

Registered number: 07407558

Silkroad Technology UK Limited

Financial statements

Information for filing with the registrar

For the Year Ended 31 December 2020

Balance Sheet
As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible fixed assets	4	<u>2,600</u>	<u>4,514</u>
		2,600	4,514
Current assets			
Debtors: amounts falling due after more than one year	5	-	13,230
Debtors: amounts falling due within one year	5	256,744	179,946
Cash at bank and in hand	6	51,747	23,152
		<u>308,491</u>	<u>216,328</u>
Creditors: amounts falling due within one year	7	<u>(2,360,555)</u>	<u>(2,344,778)</u>
Net current liabilities		<u>(2,052,064)</u>	<u>(2,128,450)</u>
Total assets less current liabilities		<u>(2,049,464)</u>	<u>(2,123,936)</u>
Net liabilities		<u><u>(2,049,464)</u></u>	<u><u>(2,123,936)</u></u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		<u>(2,049,465)</u>	<u>(2,123,937)</u>
		<u><u>(2,049,464)</u></u>	<u><u>(2,123,936)</u></u>

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 profit and loss account 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:

M J Lloyd
Director

Date: 28 September 2021

The notes on pages 2 to 8 form part of these financial statements.

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

1. General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office and principal place of business is:

2nd Floor

168 Shoreditch High Street

London

United Kingdom

E1 6RA

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

Due to the rapid development of the COVID-19 pandemic and the uncertainty of the magnitude, length and outcome, the Company experienced a significant decline in bookings and customer cash receipts in 2020. In response, cost saving and cash flow mitigations have been effected by the Company including the termination of an office premises lease and deferral of payroll taxes.

The financial statements have been prepared on a going concern basis on the assumption of the continued financial support of the Company's parent company SilkRoad, Inc.

In September 2021, the Company's parent was acquired by HighBar Partners. As a result of the acquisition, the parent's previous finance facility was repaid in full, and replaced with a new \$12.5m five year facility. The parent company has provided a letter of support asserting that finance and working capital will continue to be provided as required to Silkroad Technology UK Limited for at least a period of 12 months from the date of approval of these financial statements.

The directors accordingly conclude that it is appropriate to adopt the going concern basis in preparing the financial statements as outlined in the statement of directors responsibilities.

**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 Income and Retained Earnings 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. The following criteria must also 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.

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.

Notes to the Financial Statements
For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.6 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.

2.7 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.

2.8 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:

Computer equipment	-	33%	straight line
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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.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

2. Accounting policies (continued)

2.10 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.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 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.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

3. Employees

The average monthly number of employees, including directors, during the year was 7 (2019 - 8).

Notes to the Financial Statements
For the Year Ended 31 December 2020

4. Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 January 2020	18,708
Additions	873
Disposals	(6,575)
At 31 December 2020	<u>13,006</u>
Depreciation	
At 1 January 2020	14,194
Charge for the year on owned assets	2,608
Disposals	(6,396)
At 31 December 2020	<u>10,406</u>
Net book value	
At 31 December 2020	<u><u>2,600</u></u>
At 31 December 2019	<u><u>4,514</u></u>

Notes to the Financial Statements
For the Year Ended 31 December 2020

5. Debtors

	2020 £	2019 £
Due after more than one year		
Other debtors	-	13,230
	<u>-</u>	<u>13,230</u>
	2020 £	2019 £
Due within one year		
Trade debtors	242,604	164,772
Amounts owed by group undertakings	-	4,286
Other debtors	914	668
Prepayments and accrued income	13,226	10,220
	<u>256,744</u>	<u>179,946</u>

6. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	51,747	23,152
	<u>51,747</u>	<u>23,152</u>

7. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	4,483	2,874
Amounts owed to group undertakings	2,097,501	2,113,322
Other taxation and social security	45,447	34,930
Accruals and deferred income	213,124	193,652
	<u>2,360,555</u>	<u>2,344,778</u>

**Notes to the Financial Statements
For the Year Ended 31 December 2020**

8. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020	2019
	£	£
Operating leases	-	26,460
	<u>-</u>	<u>26,460</u>

9. Related party transactions

The company has taken advantage of the exemption in FRS 102 paragraph 33.1A from disclosing transactions with other members of the group.

10. Post balance sheet events

In September 2021, the Silkroad Technology group was acquired by HighBar Partners.

11. Controlling party

The ultimate parent company during the year was Silkroad, Inc, incorporated in the United States of America.

The financial statements of Silkroad, Inc are available upon request from the company's registered office:

100 S Wacker Drive, Suite 425, Chicago, IL 60606, USA.

12. Auditors' information

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

The audit report was signed on 29 September 2021 by Simon Webber BA (Hons), DChA, FCA (Senior Statutory Auditor) on behalf of Kreston Reeves LLP.

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.