u>-</u>	<u>4</u>
Net finance income	<u>244</u>	<u>511</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

5. LOSS BEFORE INCOME TAX

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

	2016	2015 as restated
	£	£
Other operating leases	24,066	22,370
Depreciation - owned assets	6,012	3,078
Loss on disposal of fixed assets	2,922	-
Auditors' remuneration	6,000	-
Foreign exchange differences	(4,673)	-
Directors and officers liability insurance	1,125	1,003
Research and development	<u>55,665</u>	<u>102,328</u>

6. INCOME TAX**Analysis of tax (income)/expense**

	2016	2015 as restated
	£	£
Current tax:		
Tax	(97,921)	403
Deferred tax	<u>(3,600)</u>	<u>3,600</u>
Total tax (income)/expense in statement of profit or loss and other comprehensive income	<u>(101,521)</u>	<u>4,003</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:

	2016	2015 as restated
	£	£
Loss before income tax	<u>(1,469,308)</u>	<u>(910,386)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	(293,862)	(182,077)
Effects of:		
Depreciation in excess of capital allowances	59	220
Expenditure not allowed for tax purposes (primarily share options)	26,019	970
Enhanced research and development expenditure net of losses surrendered	42,406	-
Development costs capitalised	(34,364)	-
Tax losses carried forward to set against future taxable profits	259,742	174,764
Research and development tax credit 2016 and 2015	(97,921)	-
Prior year adjustment	-	6,123
Over provision of tax credit in previous year	-	403
Deferred tax (credit)/charge	<u>(3,600)</u>	<u>3,600</u>
Tax (income)/expense	<u>(101,521)</u>	<u>4,003</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

6. INCOME TAX - continued

The Company has circa £2.54mn of taxable losses to carry forward and set against future taxable profits.

7. PRIOR YEAR ADJUSTMENT

The prior year adjustment relates the overstatement of income and debtors in 2015 of £25,100, the understatement of accruals of £19,091 and the understatement of Intangible assets of £64,724. The overall effect of the prior year adjustment was to increase Retained earnings by £20,533.

8. INTANGIBLE ASSETS

	Development costs £
COST	
At 1 January 2016	91,874
Additions	<u>171,819</u>
At 31 December 2016	<u>263,693</u>
NET BOOK VALUE	
At 31 December 2016	<u>263,693</u>
At 31 December 2015	<u>91,874</u>

The intangible asset relates to internally generated development costs. The intangible asset has an indefinite useful economic life and therefore no amortisation has been charged.

9. PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2016	3,886	17,710	21,596
Additions	-	8,643	8,643
Disposals	<u>(1,695)</u>	<u>(3,914)</u>	<u>(5,609)</u>
At 31 December 2016	<u>2,191</u>	<u>22,439</u>	<u>24,630</u>
DEPRECIATION			
At 1 January 2016	1,107	2,578	3,685
Charge for year	993	5,019	6,012
Eliminated on disposal	<u>(978)</u>	<u>(1,709)</u>	<u>(2,687)</u>
At 31 December 2016	<u>1,122</u>	<u>5,888</u>	<u>7,010</u>
NET BOOK VALUE			
At 31 December 2016	<u>1,069</u>	<u>16,551</u>	<u>17,620</u>
At 31 December 2015	<u>2,779</u>	<u>15,132</u>	<u>17,911</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

10. TRADE AND OTHER RECEIVABLES

	2016	2015 as restated
	£	£
Current:		
Trade debtors	21,468	17,227
Other debtors	35,121	4,845
Prepayments and accrued income	<u>23,177</u>	<u>9,074</u>
	<u>79,766</u>	<u>31,146</u>

11. CASH AND CASH EQUIVALENTS

	2016	2015 as restated
	£	£
Cash in hand	27	263
Bank accounts	<u>34,391</u>	<u>613,514</u>
	<u>34,418</u>	<u>613,777</u>

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2016	2015
Number:	Class:	Nominal value:		as restated
			£	£
2,530	Ordinary	£0.00 1	<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.

13. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 January 2016	(1,262,485)	1,924,477	661,992
Prior year adjustment	<u>20,533</u>		<u>20,533</u>
	(1,241,952)		682,525
Deficit for the year	(1,367,787)		(1,367,787)
Share options granted	<u>128,337</u>	-	<u>128,337</u>
At 31 December 2016	<u>(2,481,402)</u>	<u>1,924,477</u>	<u>(556,925)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

14. TRADE AND OTHER PAYABLES

	2016	2015
	£	as restated £
Current:		
Trade creditors	79,242	26,500
Amounts owed to group undertakings	855,152	-
Social security and other taxes	26,941	13,928
Other creditors	1,521	4,830
Accruals and deferred income	<u>84,957</u>	<u>30,371</u>
	<u>1,047,813</u>	<u>75,629</u>

15. LEASING AGREEMENTS

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

	2016	2015
	£	as restated £
Within one year	6,250	13,500
Between one and five years	<u>-</u>	<u>6,250</u>
	<u>6,250</u>	<u>19,750</u>

16. DEFERRED TAX

	2016	2015
	£	as restated £
Balance at 1 January	3,600	-
Tax (credit)/charge	<u>(3,600)</u>	<u>3,600</u>
Balance at 31 December	<u>-</u>	<u>3,600</u>

The Company has circa £2.54mn of tax losses to carry forward against future taxable profits. However, as there is uncertainty as to the recoverability of those losses no deferred tax asset is recognised. If the Company were to recognise the deferred tax asset, a debtor of £508k would be included.

17. 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, First Floor, Essex House, 71 Regent Street, Cambridge, Cambridgeshire, United Kingdom, CB2 1AB.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016**

18. 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.

At the year end Syndicate Room Ltd owed its parent undertaking, Syndicate Room Group Ltd £855,152.

19. 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 2015, 128,250 EMI share options were outstanding at an exercise price of between £0.001 and £0.34. On 19 April 2016, 83,098 EMI options were issued at an exercise price of £1.04 per Ordinary Share; a further 43,772 were issued on 20 April 2016 at an exercise price of £1.04. No options lapsed or were exercised in the year. At 31 December 2016 255,120 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 rate of a quarter of options granted, on 1 January each year thereafter.

The Company also operates an unapproved Share Option Scheme. At 31 December 2015, 21,212 share options were in issue with an exercise price of £0.34. On 19 April 2016, 42,924 share options were granted at an exercise price per Ordinary Share of £1.04. No options lapsed, were exercised or were cancelled during the year. At 31 December 2016, 64,136 share options were in issue with an exercise price of between £0.34 and £1.04.