

REGISTERED NUMBER: 03529985 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2019 TO 30 JUNE 2020
FOR
SYNTEC LIMITED**

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FOR THE PERIOD 1 APRIL 2019 TO 30 JUNE 2020**

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SYNTEC LIMITED
COMPANY INFORMATION
FOR THE PERIOD 1 APRIL 2019 TO 30 JUNE 2020

DIRECTORS: C P Westlake
J S Campbell
J M Graham
S C Beeching
A J Dunning
D M Cresswell
J F Butler

SECRETARY: A J Dunning

REGISTERED OFFICE: Building E Ealing Studios
Ealing Green
London
W5 5EP

REGISTERED NUMBER: 03529985 (England and Wales)

SENIOR STATUTORY AUDITOR: William Neville

AUDITORS: Lewis Brownlee (Chichester) Limited
Chartered Accountants
Statutory Auditors
Appledram Barns
Birdham Road
Chichester
West Sussex
PO20 7EQ

SOLICITORS: Birketts LLP
24-26 Museum Street
Ipswich
Suffolk
IP1 1HZ

**REPORT OF THE DIRECTORS
FOR THE PERIOD 1 APRIL 2019 TO 30 JUNE 2020**

The directors present their report with the financial statements of the company for the period 1 April 2019 to 30 June 2020.

The Directors are pleased with the accelerated growth in turnover and profits in the period, driven by new and recurring international revenues from Syntec's patented CardEasy payment security software-as-a-service. With continued investment in R&D, new channels to market and a strong sales pipeline, in particular in the USA, prospects for continued business expansion look very positive, underpinned by multi-year CardEasy service contracts.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

C P Westlake
J S Campbell
J M Graham
S C Beeching
A J Dunning

Other changes in directors holding office are as follows:

D M Cresswell - appointed 12 December 2019

J F Butler was appointed as a director after 30 June 2020 but prior to the date of this report.

RESULTS AND APPROPRIATIONS

The results and the state of affairs of the company for the period are set out in the financial statements on pages six to fifteen. In the 15 month period ended 30 June 2020 £733,442 was expended on Research and Development Activities (12 months to 31 March 2019: £455,218), the EBITDA for the period was £457,032 (2019: £380,205) and dividends of £275,910 (2019: £491,705) were paid out of the reserves.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**REPORT OF THE DIRECTORS
FOR THE PERIOD 1 APRIL 2019 TO 30 JUNE 2020**

AUDITORS

The auditors, Lewis Brownlee (Chichester) Limited, will be proposed for re-appointment by Member's Resolution.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

C P Westlake - Director

24 December 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SYNTEC LIMITED

Opinion

We have audited the financial statements of Syntec Limited (the 'company') for the period ended 30 June 2020 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SYNTEC LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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

William Neville (Senior Statutory Auditor)
for and on behalf of Lewis Brownlee (Chichester) Limited
Chartered Accountants
Statutory Auditors
Appledram Barns
Birdham Road
Chichester
West Sussex
PO20 7EQ

24 December 2020

SYNTEC LIMITED (REGISTERED NUMBER: 03529985)

**INCOME STATEMENT
FOR THE PERIOD 1 APRIL 2019 TO 30 JUNE 2020**

	Notes	Period 1/4/19 to 30/6/20 £	Year Ended 31/3/19 £
TURNOVER		6,252,309	4,453,261
Cost of sales		<u>2,124,477</u>	<u>1,385,048</u>
GROSS PROFIT		4,127,832	3,068,213
Administrative expenses		<u>3,777,954</u>	<u>2,759,844</u>
OPERATING PROFIT	4	349,878	308,369
Interest receivable and similar income	5	<u>4,449</u>	<u>2,103</u>
		354,327	310,472
Interest payable and similar expenses		<u>1,283</u>	<u>940</u>
PROFIT BEFORE TAXATION		353,044	309,532
Tax on profit	6	<u>(100,352)</u>	<u>(41,215)</u>
PROFIT FOR THE FINANCIAL PERIOD		453,396	350,747

The notes form part of these financial statements

SYNTEC LIMITED (REGISTERED NUMBER: 03529985)

STATEMENT OF FINANCIAL POSITION
30 JUNE 2020

	Notes	£	2020 £	£	2019 £
FIXED ASSETS					
Tangible assets	7		202,138		188,044
CURRENT ASSETS					
Stocks	8	105,084		9,843	
Debtors	9	1,776,618		984,463	
Cash at bank and in hand		550,749		191,554	
		2,432,451		1,185,860	
CREDITORS					
Amounts falling due within one year	10	2,048,142		972,462	
NET CURRENT ASSETS			384,309		213,398
TOTAL ASSETS LESS CURRENT LIABILITIES			586,447		401,442
PROVISIONS FOR LIABILITIES			33,446		25,927
NET ASSETS			553,001		375,515
CAPITAL AND RESERVES					
Called up share capital			350,100		350,100
Retained earnings			202,901		25,415
SHAREHOLDERS' FUNDS			553,001		375,515

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

The financial statements were approved by the Board of Directors and authorised for issue on 23 December 2020 and were signed on its behalf by:

J M Graham - Director

SYNTEC LIMITED (REGISTERED NUMBER: 03529985)

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 APRIL 2019 TO 30 JUNE 2020**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2018	350,100	166,373	516,473
Changes in equity			
Dividends	-	(491,705)	(491,705)
Total comprehensive income	-	350,747	350,747
Balance at 31 March 2019	<u>350,100</u>	<u>25,415</u>	<u>375,515</u>
Changes in equity			
Dividends	-	(275,910)	(275,910)
Total comprehensive income	-	453,396	453,396
Balance at 30 June 2020	<u>350,100</u>	<u>202,901</u>	<u>553,001</u>

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 APRIL 2019 TO 30 JUNE 2020

	Notes	Period 1/4/19 to 30/6/20 £	Year Ended 31/3/19 £
Cash flows from operating activities			
Cash generated from operations	1	1,279,225	52,754
Interest paid		(1,283)	(940)
Tax paid		-	22,169
Net cash from operating activities		<u>1,277,942</u>	<u>73,983</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(121,759)	(100,113)
Sale of tangible fixed assets		511	-
(Increase)/decrease in intercompany loan		(526,038)	310,343
Interest received		4,449	2,103
Net cash from investing activities		<u>(642,837)</u>	<u>212,333</u>
Cash flows from financing activities			
Equity dividends paid		(275,910)	(491,705)
Net cash from financing activities		<u>(275,910)</u>	<u>(491,705)</u>
Increase/(decrease) in cash and cash equivalents		<u>359,195</u>	<u>(205,389)</u>
Cash and cash equivalents at beginning of period	2	<u>191,554</u>	396,943
Cash and cash equivalents at end of period	2	<u>550,749</u>	<u>191,554</u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 APRIL 2019 TO 30 JUNE 2020**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Period 1/4/19 to 30/6/20 £	Year Ended 31/3/19 £
Profit before taxation	353,044	309,532
Depreciation charges	107,155	71,836
Finance costs	1,283	940
Finance income	<u>(4,449)</u>	<u>(2,103)</u>
	457,033	380,205
(Increase)/decrease in stocks	(95,241)	38,641
Increase in trade and other debtors	(187,096)	(299,735)
Increase/(decrease) in trade and other creditors	<u>1,104,529</u>	<u>(66,357)</u>
Cash generated from operations	<u>1,279,225</u>	<u>52,754</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Period ended 30 June 2020

	30/6/20 £	1/4/19 £
Cash and cash equivalents	<u>550,749</u>	<u>191,554</u>

Year ended 31 March 2019

	31/3/19 £	1/4/18 £
Cash and cash equivalents	<u>191,554</u>	<u>396,943</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/4/19 £	Cash flow £	At 30/6/20 £
Net cash			
Cash at bank and in hand	<u>191,554</u>	<u>359,195</u>	<u>550,749</u>
	<u>191,554</u>	<u>359,195</u>	<u>550,749</u>
Total	<u>191,554</u>	<u>359,195</u>	<u>550,749</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2019 TO 30 JUNE 2020**

1. COMPANY INFORMATION

Syntec Limited is a private limited company incorporated and domiciled in England and Wales. The principal place of business and the registered office is Building E Ealing Studios, Ealing Green, London, W5 5EP. The principal activity of the company is the provision of integrated contact centre management systems including secure payment technology and telecommunications services; and the research and development of new services and service platforms; and the protection by patents and otherwise of the intellectual property deriving from such research and development.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The financial statements are presented in Sterling (£), which is also the functional currency of the company.

The principal accounting policies, and details of significant judgements and estimations, adopted in the preparation of the financial statements, are set out below:

Turnover

Turnover represents the total value, excluding Value Added Tax, of sales invoiced during the period, adjusted for accrued income at the beginning and end of the period.

Revenue is recognised in the period in which services generating that revenue are supplied.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- at varying rates on cost
Plant and machinery	- at varying rates on cost
Fixtures and fittings	- at varying rates on cost

Tangible fixed assets are stated at cost less depreciation.

Stocks (inventories)

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

Financial instruments are classified by the directors as basic or advanced following the conditions in FRS102 Section 11. Basic financial instruments are recognised at amortised cost using the effective interest method. The company has no advanced financial instruments.

Research and development

Research expenditure is written off in the year in which it is incurred.

Development expenditure is written off in the year in which it is incurred.

Debtors

Short-term debtors are measured at transaction value less any impairment.

At each balance sheet date, debtors are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is measured as the difference between the carrying amount and the amount expected to be received.

Creditors

Short-term trade creditors are measured at transaction value.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2019 TO 30 JUNE 2020

2. ACCOUNTING POLICIES - continued**Taxation**

The tax charge or credit recognised in the profit and loss account is the aggregate of current and deferred tax recognised in the reporting period.

Current tax is recognised for the amount of corporation tax payable less research and development tax credits repayable in respect of the taxable profit for the current and prior reporting periods.

Deferred tax

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

3. EMPLOYEES AND DIRECTORS

The average number of employees and directors during the period was 28 (2019: 26).

4. OPERATING PROFIT

The operating profit is stated after charging:

	Period 1/4/19 to 30/6/20 £	Year Ended 31/3/19 £
Depreciation - owned assets	107,154	71,836
Research & development costs	<u>733,442</u>	<u>455,218</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

During the period the company charged interest of £4,046 (2019: £1,820) on loans to group undertakings.

6. TAXATION**Analysis of the tax credit**

The tax credit on the profit for the period was as follows:

	Period 1/4/19 to 30/6/20 £	Year Ended 31/3/19 £
Current tax:		
UK corporation tax	(107,871)	(45,456)
Deferred tax	<u>7,519</u>	<u>4,241</u>
Tax on profit	<u>(100,352)</u>	<u>(41,215)</u>

UK corporation tax has been charged at 19% .

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2019 TO 30 JUNE 2020

6. TAXATION - continued

Reconciliation of total tax credit included in profit and loss

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 1/4/19 to 30/6/20 £	Year Ended 31/3/19 £
Profit before tax	<u>353,044</u>	<u>309,532</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	67,078	58,811
Effects of:		
Expenses not deductible for tax purposes	5,684	1,264
Research and development enhanced deduction	(181,160)	(112,439)
Reduction of R&D tax credit claim to 14.5%	-	12,465
Reduction of deferred tax movements to 14.5%	-	(1,316)
Losses surrendered to group undertakings	5,713	5,291
Amounts charged to group undertakings for use of losses	(5,713)	(5,291)
Increase deferred tax brought forward to 19%	8,046	-
Total tax credit	<u>(100,352)</u>	<u>(41,215)</u>

7. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 April 2019	-	556,343	84,949	641,292
Additions	45,527	35,363	40,869	121,759
Disposals	-	(258,026)	(30,626)	(288,652)
At 30 June 2020	<u>45,527</u>	<u>333,680</u>	<u>95,192</u>	<u>474,399</u>
DEPRECIATION				
At 1 April 2019	-	399,563	53,685	453,248
Charge for period	4,425	80,636	22,093	107,154
Eliminated on disposal	-	(258,025)	(30,116)	(288,141)
At 30 June 2020	<u>4,425</u>	<u>222,174</u>	<u>45,662</u>	<u>272,261</u>
NET BOOK VALUE				
At 30 June 2020	<u>41,102</u>	<u>111,506</u>	<u>49,530</u>	<u>202,138</u>
At 31 March 2019	<u>-</u>	<u>156,780</u>	<u>31,264</u>	<u>188,044</u>

8. STOCKS

	2020 £	2019 £
Stocks	<u>105,084</u>	<u>9,843</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2019 TO 30 JUNE 2020

9.	DEBTORS		
		2020	2019
		£	£
	Amounts falling due within one year:		
	Trade debtors	1,014,169	681,893
	Amounts owed by group undertakings	497,310	-
	Other debtors	44,662	7,038
	Tax	102,158	63,053
	Prepayments	118,319	134,919
	Accrued income	<u>-</u>	<u>94,747</u>
		<u>1,776,618</u>	<u>981,650</u>
	Amounts falling due after more than one year:		
	Other debtors	<u>-</u>	<u>2,813</u>
	Aggregate amounts	<u>1,776,618</u>	<u>984,463</u>

10.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
		2020	2019
		£	£
	Trade creditors	320,980	223,177
	Amounts owed to group undertakings	-	28,849
	Social security and other taxes	44,433	48,631
	Pensions	4,968	2,782
	VAT	106,971	54,999
	Other creditors	19,361	14,954
	Accruals and deferred income	<u>1,551,429</u>	<u>599,070</u>
		<u>2,048,142</u>	<u>972,462</u>

11.	LEASING AGREEMENTS		
	Minimum lease payments under non-cancellable operating leases fall due as follows:		
		2020	2019
		£	£
	Within one year	85,092	-
	Between one and five years	585,937	-
	In more than five years	<u>134,277</u>	<u>-</u>
		<u>805,306</u>	<u>-</u>

12. **CONTINGENT LIABILITIES**

The company has guaranteed the repayment of loans advanced to its fellow subsidiary Syntec Investments Limited. The amount outstanding on these loans as at the statement of financial position date was £241,561 (2019: £255,298).

13. **PARENT UNDERTAKING**

The company is a subsidiary of Syntec Holdings Limited, a company incorporated in England and Wales. Syntec Holdings Ltd prepares consolidated financial statements. The principal place of business of the company and its registered office is Building E Ealing Studios, Ealing Green, London, W5 5EP.

14. SHARE OPTION SCHEME

Certain employees of the company were awarded share options within a group share option scheme, some of which were exercised during the period. A charge of £16,503 (2019: £3,482) in respect of this scheme is recognised within this company's Income Statement and made against the group holding company's (Syntec Holdings Ltd) Share Scheme Reserves.

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.