

Registered number: 07697935

SYNDICATE ROOM LTD

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2020



SYNDICATE ROOM LTD
REGISTERED NUMBER: 07697935

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	6	3,096	18,762
		<u>3,096</u>	<u>18,762</u>
Current assets			
Debtors: amounts falling due after more than one year	7	-	42,732
Debtors: amounts falling due within one year	7	60,720	60,411
Cash at bank and in hand	8	10,236	27,155
		<u>70,956</u>	<u>130,298</u>
Creditors: amounts falling due within one year	9	(63,562)	(130,600)
Net current assets/(liabilities)		<u>7,394</u>	<u>(302)</u>
Total assets less current liabilities		<u>10,490</u>	<u>18,460</u>
Creditors: amounts falling due after more than one year	10	(4,007,175)	(3,412,175)
Net liabilities		<u><u>(3,996,685)</u></u>	<u><u>(3,393,715)</u></u>
Capital and reserves			
Called up share capital		2,530	2,530
Share premium account		1,924,477	1,924,477
Profit and loss account		(5,923,692)	(5,320,722)
		<u><u>(3,996,685)</u></u>	<u><u>(3,393,715)</u></u>

SYNDICATE ROOM LTD
REGISTERED NUMBER: 07697935

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



G Schwikkard
Director

Date: 25/04/2021

The notes on pages 4 to 13 form part of these financial statements.

SYNDICATE ROOM LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Syndicate Room Ltd is company incorporated in England, United Kingdom under the Companies Act 2006.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for a period of at least 12 months from following the approval of the financial statements. This is dependent upon the Company continuing to receive financial support from the parent company.

The Parent Company has pledged to continue to give financial support to the company for the foreseeable future and no less than 12 months following the approval of the financial statements. This support includes not requesting payment of the intercompany balance of £4,007,175 from Syndicate Room Limited in addition to increasing this intercompany balance by way of introducing additional working capital as required.

The Group has conducted profit and loss, balance sheet and cashflow forecasting for a period of greater than 12 months from the date of these financial statements and have considered the impact of COVID-19 and Brexit on the Group's operations. The Parent Company's management believe that with its existing cash, the available credit facility, agreed post year end financing and expected cash generated from future operations, it will have sufficient funds to meet the working capital and capital expenditure requirements of the group and its subsidiary, Syndicate Room Limited.

There can be no certainty in relation to these matters. However, the director considers it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments required if the parent company was not able to support the company for a period no less than 12 months from the approval of the financial statements.

SYNDICATE ROOM LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.4 Revenue

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. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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

In general the following criteria must be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

SYNDICATE ROOM LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

SYNDICATE ROOM LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.9 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of comprehensive income over the remaining vesting period.

2.10 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.11 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. A reliable estimate of the useful life cannot be made, as such the determined useful life is ten years.

SYNDICATE ROOM LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

The company operates designated client bank accounts in accordance with the Client Money regulations of the Financial Conduct Authority (FCA). These accounts do not represent funds of the company and so the deposits are not recognised in the company's statement of financial position.

As of the balance sheet date, the company held client funds of £2,755,778 (2019: £3,224,609).

SYNDICATE ROOM LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.17 Creditors

Short term creditors are measured at the transaction price.

2.18 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

4. Employees

The average monthly number of employees, including directors, during the year was 15 (2019 - 21).

SYNDICATE ROOM LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

5. Intangible assets

	Development expenditure £
Cost	
At 1 January 2020	263,639
At 31 December 2020	<u>263,639</u>
Amortisation	
At 1 January 2020	263,639
At 31 December 2020	<u>263,639</u>
Net book value	
At 31 December 2020	<u>-</u>
At 31 December 2019	<u>-</u>

SYNDICATE ROOM LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 January 2020	34,135	28,215	62,350
Disposals	(34,135)	(15,997)	(50,132)
At 31 December 2020	<u>-</u>	<u>12,218</u>	<u>12,218</u>
Depreciation			
At 1 January 2020	23,080	20,508	43,588
Charge for the year on owned assets	5,990	4,124	10,114
Disposals	(29,070)	(15,510)	(44,580)
At 31 December 2020	<u>-</u>	<u>9,122</u>	<u>9,122</u>
Net book value			
At 31 December 2020	<u>-</u>	<u>3,096</u>	<u>3,096</u>
At 31 December 2019	<u>11,055</u>	<u>7,707</u>	<u>18,762</u>

7. Debtors

	2020 £	2019 £
Due after more than one year		
Other debtors	<u>-</u>	<u>42,732</u>
Due within one year		
Trade debtors	26,665	7,501
Other debtors	-	5,415
Prepayments and accrued income	34,055	47,495
	<u>60,720</u>	<u>60,411</u>

SYNDICATE ROOM LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>10,236</u>	<u>27,155</u>

9. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	2,265	31,830
Other taxation and social security	25,954	30,296
Other creditors	2,972	5,857
Accruals and deferred income	32,371	62,617
	<u>63,562</u>	<u>130,600</u>

10. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Amounts owed to group undertakings	<u>4,007,175</u>	<u>3,412,175</u>

The amounts owed to group undertakings have no fixed repayment date, are unsecured and do not bear any interest. They are classified as falling due after more than one year by virtue of the Parent Company's pledge to continue supporting the Company for a period of no less than 12 months from the date of these financial statements.

11. Pension commitments

The pension cost to the company during the year totalled £21,161 (2019: £32,348). At the year end the amount included in creditors was £2,733 (2019: £5,020).

12. Commitments under operating leases

The Company had no commitments under non-cancellable operating leases at the balance sheet date.

SYNDICATE ROOM LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. Controlling party

The company's ultimate holding company is Syndicate Room Group Limited, registered in England and Wales.

There is no ultimate controlling party of the parent company.

14. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2020 was unqualified.

- The audit report was signed on 26/04/21 by Simon Speller FCA (Senior statutory auditor) on behalf of Hillier Hopkins LLP.