
CITY ODDS CAPITAL PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

MONDAY



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CITY ODDS CAPITAL PLC

COMPANY INFORMATION

Directors	Stephen Wheatley Bernard Sumner
Company secretary	Stephen Ronaldson
Registered number	07633980
Registered office	7 Chantlers Close East Grinstead West Sussex RH19 1LU
Independent auditors	Nyman Libson Paul Chartered Accountants & Registered Auditors Regina House 124 Finchley Road London NW3 5JS

CITY ODDS CAPITAL PLC

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CITY ODDS CAPITAL PLC

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

Introduction

The directors present their strategic report for the year ended 31 December 2014.

Business review

The principal activity of the group is the provision of digital options on financial and non-financial markets.

The results for the year show a loss of £132,824 (2013: £193,829). The company has made sales in this period of £Nil (2013: £8,833).

Principal risks and uncertainties

In addition to the financial risks the group is exposed to a number of risks arising from its operations.

Economic risk

By virtue of the group's operations in financial software the group is highly exposed to changes in demand arising from changes in economic conditions. The group seeks to minimise this risk by competitively pricing its products and ensuring that it provides products for a diverse demographic customer base.

Regulatory risk

Due to the nature of the group's operations, the group is exposed to risks arising from non-compliance with the relevant laws and regulations. In order to manage this risk, the board monitors the introduction of new legislation closely and communicates key developments to all personnel of the group through internal channels. Following the disposal of the group's investment in PYX Asset Management Limited (formerly known as Prediction Capital Limited) and in PYX Markets Limited in the previous financial period there is now no longer exposure with the Financial Conduct Authority.

Reputational risk

The company is exposed to the risk that poor quality products and poor delivery may have a detrimental effect on the reputation of the group. In order to manage this risk the company ensures that the product is thoroughly tested.

Financial key performance indicators

The board utilises a number of key performance indicators to enable a consistent method of analysing performance, in addition to allowing the directors to benchmark performance against similar businesses. The key performance indicators utilised by the board are as follows:

Gross profit margin

Gross profit margin measures the profit achieved on sales after taking account of the direct costs incurred in bringing the software into a saleable condition. This is calculated by dividing the gross profit for the year by group turnover.

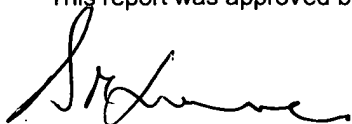
Operating profit

Operating profit margin measures the profit achieved on the group's activities after taking account of the total operating costs incurred before interest costs and taxation. This is calculated by dividing operating profit by group turnover.

CITY ODDS CAPITAL PLC

**GROUP STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014**

This report was approved by the board on *26 June 2015* and signed on its behalf.



Bernard Sumner
Director

CITY ODDS CAPITAL PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

Results

The loss for the year, after taxation, amounted to £132,824 (2013 - loss £193,829).

Directors

The directors who served during the year were:

Stephen Wheatley
Bernard Sumner

Directors' responsibilities statement

The directors are responsible for preparing the group strategic report, the directors' report 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Financial instruments

The group's financial instruments comprise bank balances, trade creditors and other creditors all arising in the normal course of business. The company also has a convertible loan. The purpose of these financial instruments is to finance the group's operations.

The group manages liquidity risk and cash flow risk by monitoring its cash balances and ensuring that funds are available to meet liabilities as they fall due.

The group's exposure to changes in interest rates relates primarily to cash at bank. Cash is held on either current or on short term deposits at floating rates of interest determined by the relevant bank's prevailing base rate.

CITY ODDS CAPITAL PLC

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

Policy and practice on the payment of creditors

The group's policy is to agree terms of payment with suppliers in advance of each transaction, to ensure that suppliers are made aware of the terms of payment and to abide by the terms of payment.

The number of average days purchases represented by trade creditors at 31 December 2014 was 89 (2013: 179).

Auditors

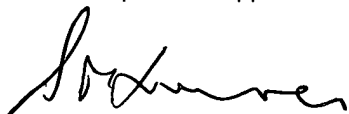
The auditors, Nyman Libson Paul, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

This report was approved by the board on *26 June 2015* and signed on its behalf.



Bernard Sumner
Director

CITY ODDS CAPITAL PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CITY ODDS CAPITAL PLC

We have audited the financial statements of City Odds Capital PLC for the year ended 31 December 2014, set out on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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.

Respective responsibilities of directors and auditors

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2014 and of the group's 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the group strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CITY ODDS CAPITAL PLC

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CITY ODDS CAPITAL PLC

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Richard Paul (senior statutory auditor)

for and on behalf of
Nyman Libson Paul

Chartered Accountants
Registered Auditors

Regina House
124 Finchley Road
London
NW3 5JS

26 June 2015

CITY ODDS CAPITAL PLC

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
TURNOVER	1,2	-	8,833
Administrative expenses		(123,374)	(192,854)
OPERATING LOSS	3	(123,374)	(184,021)
Profit/(loss) on disposal of investments		-	(358)
Interest payable and similar charges	7	(9,450)	(9,450)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(132,824)	(193,829)
Tax on loss on ordinary activities	8	-	-
LOSS FOR THE FINANCIAL YEAR	16	(132,824)	(193,829)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the profit and loss account.

The notes on pages 11 to 21 form part of these financial statements.

CITY ODDS CAPITAL PLC
REGISTERED NUMBER: 07633980

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Intangible assets	9		484,571		539,500
Tangible assets	10		292		561
			<u>484,863</u>		<u>540,061</u>
CURRENT ASSETS					
Debtors	13	100		5,260	
Cash at bank		1,573		1,302	
		<u>1,673</u>		<u>6,562</u>	
CREDITORS: amounts falling due within one year	14	(295,398)		(222,661)	
NET CURRENT LIABILITIES			<u>(293,725)</u>		<u>(216,099)</u>
NET ASSETS			<u>191,138</u>		<u>323,962</u>
CAPITAL AND RESERVES					
Called up share capital	15		717,500		717,500
Shares to be issued	16		100,000		100,000
Other reserves	16		4,503		4,503
Profit and loss account	16		<u>(630,865)</u>		<u>(498,041)</u>
SHAREHOLDERS' FUNDS	17		<u>191,138</u>		<u>323,962</u>

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



Bernard Sumner
Director

26 June 2015,

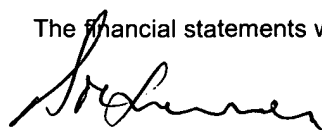
The notes on pages 11 to 21 form part of these financial statements.

CITY ODDS CAPITAL PLC
REGISTERED NUMBER: 07633980

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Intangible assets	9		54,337		77,624
CURRENT ASSETS					
Debtors	13	32,392		29,362	
Cash at bank		1,525		1,297	
		<u>33,917</u>		<u>30,659</u>	
CREDITORS: amounts falling due within one year	14	<u>(286,963)</u>		<u>(208,706)</u>	
NET CURRENT LIABILITIES			<u>(253,046)</u>		<u>(178,047)</u>
NET LIABILITIES			<u>(198,709)</u>		<u>(100,423)</u>
CAPITAL AND RESERVES					
Called up share capital	15		717,500		717,500
Capital redemption reserve	16		100,000		100,000
Other reserves	16		4,503		4,503
Profit and loss account	16		<u>(1,020,712)</u>		<u>(922,426)</u>
SHAREHOLDERS' DEFICIT	17		<u>(198,709)</u>		<u>(100,423)</u>

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


Bernard Sumner
 Director

26 June 2015

The notes on pages 11 to 21 form part of these financial statements.

CITY ODDS CAPITAL PLC

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	18	271	(76,513)
Returns on investments and servicing of finance	19	(9,450)	(12,039)
Capital expenditure and financial investment	19	-	(358)
CASH OUTFLOW BEFORE FINANCING		(9,179)	(88,910)
Financing	19	9,450	9,450
INCREASE/(DECREASE) IN CASH IN THE YEAR		271	(79,460)

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	2014 £	2013 £
Increase/(Decrease) in cash in the year	271	(79,460)
Cash inflow from increase in debt and lease financing	(9,450)	(9,450)
MOVEMENT IN NET DEBT IN THE YEAR	(9,179)	(88,910)
Net debt at 1 January 2014	(138,645)	(49,735)
NET DEBT AT 31 DECEMBER 2014	(147,824)	(138,645)

The notes on pages 11 to 21 form part of these financial statements.

CITY ODDS CAPITAL PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Going concern

The company has recorded an operating and trading loss for the period and has a working capital deficit. The directors will continue to ensure that sufficient funding is provided from their own outside resources to enable the company to meet its commitments as they fall due.

The directors therefore believe the company to be able to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing these financial statements.

1.3 Basis of consolidation

The financial statements consolidate the accounts of City Odds Capital PLC and all of its subsidiary undertakings ('subsidiaries').

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

The results of subsidiaries sold are included up to the effective date of disposal.

1.4 Turnover

Turnover represents a percentage of the revenue generated by the contracting party from use of the group's intellectual property and development of the IT platform for trading in digital options.

1.5 Intangible fixed assets and amortisation

Goodwill arising on an acquisition of a subsidiary undertaking is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is capitalised and amortised to the profit and loss account over its estimated economic life of 20 years.

Development costs are charged to the profit and loss account in the year of expenditure, unless individual projects satisfy all of the following criteria:

- the project is clearly defined and related expenditure is separately identifiable;
- the project is technically feasible and commercially viable;
- current and future costs are expected to be exceeded by future sales and
- adequate resources exist for the project to be completed

In such circumstances the costs are carried forward and amortised over a period not exceeding five years commencing in the year the group starts to benefit from the expenditure.

CITY ODDS CAPITAL PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office equipment	- 25% per annum straight line
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1.7 Investments

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment.
- (ii) **Associated undertakings**
Investments in associates are stated at the amount of the company's share of net assets. The profit and loss account includes the company's share of the associated companies' profits after taxation using the equity accounting basis.

1.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

CITY ODDS CAPITAL PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.10 Share based payments

When share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss account 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. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

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

Where equity instruments are granted to persons other than employees, the profit and loss account is charged with the fair value of goods and services received.

2. TURNOVER

The whole of the turnover is attributable to the principal activity of the group and arises solely within the United Kingdom.

In the opinion of the directors there are no separately identifiable business segments, therefore segmental disclosure is not presented.

3. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2014	2013
	£	£
Amortisation of goodwill on consolidation	25,042	25,042
Depreciation of tangible fixed assets:		
- owned by the group	269	269
Difference on foreign exchange	(142)	878
Amortisation of deferred research and development expenditure	29,887	46,537

CITY ODDS CAPITAL PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

4. AUDITORS' REMUNERATION

	2014 £	2013 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	3,600	3,600
Fees payable to the company's auditor and its associates in respect of:		
The auditing of accounts of associates of the company	<u>2,400</u>	<u>2,400</u>

5. STAFF COSTS

The company has no employees other than the directors, who did not receive any remuneration (2013 - £NIL).

6. SHARE BASED PAYMENTS

The company issued 1,000,000 share options to Inov8R Limited, a company owned by the director Stephen Wheatley. The fair value of the options were deemed to be £0.10 per share. The options vested on 24 September 2012 on the date the option agreement was signed. There were no outstanding share options at either 31 December 2013 or at 31 December 2014.

7. INTEREST PAYABLE

	2014 £	2013 £
On other loans	<u>9,450</u>	<u>9,450</u>

CITY ODDS CAPITAL PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

8. TAXATION

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 21.25% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Loss on ordinary activities before tax	(132,824)	(193,829)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.25% (2013 - 23.25%)	(28,225)	(45,065)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	11,672	16,705
Capital allowances for year in excess of depreciation	57	62
Unrelieved tax losses carried forward	16,496	28,298
Current tax charge for the year (see note above)	-	-

9. INTANGIBLE FIXED ASSETS

Group	Develop- ment £	Goodwill on consolidation £	Total £
Cost			
At 1 January 2014 and 31 December 2014	191,197	500,847	692,044
Amortisation			
At 1 January 2014	100,373	52,171	152,544
Charge for the year	29,887	25,042	54,929
At 31 December 2014	130,260	77,213	207,473
Net book value			
At 31 December 2014	60,937	423,634	484,571
At 31 December 2013	90,824	448,676	539,500

CITY ODDS CAPITAL PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

9. INTANGIBLE FIXED ASSETS (continued)

Company	Develop- ment £
Cost	
At 1 January 2014 and 31 December 2014	116,436
Amortisation	
At 1 January 2014	38,812
Charge for the year	23,287
At 31 December 2014	62,099
Net book value	
At 31 December 2014	54,337
At 31 December 2013	77,624

10. TANGIBLE FIXED ASSETS

Group	Office equipment £
Cost	
At 1 January 2014 and 31 December 2014	3,902
Depreciation	
At 1 January 2014	3,341
Charge for the year	269
At 31 December 2014	3,610
Net book value	
At 31 December 2014	292
At 31 December 2013	561

CITY ODDS CAPITAL PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

11. FIXED ASSET INVESTMENTS

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2014 and 31 December 2014	555,285
Impairment	
At 1 January 2014 and 31 December 2014	555,285
Net book value	
At 31 December 2014	-
At 31 December 2013	-

Details of the principal subsidiaries can be found under note number 12.

12. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
CityOdds Limited	England & Wales	100	Software development

13. DEBTORS

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Amounts owed by group undertakings	-	-	32,392	24,202
Other debtors	100	5,260	-	5,160
	100	5,260	32,392	29,362

CITY ODDS CAPITAL PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

14. CREDITORS:
Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Convertible debt liability component	149,397	139,947	149,397	139,947
Trade creditors	16,597	59,497	16,597	55,297
Other creditors	97,784	11,600	94,184	8,000
Accruals and deferred income	31,620	11,617	26,785	5,462
	<u>295,398</u>	<u>222,661</u>	<u>286,963</u>	<u>208,706</u>

On 9 July 2012 the company entered into a convertible loan note agreement with Inov8R Limited for £125,000. Interest on the loan accrued from 1 January 2013 at 7% per annum or 6% above the HSBC base rate, whichever is higher. The loan was due to be repaid by 31 December 2013 however under the agreement Inov8R Limited has the right to convert the loan to shares at a subscription price of £0.10. The loan has not been repaid and the directors and the loan note holders have agreed that the loan will continue in place with the same terms for the foreseeable future. Interest charges of £17,500 have been accrued up to 31 December 2014.

On 9 July 2012 the company also entered into a convertible loan agreement with Mike Chadney for £10,000 under the same terms as the agreement with Inov8R Limited above. The loan has not been repaid and the directors and the loan note holders have agreed that the loan will continue in place with the same terms for the foreseeable future. Interest charges of £1,400 have been accrued up to 31 December 2014.

15. SHARE CAPITAL

	2014	2013
	£	£
Allotted, called up and fully paid		
7,175,002 Ordinary shares of £0.10 each	<u>717,500</u>	<u>717,500</u>

16. RESERVES

Group	Shares to be issued £	Other reserves £	Profit and loss account £
At 1 January 2014	100,000	4,503	(498,041)
Loss for the financial year	-	-	(132,824)
At 31 December 2014	<u>100,000</u>	<u>4,503</u>	<u>(630,865)</u>

CITY ODDS CAPITAL PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

16. RESERVES (continued)

Company	Shares to be issued £	Convertible debt option reserve £	Profit and loss account £
At 1 January 2014	100,000	4,503	(922,426)
Loss for the financial year	-	-	(98,286)
At 31 December 2014	100,000	4,503	(1,020,712)

17. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

Group	2014 £	2013 £
Opening shareholders' funds	323,962	517,791
Loss for the financial year	(132,824)	(193,829)
Closing shareholders' funds	191,138	323,962

Company	2014 £	2013 £
Opening shareholders' (deficit)/funds	(100,423)	43,713
Loss for the financial year	(98,286)	(144,136)
Closing shareholders' deficit	(198,709)	(100,423)

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account.

The loss for the year dealt with in the accounts of the company was £98,286 (2013 - £144,136).

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating loss	(123,374)	(184,021)
Amortisation of intangible fixed assets	54,929	71,579
Depreciation of tangible fixed assets	269	269
Decrease/(increase) in debtors	5,160	(5,260)
Decrease in amounts owed by associates	-	1,752
Increase in creditors	63,287	39,168
Net cash inflow/(outflow) from operating activities	271	(76,513)

CITY ODDS CAPITAL PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

19. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest paid	(9,450)	(9,450)
Income from investments in associated undertakings	-	(2,589)
Net cash outflow from returns on investments and servicing of finance	<u>(9,450)</u>	<u>(12,039)</u>
	2014 £	2013 £
Capital expenditure and financial investment		
Purchase of intangible fixed assets	-	(18,049)
Sale of intangible fixed assets	-	18,049
Sale of unlisted and other investments	-	(358)
Net cash outflow from capital expenditure	<u>-</u>	<u>(358)</u>
	2014 £	2013 £
Financing		
Issue of convertible loans	<u>9,450</u>	<u>9,450</u>

20. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2014 £	Cash flow £	Other non-cash changes £	31 December 2014 £
Cash at bank and in hand	1,302	271	-	1,573
Debt:				
Debts due within one year	(139,947)	(9,450)	-	(149,397)
Net debt	<u>(138,645)</u>	<u>(9,179)</u>	<u>-</u>	<u>(147,824)</u>

CITY ODDS CAPITAL PLC

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21. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with its wholly owned subsidiaries.

At the balance sheet date an amount of £3,600 (2013: £3,600) was owed by the group to the director Stephen Wheatley in respect of expenses paid on behalf of a subsidiary.

On 24 September 2012 the company entered into a warranty agreement with Mike Chadney, the majority shareholder, for up to 1,500,000 shares in the company. Under the agreement shares can be subscribed for at any time in cash at the subscription price of £0.10 per share during the subscription period ending on 24 September 2017. No charge has been recognised as the value of the option is the same as the nominal value of the shares.

During the year to 31 December 2014 the company paid company secretarial and accountancy fees of £4,200 (2013: £1,800) to Buckingham Corporate Services Limited. The director Bernard Sumner is also a director and shareholder of Buckingham Corporate Services Limited.

22. CONTROLLING PARTY

The company is controlled by Mike Chadney by virtue of his majority shareholding.