

**Company Registration No. 02948047 (England and Wales)**

**SYZGY UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

# **SYZYGY UK LIMITED**

## **COMPANY INFORMATION**

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**Directors**                      Mr E Greiner  
   Mrs C Barber (resigned 31 Dec 2018)  
   Mr M A Ellis  
   Mr P A Stelter  
   Mr A Stevens (resigned 8 May 2018)  
   Mrs I Murphy (appointed 31 Dec 2018)

**Secretary**                      Mr E Greiner

**Company number**              02948047

**Registered office**              Lacon House  
   84 Theobalds Road  
   London  
   WC1X 8NL

**Auditor**                          KPSR LLP  
   58 High Street  
   Pinner  
   Middlesex  
   HA5 5PZ

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# **SYZYGY UK LIMITED**

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# **SYZYGY UK LIMITED**

## **STRATEGIC REPORT**

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

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

### **Fair review of the business**

In 2018 we experienced an increase in revenue to £14.103k (2017: £7,428k) due to additional repeat business with existing clients and some new business wins. The move of our head offices and delays on a major project has led to an operating loss of £127k. The directors consider the results to be satisfactory. In 2019, we anticipate more repeat business with existing clients and we will strive for new business wins to underpin stability and growth of the company.

### **Principal risks and uncertainties**

The main financial risks arising from the company's activities are economic risk, currency risk and operating risk. These are stringently monitored by the board of directors and were not considered to be significant at the end of the reporting period.

The company's policy in respect of currency risk is to closely monitor exchange rate fluctuations between Sterling, Euro and other major currencies. This may impact the operating profit attained by the company.

The company's policy in respect of economic and operating risk is to manage projects efficiently and exercise tight control on costs.

The company has a high profile client base. However, a downturn could lead to reduced order levels which in turn may impact revenue generated.

On behalf of the board

**Mr E Greiner**

**Director**

**14 August 2019**

# **SYZYGY UK LIMITED**

## **DIRECTORS' REPORT**

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

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The directors present their annual report and financial statements for the year ended 31 December 2018.

### **Principal activities**

The principal activity of the company was that of provision of integrated portfolio of corporate internet solutions, from strategic consulting to project planning, concepts, designs and technical realisation.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr E Greiner  
Mrs C Barber (resigned 31 Dec 2018)  
Mr M A Ellis  
Mr P A Steller  
Mr A Stevens (resigned 8 May 2018)  
Mrs I Murphy (appointed 31 Dec 2018)

### **Results and dividends**

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £100,000. (2017: £nil). The directors do not recommend payment of a further dividend.

### **Post reporting date events**

There are no matters that give rise to a post balance sheet event.

### **Future developments**

The directors are confident that the success of the business will continue and new awards of projects that have commenced in 2019 will underpin the long term stability and growth of the company.

### **Auditor**

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

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

**Mr E Greiner**  
**Director**  
**14 August 2019**

## **SYZYGY UK LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

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The directors are responsible for preparing the Annual Report 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.

# **SYZYGY UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF SYZYGY UK LIMITED**

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#### **Opinion**

We have audited the financial statements of Syzygy UK Limited (the 'company') for the year ended 31 December 2018 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement Of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

# **SYZYGY UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF SYZYGY UK LIMITED**

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#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 our audit:

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

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 Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



## **SYZYGY UK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF SYZYGY UK LIMITED**

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##### **Auditor's responsibilities for the audit of the financial statements**

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

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Kailesh Patel (Senior Statutory Auditor)**  
**for and on behalf of KPSR LLP**

14 August 2019

**Chartered Accountants**  
**Statutory Auditor**

58 High Street  
Pinner  
Middlesex  
HA5 5PZ

# SYZYGY UK LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Revenue	3	14,103,050	7,427,860
Cost of sales		(12,567,017)	(5,392,651)
<b>Gross profit</b>		<b>1,536,033</b>	<b>2,035,209</b>
Administrative expenses		(1,647,502)	(1,979,187)
Other operating expenses		(15,373)	(5,429)
<b>Operating (loss)/profit</b>	<b>4</b>	<b>(126,842)</b>	<b>50,593</b>
Investment income	7	20,740	2,127
Finance costs	8	(5,231)	-
<b>(Loss)/profit before taxation</b>		<b>(111,333)</b>	<b>52,720</b>
Tax on loss/profit	9	(3,540)	(24,293)
<b>(Loss)/profit for the financial year</b>		<b>(114,873)</b>	<b>28,427</b>

The Income Statement has been prepared on the basis that all operations are continuing operations.

# **SYZYGY UK LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME**

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

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	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
(Loss)/profit for the year	(114,873)	28,427
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>(114,873)</b>	<b>28,427</b>

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# SYZYGY UK LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

		2018		2017	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	11		13,126		16,052
Property, plant and equipment	12		1,384,339		1,691,888
			<u>1,397,465</u>		<u>1,707,940</u>
<b>Current assets</b>					
Trade and other receivables	14	3,853,429		2,235,546	
Cash and cash equivalents		1,266,104		787,685	
		<u>5,119,533</u>		<u>3,023,231</u>	
<b>Current liabilities</b>	15	(5,020,027)		(3,004,465)	
<b>Net current assets</b>			<u>99,506</u>		<u>18,766</u>
<b>Total assets less current liabilities</b>			<u>1,496,971</u>		<u>1,726,706</u>
<b>Provisions for liabilities</b>	17		(20,635)		(35,498)
<b>Net assets</b>			<u><u>1,476,336</u></u>		<u><u>1,691,208</u></u>
<b>Equity</b>					
Called up share capital	18		1,000		1,000
Retained earnings			<u>1,475,336</u>		<u>1,690,208</u>
<b>Total equity</b>			<u><u>1,476,336</u></u>		<u><u>1,691,208</u></u>

The financial statements were approved by the board of directors and authorised for issue on 14 August 2019 and are signed on its behalf by:

**Mr E Greiner**  
Director

Company Registration No. 02948047

# SYZYGY UK LIMITED

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

	Notes	Share capital £	Retained earnings £	Total £
<b>Balance at 1 January 2017</b>		1,000	1,661,781	1,662,781
<b>Year ended 31 December 2017:</b>				
Profit and total comprehensive income for the year		-	28,427	28,427
<b>Balance at 31 December 2017</b>		1,000	1,690,208	1,691,208
<b>Year ended 31 December 2018:</b>				
Loss and total comprehensive income for the year		-	(114,872)	(114,872)
Dividends	10	-	(100,000)	(100,000)
<b>Balance at 31 December 2018</b>		1,000	1,475,336	1,476,336

# SYZYGY UK LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

		2018	2017
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	23	567,364	1,801,579
Interest paid		(5,231)	-
Income taxes refunded/(paid)		18,970	(168,438)
<b>Net cash inflow from operating activities</b>		581,103	1,633,141
<b>Investing activities</b>			
Purchase of intangible assets		(20,459)	(24,719)
Purchase of property, plant and equipment		(2,965)	(1,654,167)
Interest received		20,740	2,127
<b>Net cash used in investing activities</b>		(2,684)	(1,676,759)
<b>Financing activities</b>			
Dividends paid		(100,000)	-
<b>Net cash used in financing activities</b>		(100,000)	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		478,419	(43,618)
Cash and cash equivalents at beginning of year		787,685	831,303
<b>Cash and cash equivalents at end of year</b>		1,266,104	787,685

# SYZYGY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

#### Company information

Syzygy UK Limited ("the company") is a limited company domiciled and incorporated in England and Wales. The registered office is Lacon House, 84 Theobalds Road, London, WC1X 8NL.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 and FRC Abstracts.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered, stated net of discounts and Value Added Tax. When the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes in effect a financing transaction, the fair value of the consideration is measured at the present value of all future receipts determined using an imputed rate of interest, normally the rate that discounts the nominal amount of consideration to the cash sales price. In respect of the rendering of services, turnover represents revenue measured by reference to the stage of completion of the contract activity or the service transaction at the end of the reporting period.

##### *Rendering of Services*

When the outcome of a project contract can be estimated reliably in terms of completion, future costs to complete and collectability of billings, the Company recognises revenue and expenses on the contract by reference to the stage of completion of the contract at the end of the reporting period. The stage of completion is determined on the basis of the proportion of the contract costs incurred and time spent to date over the total contract.

##### *Interest Income*

Interest income is recognised using the effective interest method.

#### 1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software licences

Straight line over the life of the licence

# SYZYGY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 1 Accounting policies

(Continued)

#### 1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings short leasehold	Straight line over the life of the lease, over 10 years
Fixtures and fittings	33% on cost
Computer equipment	33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the income statement.

#### 1.6 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial assets

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.



# SYZYGY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

#### *Loans and receivables*

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

#### *Impairment of financial assets*

Financial assets, other than those held at fair value through the income statement, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### *Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

### 1.9 Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective rate method.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# SYZYGY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

#### *Other financial liabilities*

Derivatives, including interest swaps and foreign exchange contracts, are not financial instruments. Derivatives are initially recognised at fair value on the date a derivative is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

### 1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# SYZYGY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 1 Accounting policies

(Continued)

#### 1.13 Retirement benefits

The company operates a defined contribution scheme. Contributions payable are charged to the income statement in the year they are payable.

#### 1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to the income statement on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### 1.15 Foreign exchange

Transactions in currencies other than pound sterling are recorded at the rates of exchange prevailing at dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 3 Revenue

An analysis of the company's revenue is as follows:

	2018 £	2017 £
<b>Revenue analysed by class of business</b>		
Design and build revenue	14,103,050	7,427,860
	<u>          </u>	<u>          </u>
	2018 £	2017 £
<b>Other significant revenue</b>		
Interest income	20,740	2,127
	<u>          </u>	<u>          </u>

# SYZYGY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 3 Revenue (Continued)

	2018 £	2017 £
<b>Revenue analysed by geographical market</b>		
United Kingdom	1,551,335	1,375,688
Europe	10,577,288	4,813,694
Rest of the World	1,974,427	1,238,478
	<u>14,103,050</u>	<u>7,427,860</u>

### 4 Operating (loss)/profit

Operating (loss)/profit for the year is stated after charging/(crediting):

	2018 £	2017 £
Exchange losses/(gains)	15,373	5,429
Fees payable to the company's auditors for the audit of the company's financial statements	22,053	17,030
Depreciation of owned property, plant and equipment	310,514	154,892
Amortisation of intangible assets	23,385	15,625
Operating lease charges	<u>1,063,218</u>	<u>1,043,196</u>

### 5 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	<u>22,053</u>	<u>17,030</u>

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018 Number	2017 Number
Administrative	1	1
Production and development	<u>50</u>	<u>59</u>
	<u>51</u>	<u>60</u>

# SYZYGY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

<b>6</b>	<b>Employees</b>	<b>(Continued)</b>	
	Their aggregate remuneration comprised:		
		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
	Wages and salaries	3,631,112	3,412,820
	Social security costs	393,536	384,405
	Pension costs	66,266	60,239
		<u>4,090,914</u>	<u>3,857,464</u>
<b>7</b>	<b>Investment income</b>		
		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
	<b>Interest income</b>		
	Interest on bank deposits	20,740	2,127
		<u>20,740</u>	<u>2,127</u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	20,740	2,127
		<u>20,740</u>	<u>2,127</u>
<b>8</b>	<b>Finance costs</b>		
		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
	<b>Interest on financial liabilities measured at amortised cost:</b>		
	Interest payable to group undertakings	5,231	-
		<u>5,231</u>	<u>-</u>
<b>9</b>	<b>Taxation</b>		
		<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	18,403	-
		<u>18,403</u>	<u>-</u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	(14,863)	24,293
		<u>(14,863)</u>	<u>24,293</u>
	<b>Total tax charge</b>	<u>3,540</u>	<u>24,293</u>

# SYZYGY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
(Loss)/profit before taxation	(111,333)	52,720
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	(21,153)	10,149
Tax effect of expenses that are not deductible in determining taxable profit	66,106	35,754
Group relief	-	17,197
Capital allowances	(26,550)	(63,100)
Deferred taxation	(14,863)	24,293
Taxation charge for the year	3,540	24,293

### 10 Dividends

	2018 £	2017 £
Final paid	100,000	-

### 11 Intangible fixed assets

	Software £
<b>Cost</b>	
At 1 January 2018	79,747
Additions - separately acquired	20,459
At 31 December 2018	100,206
<b>Amortisation and impairment</b>	
At 1 January 2018	63,695
Amortisation charged for the year	23,385
At 31 December 2018	87,080
<b>Carrying amount</b>	
At 31 December 2018	13,126
At 31 December 2017	16,052

# SYZYGY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 12 Property, plant and equipment

	Land and buildings short leasehold	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2018	1,277,319	188,278	397,544	1,863,141
Additions	-	2,965	-	2,965
At 31 December 2018	1,277,319	191,243	397,544	1,866,106
<b>Depreciation and impairment</b>				
At 1 January 2018	30,508	24,232	116,513	171,253
Depreciation charged in the year	156,680	29,935	123,899	310,514
At 31 December 2018	187,188	54,167	240,412	481,767
<b>Carrying amount</b>				
At 31 December 2018	1,090,131	137,076	157,132	1,384,339
At 31 December 2017	1,246,811	164,046	281,031	1,691,888

### 13 Financial instruments

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	3,363,642	1,912,346
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	4,920,758	2,885,009

Unless otherwise stated all financial instruments have been classified as level 2 on the fair value hierarchy. Level 2 means the inputs for the assets and liabilities are not quoted prices but are observable, either directly (that is, as prices) or indirectly (that is, derived from prices).

### 14 Trade and other receivables

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade receivables	2,313,578	1,028,959
Corporation tax recoverable	70,240	107,613
Amounts owed by group undertakings	642,882	-
Other receivables	396,525	226,367
Prepayments and accrued income	430,204	872,607
	3,853,429	2,235,546

# SYZYGY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 15 Current liabilities

	2018 £	2017 £
Trade payables	227,193	237,187
Amounts due to group undertakings	2,618,113	1,529,964
Other taxation and social security	99,269	119,456
Accruals and deferred income	2,075,452	1,117,858
	<u>5,020,027</u>	<u>3,004,465</u>

### 16 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018 £	Liabilities 2017 £
<b>Balances:</b>		
ACAs	<u>20,635</u>	<u>35,498</u>

The deferred tax asset set out above is expected to reverse in the foreseeable future and relates to accelerated capital allowances that are expected to mature within the same period.

### 17 Provisions for liabilities

	Notes	2018 £	2017 £
Deferred tax liabilities	16	<u>20,635</u>	<u>35,498</u>

### 18 Share capital

	2018 £	2017 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100,000 Ordinary shares of 1p each	<u>1,000</u>	<u>1,000</u>



## SYZYGY UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

#### 19 Retirement benefit schemes

	2018	2017
Defined contribution schemes	£	£
Charge to income statement in respect of defined contribution schemes	66,266	60,239

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### 20 Operating lease commitments

##### Lessee

The company entered into a 10 year operating lease for use of its current office space which expires in August 2027. A rent review date exists in August 2022. A rent free period was granted from the landlord until July 2019.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018	2017
	£	£
Within one year	527,176	-
Between two and five years	4,217,408	3,690,232
In over five years	3,778,095	4,832,447
	8,522,679	8,522,679

#### 21 Controlling party

The Company's immediate parent company is Unique Digital Marketing Limited, a company incorporated in England. Unique Digital Marketing is controlled by Syzygy AG, a listed company incorporated in Germany. The directors regard Syzygy AG as the ultimate parent company.

Copies of the financial statements of the parent company are available from Investor Relations at Syzygy AG, Horexstraße 28, 61352 Bad Homburg vor der Höhe, Germany

The ultimate controlling party is WPP Plc a company fully listed on the London Stock Exchange, copies of this company's financial statements are available from WPP Plc, Queenway House, Hilgrove Street, St.Helier, Jersey JE1 1ES.

# SYZYGY UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

<b>22</b>	<b>Directors' remuneration</b>	<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
	Remuneration for qualifying services	264,022	216,219
	Company pension contributions to defined contribution schemes	5,198	5,198
		<u>269,220</u>	<u>221,417</u>
<b>23</b>	<b>Cash generated from operations</b>	<b>2018</b>	<b>2017</b>
		<b>£</b>	<b>£</b>
	(Loss)/profit for the year after tax	(114,873)	28,427
	<b>Adjustments for:</b>		
	Taxation charged	3,540	24,293
	Finance costs	5,231	-
	Investment income	(20,740)	(2,127)
	Amortisation and impairment of intangible assets	23,385	15,625
	Depreciation and impairment of property, plant and equipment	310,514	154,892
	<b>Movements in working capital:</b>		
	(Increase)/decrease in trade and other receivables	(1,430,789)	349,130
	Increase in trade and other payables	1,791,094	1,231,341
	<b>Cash generated from operations</b>	<u>567,361</u>	<u>1,801,580</u>

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.