

REGISTERED NUMBER: 03529985 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
SYNTEC LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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SYNTEC LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS: Mrs C G Herbert
N B Philpot

REGISTERED OFFICE: Telford House
Corner Hall
Hemel Hempstead
HP3 9HN

REGISTERED NUMBER: 03529985 (England and Wales)

SENIOR STATUTORY AUDITOR: Sam Ede BFP FCA FCCA

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

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

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.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2021 will be £ 1,300,000 .

DIRECTORS

The directors who have held office during the period from 1 January 2021 to the date of this report are as follows:

C P Westlake - resigned 22 December 2021
J S Campbell - resigned 22 December 2021
J M Graham - resigned 22 December 2021
S C Beeching - resigned 22 December 2021
A J Dunning - resigned 18 February 2021
D M Cresswell - resigned 22 December 2021
J F Butler - resigned 22 December 2021
Mrs C G Herbert - appointed 22 December 2021
N B Philpot - appointed 22 December 2021

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 or she ought to have taken as a director in order to make himself or herself 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 YEAR ENDED 31 DECEMBER 2021**

AUDITORS

Lewis Brownlee (Chichester) Limited retire as auditors at the end of their term of office.

ON BEHALF OF THE BOARD:

Mrs C G Herbert - Director

6 April 2022

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 year ended 31 December 2021 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity, 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 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 31 December 2021 and of its profit 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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including legislation such as the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SYNTEC LIMITED

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Sam Ede BFP FCA FCCA (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

6 April 2022

SYNTEC LIMITED (REGISTERED NUMBER: 03529985)

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

		Year Ended 31/12/21 £	Period 1/7/20 to 31/12/20 £
TURNOVER		6,263,046	3,614,369
Cost of sales		<u>1,671,863</u>	<u>1,021,806</u>
GROSS PROFIT		4,591,183	2,592,563
Administrative expenses		<u>3,386,658</u>	<u>1,577,851</u>
OPERATING PROFIT	4	1,204,525	1,014,712
Group restructuring costs	6	<u>432,819</u>	-
		771,706	1,014,712
Interest receivable and similar income	7	<u>64</u>	<u>4,127</u>
		771,770	1,018,839
Interest payable and similar expenses	8	<u>67</u>	-
PROFIT BEFORE TAXATION		771,703	1,018,839
Tax on profit	9	<u>(128,058)</u>	<u>122,113</u>
PROFIT FOR THE FINANCIAL YEAR		899,761	896,726

The notes form part of these financial statements

SYNTEC LIMITED (REGISTERED NUMBER: 03529985)

**STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021**

	Notes	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible assets	10		235,201		219,001
CURRENT ASSETS					
Stocks	11	89,618		47,464	
Debtors	12	2,630,711		1,024,749	
Cash at bank and in hand		507,782		<u>1,724,420</u>	
		3,228,111		2,796,633	
CREDITORS					
Amounts falling due within one year	13	2,413,824		<u>1,528,861</u>	
NET CURRENT ASSETS			814,287		<u>1,267,772</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,049,488		1,486,773
PROVISIONS FOR LIABILITIES			-		<u>37,046</u>
NET ASSETS			1,049,488		<u>1,449,727</u>
CAPITAL AND RESERVES					
Called up share capital			350,100		350,100
Retained earnings			699,388		<u>1,099,627</u>
SHAREHOLDERS' FUNDS			1,049,488		<u>1,449,727</u>

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 6 April 2022 and were signed on its behalf by:

Mrs C G Herbert - Director

SYNTEC LIMITED (REGISTERED NUMBER: 03529985)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2020	350,100	202,901	553,001
Changes in equity			
Total comprehensive income	-	896,726	896,726
Balance at 31 December 2020	<u>350,100</u>	<u>1,099,627</u>	<u>1,449,727</u>
Changes in equity			
Dividends	-	(1,300,000)	(1,300,000)
Total comprehensive income	-	899,761	899,761
Balance at 31 December 2021	<u>350,100</u>	<u>699,388</u>	<u>1,049,488</u>

The notes form part of these financial statements

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

		Year Ended 31/12/21 £	Period 1/7/20 to 31/12/20 £
Cash flows from operating activities			
Cash generated from operations	17	1,352,756	721,676
Interest paid		<u>(67)</u>	-
Net cash from operating activities		<u>1,352,689</u>	<u>721,676</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(115,142)	(56,999)
Sale of tangible fixed assets		7,999	-
Change in intra group balances		(1,162,248)	504,867
Interest received		64	4,127
Net cash from investing activities		<u>(1,269,327)</u>	<u>451,995</u>
Cash flows from financing activities			
Equity dividends paid		<u>(1,300,000)</u>	-
Net cash from financing activities		<u>(1,300,000)</u>	-
(Decrease)/increase in cash and cash equivalents		<u>(1,216,638)</u>	1,173,671
Cash and cash equivalents at beginning of year	18	1,724,420	550,749
Cash and cash equivalents at end of year	18	<u>507,782</u>	<u>1,724,420</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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 Telford House, Corner Hall, Hemel Hempstead, HP3 9HN. 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 and deferred 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 unless the effect of discounting would be immaterial, in which case they are stated at cost. 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 YEAR ENDED 31 DECEMBER 2021**

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 or carried forward, 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 29 (2020: 30).

4. OPERATING PROFIT

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

	Year Ended 31/12/21	Period 1/7/20 to 31/12/20
	£	£
Depreciation - owned assets	90,618	40,136
Loss on disposal of fixed assets	324	-
Foreign exchange differences	(16,935)	95,555
Research & development costs	<u>724,068</u>	<u>311,376</u>

5. AUDITORS' REMUNERATION

Fees payable to the company's auditors for the audit of the financial statements were £10,000 (2020: £6,375).

6. EXCEPTIONAL ITEMS

	Year Ended 31/12/21	Period 1/7/20 to 31/12/20
	£	£
Group restructuring costs	<u>(432,819)</u>	<u>-</u>

7. INTEREST RECEIVABLE AND SIMILAR INCOME

During the period the company charged interest of £Nil (2020: £4,108) on loans to group undertakings.

8. INTEREST PAYABLE AND SIMILAR EXPENSES

During the period the company incurred interest of £67 (2020: £Nil) on loans from group undertakings.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

9. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit for the year was as follows:

	Year Ended 31/12/21 £	Period 1/7/20 to 31/12/20 £
Current tax:		
UK corporation tax	-	118,189
Tax amendment to prior periods	-	324
Total current tax	-	118,513
Deferred tax	(128,058)	3,600
Tax on profit	(128,058)	<u>122,113</u>

UK corporation tax has been charged at 19% (2020 - 19%).

Reconciliation of total tax (credit)/charge included in profit and loss

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

	Year Ended 31/12/21 £	Period 1/7/20 to 31/12/20 £
Profit before tax	<u>771,703</u>	<u>1,018,839</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	146,624	193,579
Effects of:		
Expenses not deductible for tax purposes	84,738	1,050
Adjustments to tax charge in respect of previous periods	-	324
Research and development enhanced deduction	(182,725)	(72,840)
Share-based payments to employees	(172,045)	-
Other adjustments to deferred tax	(4,650)	-
Total tax (credit)/charge	(128,058)	<u>122,113</u>

Factors that may affect the future tax charges

At Budget 2020, the government announced that the Corporation Tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%.

At Budget 2021, the government announced that the Corporation Tax main rate for the years starting 1 April 2023 will increase from 19% to 25%. In addition, the government legislated in Finance Bill 2021 to introduce a small profits rate of 19% for financial year April 2023. The small profits rate will apply to profits of £50,000 or less.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

10. TANGIBLE FIXED ASSETS	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 January 2021	45,527	281,006	95,180	421,713
Additions	-	93,286	21,856	115,142
Disposals	<u>(4,948)</u>	<u>(49,290)</u>	<u>(26,433)</u>	<u>(80,671)</u>
At 31 December 2021	<u>40,579</u>	<u>325,002</u>	<u>90,603</u>	<u>456,184</u>
DEPRECIATION				
At 1 January 2021	7,220	151,152	44,340	202,712
Charge for year	4,963	65,471	20,184	90,618
Eliminated on disposal	<u>(4,948)</u>	<u>(48,565)</u>	<u>(18,834)</u>	<u>(72,347)</u>
At 31 December 2021	<u>7,235</u>	<u>168,058</u>	<u>45,690</u>	<u>220,983</u>
NET BOOK VALUE				
At 31 December 2021	<u>33,344</u>	<u>156,944</u>	<u>44,913</u>	<u>235,201</u>
At 31 December 2020	<u>38,307</u>	<u>129,854</u>	<u>50,840</u>	<u>219,001</u>
11. STOCKS			2021	2020
			£	£
Stocks			<u>89,618</u>	<u>47,464</u>
12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			2021	2020
			£	£
Trade debtors			648,815	766,828
Amounts owed by group undertakings			1,564,355	23,844
Other debtors			54,484	58,084
VAT			-	4,171
Deferred tax asset			91,012	-
Prepayments			98,699	84,990
Accrued income			<u>173,346</u>	<u>86,832</u>
			<u>2,630,711</u>	<u>1,024,749</u>
13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			2021	2020
			£	£
Trade creditors			149,512	272,380
Amounts owed to group undertakings			409,664	31,401
Corporation Tax			-	40,181
Social security and other taxes			58,280	48,657
Pensions			-	5,607
VAT			10,880	-
Other creditors			137,872	120,810
Accruals and deferred income			<u>1,647,616</u>	<u>1,009,825</u>
			<u>2,413,824</u>	<u>1,528,861</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	213,220	205,524
Between one and five years	728,501	928,464
In more than five years	-	96,715
	<u>941,721</u>	<u>1,230,703</u>

15. ULTIMATE CONTROLLING PARTY

The immediate parent undertaking is Syntec Holdings Limited, a company incorporated in England and Wales. Syntec Holdings Ltd prepares consolidated financial statements. The registered office of Syntec Holdings Ltd is Telford House, Corner Hall, Hemel Hempstead, HP3 9HN.

From 22 December 2021 the ultimate parent undertaking became Eckoh plc, a company incorporated in England and Wales.

16. 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 £2,250 (2020: £3,467) 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.

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

	Year Ended 31/12/21 £	Period 1/7/20 to 31/12/20 £
Profit before taxation	771,703	1,018,839
Depreciation charges	90,618	40,136
Loss on disposal of fixed assets	324	-
Finance costs	67	-
Finance income	(64)	(4,127)
	<u>862,648</u>	1,054,848
(Increase)/decrease in stocks	(42,154)	57,620
Decrease in trade and other debtors	21,390	164,061
Increase/(decrease) in trade and other creditors	510,872	(554,853)
Cash generated from operations	<u>1,352,756</u>	<u>721,676</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

18. 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:

Year ended 31 December 2021

	31/12/21	1/1/21
	£	£
Cash and cash equivalents	<u>507,782</u>	<u>1,724,420</u>

Period ended 31 December 2020

	31/12/20	1/7/20
	£	£
Cash and cash equivalents	<u>1,724,420</u>	<u>550,749</u>

19. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/21	Cash flow	At 31/12/21
	£	£	£
Net cash			
Cash at bank and in hand	<u>1,724,420</u>	<u>(1,216,638)</u>	<u>507,782</u>
	<u>1,724,420</u>	<u>(1,216,638)</u>	<u>507,782</u>
Total	<u>1,724,420</u>	<u>(1,216,638)</u>	<u>507,782</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.