

REGISTERED NUMBER: 09164342 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
FOR
SYMPHONY VENTURES LTD**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Income Statement	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9

SYMPHONY VENTURES LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018

DIRECTORS: J Chapman
J Holder

REGISTERED OFFICE: 35 Great St. Helen's
London
EC3A 6AP

BUSINESS ADDRESS: Hogarth House
136 High Holborn
London
WC1V 6PX

REGISTERED NUMBER: 09164342 (England and Wales)

AUDITORS: Galloways
Statutory Auditor
30 New Road
Brighton
East Sussex
BN1 1BN

**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.

Symphony, a Sykes company, is the leading specialist consulting, implementation, and managed services firm focused on 'Future of Work' technologies. We are global leaders in enterprise digital transformation leveraging Robotic Process Automation (RPA), Artificial Intelligence (AI), and Robotic Business Process Outsourcing (R-BPO).

Symphony provides its customers with a full suite of services focused on Digital Operations, including training, hosting, and the provision of our AI-enabled platforms to provide clients with the ability to work more efficiently and effectively. Symphony has clients in more than 25 countries in every major industry and works with a roster of leading software providers including Automation Anywhere (AA), Blue Prism, UiPath, Thoughtonomy, NICE Systems, eNate, ABBYY and Celaton. In response to changing market trends, the company continues to expand its digital ecosystem of tools to offer expanded solutions for clients.

Symphony is the largest global professional services firm specialising on this enterprise automation sphere. Symphony Ventures Ltd has offices in the United Kingdom, but its subsidiaries have offices in the United States, Poland and India.

REVIEW OF BUSINESS

2018 was a further year of sustained growth and change in the business. The most significant event was the acquisition by Sykes Inc, a US Nasdaq listed company, of the entire Symphony group on 1 November 2018. We expect there to be limited impact in the actual business undertaken, but with opportunities to work with other parts of the Sykes group and potentially with other long-term Sykes' clients. However, we now have the security of a \$40 billion market value company behind us securing working capital support for the next phase of growth.

Total revenue for 2018 was £10.6 million, a 29% increase on 2017 (£8.2 million). Headcount for Symphony Ventures Ltd fell from 69 at the end of 2017 to 61 at the end of 2018 but this was offset by an increase in the headcount of our subsidiaries as there was an increase in the volume of work carried out on our behalf by the teams in India and Poland. India heads essentially doubled from 20 at the end of 2017 to 39 at the end of 2018.

Gross profit fell from £3.2 million to £1.7 million reflecting several factors. Firstly, there was a significant increase in software sales, which has a notably lower margin. This went from 11% of turnover to 33%, reflecting the increase demand of the software products Symphony sells to its clients. The second major impact reflected the growth of the offshore teams, where significant training is required when they join, increasing the overall costs without benefiting the turnover until the new joiners are ready to work directly for clients. The third major impact reflects two periods in the year of lower activity, where the staff were recruited in order to complete a higher volume of client work, but due to delays in certain projects some staff were non-billable for a period. These factors led to an overall margin % fall from 39% to 16%.

The increase in other administrative costs from £4.4 million to £4.7 million, was driven by the exceptional costs associated with the refinancing work, which culminated in the takeover offer from Sykes.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors who have held office during the period from 1 January 2018 to the date of this report are as follows:

D R Poole - resigned 1 November 2018
D M Brain - resigned 1 November 2018
P Baker - resigned 1 November 2018
I P Barkin - resigned 1 November 2018
H Alty - resigned 1 November 2018
W J C Thomas - resigned 1 November 2018
J Chapman - appointed 1 November 2018
J Holder - appointed 1 November 2018

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

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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.

AUDITORS

The auditors, Galloways, 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:

J Chapman - Director

23 September 2019

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SYMPHONY VENTURES LTD**

Opinion

We have audited the financial statements of Symphony Ventures Ltd (the 'company') for the year ended 31 December 2018 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 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.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SYMPHONY VENTURES LTD**

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.

COLIN YOUNG (Senior Statutory Auditor)
for and on behalf of Galloways
Statutory Auditor
30 New Road
Brighton
East Sussex
BN1 1BN

24 September 2019

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
TURNOVER		10,579,599	8,161,837
Cost of sales		<u>8,917,030</u>	<u>4,997,644</u>
GROSS PROFIT		1,662,569	3,164,193
Administrative expenses		<u>4,685,055</u>	<u>4,439,512</u>
OPERATING LOSS		(3,022,486)	(1,275,319)
Interest receivable and similar income		<u>1,959</u>	<u>620</u>
		(3,020,527)	(1,274,699)
Interest payable and similar expenses		<u>181,326</u>	<u>77,935</u>
LOSS BEFORE TAXATION		(3,201,853)	(1,352,634)
Tax on loss	5	<u>(484,045)</u>	<u>2,524</u>
LOSS FOR THE FINANCIAL YEAR		<u>(2,717,808)</u>	<u>(1,355,158)</u>

BALANCE SHEET
31 DECEMBER 2018

	Notes	2018		2017	
		£	£	£	£
FIXED ASSETS					
Intangible assets	7		2,483		4,966
Tangible assets	8		1,991		44,370
Investments	9		<u>3,277</u>		<u>3,283</u>
			<u>7,751</u>		<u>52,619</u>
CURRENT ASSETS					
Debtors	10	2,408,060		2,186,519	
Cash at bank		<u>396,203</u>		<u>1,838,139</u>	
		<u>2,804,263</u>		<u>4,024,658</u>	
CREDITORS					
Amounts falling due within one year	11	<u>4,702,274</u>		<u>1,474,636</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(1,898,011)</u>		<u>2,550,022</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			(1,890,260)		2,602,641
CREDITORS					
Amounts falling due after more than one year	12		-		(2,169,808)
PROVISIONS FOR LIABILITIES	14		-		(8,430)
NET (LIABILITIES)/ASSETS			<u>(1,890,260)</u>		<u>424,403</u>
CAPITAL AND RESERVES					
Called up share capital	15		378		346
Share premium	16		1,462,374		1,425,904
Share-based payment reserve	16		-		5,342
Capital contribution reserve	16		366,643		-
Retained earnings	16		<u>(3,719,655)</u>		<u>(1,007,189)</u>
SHAREHOLDERS' FUNDS			<u>(1,890,260)</u>		<u>424,403</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 23 September 2019 and were signed on its behalf by:

J Chapman - Director

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

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 January 2017	263	456,870	25,988
Changes in equity			
Total comprehensive income	-	(1,355,158)	-
Issue of share capital	83	-	1,399,916
Dividends	-	(108,901)	-
Balance at 31 December 2017	<u>346</u>	<u>(1,007,189)</u>	<u>1,425,904</u>
Changes in equity			
Total comprehensive income	-	(2,712,466)	-
Issue of share capital	32	-	36,470
Balance at 31 December 2018	<u>378</u>	<u>(3,719,655)</u>	<u>1,462,374</u>
	Share-based payment reserve £	Capital contribution reserve £	Total equity £
Balance at 1 January 2017	9,901	-	493,022
Changes in equity			
Total comprehensive income	(4,559)	-	(1,359,717)
Issue of share capital	-	-	1,399,999
Dividends	-	-	(108,901)
Balance at 31 December 2017	<u>5,342</u>	<u>-</u>	<u>424,403</u>
Changes in equity			
Total comprehensive income	(5,342)	-	(2,717,808)
Capital contribution	-	366,643	366,643
Issue of share capital	-	-	36,502
Balance at 31 December 2018	<u>-</u>	<u>366,643</u>	<u>(1,890,260)</u>

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

1. **STATUTORY INFORMATION**

Symphony Ventures 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 preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

At 31 December 2018, the company has net liabilities of £1,890,260 (2017: Net assets of £424,403) and made a loss of £2,717,808 in the year (2017: £1,355,158). The directors forecasts for 2019 and 2020 show the company returning to profit and this together with the support of the Sykes group, following its acquisition of the company in late 2018, the directors have a reasonable expectation that the company will continue in operations for the foreseeable future and that it is appropriate that the financial statements continue to be prepared on a going concern basis.

Preparation of consolidated financial statements

The financial statements contain information about Symphony Ventures Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover represents revenue in respect of software sales, consulting, service and training contracts, net of discounts and value added tax. Revenue for the sale of software is recognised when the company has transferred the risks and rewards of ownership to the customer.

Revenue from long term consulting, support and training contracts is recognised by reference to the stage of completion of the contract determined by the value of services provided at the balance sheet date as a proportion of the total value of the contract. Where the amount of revenue is contingent on future events, this is only recognised where the amount of revenue can be measured reliably and it is probable economic benefits will be received. Revenue recognised at the balance sheet date which has not been invoiced is included in debtors as amounts recoverable on contracts.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of three years.

Tangible fixed assets

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 reducing balance
Computer equipment	- 33.3% straight line

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost, less impairment.

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

2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Research and development expenditure is written off in the profit and loss account in the period 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 balance sheet 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.

Pension costs and other post-retirement benefits

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

Share options

During the year, the Company operated EMI, CSOP, and non-advantaged share option schemes for certain employees, engaging in equity settled share based payment transactions in respect of services received. Details of the options within the scheme are set out in Note 19: Share based payment transactions.

It is the policy of the Company to grant share options that have an exercise price representing fair market value at the date of grant. Fair market values have been determined by the Board of Directors' taking into account the performance of the Company and other relevant factors. The method of valuation used is the maintainable earning basis.

Provisions and contingencies

Provisions are recognised in the financial statements when the company has an obligation at the reporting date as a result of a past event and it is probable that there will be a requirement to transfer economic benefits in settlement, and the amount of the obligation can be estimated reliably. Significant judgement is required in both the determination of probability and the determination as to whether the amount can be reliably estimated. In the event the Company determines that an obligation is not probable, but is reasonably possible, and it is able to develop a reasonable range of a possible loss, the Company will include disclosures related to such a contingent liability as appropriate.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 61 (2017 - 53).

4. **EXCEPTIONAL ITEMS**

Exceptional items of £197,838 (2017: £363,244) are included within administrative expenses in the company's income statement. These represent costs relating to the raising of funds during the year.

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

5. TAXATION**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss for the year was as follows:

	2018	2017
	£	£
Current tax:		
UK corporation tax	(480,235)	-
Foreign tax	<u>4,620</u>	<u>-</u>
Total current tax	(475,615)	-
Deferred tax	<u>(8,430)</u>	<u>2,524</u>
Tax on loss	<u>(484,045)</u>	<u>2,524</u>

During the year, the company claimed and received tax credits in respect of research and development activities conducted in the years ended 31 December 2016 (£177,752) and 31 December 2017 (£302,483).

6. DIVIDENDS

	2018	2017
	£	£
Ordinary shares of 0.1p each		
Interim	<u>-</u>	<u>108,901</u>

7. INTANGIBLE FIXED ASSETS

	Computer software
	£
COST	
At 1 January 2018 and 31 December 2018	<u>7,449</u>
AMORTISATION	
At 1 January 2018	2,483
Amortisation for year	<u>2,483</u>
At 31 December 2018	<u>4,966</u>
NET BOOK VALUE	
At 31 December 2018	<u>2,483</u>
At 31 December 2017	<u>4,966</u>

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

8. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2018	4,133	94,557	98,690
Additions	-	833	833
Disposals	-	(63,631)	(63,631)
At 31 December 2018	<u>4,133</u>	<u>31,759</u>	<u>35,892</u>
DEPRECIATION			
At 1 January 2018	2,389	51,931	54,320
Charge for year	398	17,145	17,543
Eliminated on disposal	-	(37,962)	(37,962)
At 31 December 2018	<u>2,787</u>	<u>31,114</u>	<u>33,901</u>
NET BOOK VALUE			
At 31 December 2018	<u>1,346</u>	<u>645</u>	<u>1,991</u>
At 31 December 2017	<u>1,744</u>	<u>42,626</u>	<u>44,370</u>

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2018	3,283
Disposals	(6)
At 31 December 2018	<u>3,277</u>
NET BOOK VALUE	
At 31 December 2018	<u>3,277</u>
At 31 December 2017	<u>3,283</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Company	Class of shares	Shareholding
Symphony Ventures Inc.	Ordinary	100%
Symphony Ventures SP Zoo	Ordinary	100%
Sym RPA Private Ltd	Ordinary	99%

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	1,407,919	1,384,275
Amounts owed by group undertakings	604,591	623,065
Other debtors	56,811	46,307
Tax	-	7
Amount recoverable on contracts	109,400	102,000
Prepayments	<u>229,339</u>	<u>30,865</u>
	<u>2,408,060</u>	<u>2,186,519</u>

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

11.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
		2018	2017
		£	£
	Trade creditors	705,442	262,225
	Amounts owed to group undertakings	3,211,623	92,715
	Social security and other taxes	189,544	127,374
	Pension	19,875	12,669
	Wages Control	-	4,907
	VAT	165,430	255,845
	Other creditors	13,468	53,326
	Unsecured loans	-	67,686
	Directors' loan accounts	-	72,909
	Accruals and deferred income	396,892	524,980
		<u>4,702,274</u>	<u>1,474,636</u>
12.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
		2018	2017
		£	£
	Other loans - 2-5 years	-	723,269
	Other loans more 5yrs instal	-	1,446,539
		<u>-</u>	<u>2,169,808</u>
	Amounts falling due in more than five years:		
	Repayable by instalments		
	Other loans more 5yrs instal	<u>-</u>	<u>1,446,539</u>
13.	LEASING AGREEMENTS		
	Minimum lease payments under non-cancellable operating leases fall due as follows:		
		2018	2017
		£	£
	Within one year	251,419	101,545
	Between one and five years	143,606	-
		<u>395,025</u>	<u>101,545</u>
14.	PROVISIONS FOR LIABILITIES		
		2018	2017
		£	£
	Deferred tax		
	Accelerated capital allowances	<u>-</u>	<u>8,430</u>
			Deferred tax
			£
	Balance at 1 January 2018		8,430
	Unused amounts reversed during year		<u>(8,430)</u>
	Balance at 31 December 2018		<u>-</u>

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

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
5,905,173	Ordinary	0.00005p	295	263
656,250	Ordinary B	0.00005p	33	33
49,343,750	Ordinary C	0.000001p	49	49
900,000	Ordinary D	0.000001p	1	1
			<u>378</u>	<u>346</u>

Shares were issued during the year as follows:

Cash at premium

655,173 Ordinary shares of 0.00005p for £36,502.20

16. RESERVES

	Retained earnings £	Share premium £	Share-based payment reserve £	Capital contribution reserve £	Totals £
At 1 January 2018	(1,007,189)	1,425,904	5,342	-	424,057
Deficit for the year	(2,717,808)				(2,717,808)
Transfer	5,342	-	(5,342)	-	-
Capital contribution	-	-	-	366,643	366,643
Cash share issue	-	36,470	-	-	36,470
At 31 December 2018	<u>(3,719,655)</u>	<u>1,462,374</u>	<u>-</u>	<u>366,643</u>	<u>(1,890,638)</u>

The transfer from the Share-based payment reserve to Retained earnings results from the execution of all issued share options.

17. CONTINGENT LIABILITIES

The Company has begun discussions with the HMRC regarding the value assigned to granted share options under an EMI scheme. At the time the options were issued the valuation of the shares did not consider the potential acquisition of the Company. In the event that the options are determined to have been granted at a discount or to be non-tax advantaged, they would be subject to income tax and national insurance contributions. The maximum income tax and national insurance liability exposure is estimated at £1.57 million, of which £367,000 is Employers National Insurance and other charges.

18. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

At the balance sheet date the company owed amounts to the following directors. These were interest free and repayable on demand.

	2018 £nil	2017 £
Mr D Poole	£nil	£19,792
Mr D Brain	£nil	£22,629
Mr I Barkin	£nil	£20,053
Mr P Baker	£nil	£10,435

19. POST BALANCE SHEET EVENTS

On 7th March 2019, SEI International Services Sarl (the immediate parent company) made an additional capital contribution of £3,623,316 in order to allow the repayment of amounts owed to group undertakings of the same amount.

Of the settled liability, £2,822,132 was included in creditors falling due within one year at the balance sheet date.

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

20. ULTIMATE CONTROLLING PARTY

The company's ultimate controlling party is Sykes Inc.

21. SHARE-BASED PAYMENT TRANSACTIONS

During the year, the company made available EMI, CSOP, and non-advantaged schemes in which options were issued to employees and consultants.

On 31 October 2018, all outstanding share options were exercised, resulting in the issue of 655,173 Ordinary shares.

The following share-based payment transactions took place in the year:

	Brought forward	Granted	Exercised/lapsed	Carried Forward	Exercise Period (years)	Weighted average Exercise Price per ordinary share
Brought forward options:						
EMI(13 recipients)	133,560	-	133,560	-	3-10	£0.07487
CSOP(33 recipients)	59,300	-	59,300	-	3-10	£0.07450
22 March 2018 options:						
EMI(13 recipients)		54,284	54,284		3-10	£0.06320
CSOP(21 recipients)	-	24,994	24,994		3-10	£0.06320
30 April 2018 CSOP(75 recipients)	-	270,301	270,301	-	3-10	£0.06320
1 August 2018 options:						
EMI(53 recipients)	-	225,791	225,791	-	3-10	£0.05000
Non-advantaged(73 recipients)	-	256,668	256,668	-	3-10	£0.05000
Total	192,860	832,038	1,024,898	-		

The expense recognised in profit and loss account in respect of share options is £nil (2017: credit £4,559).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.