

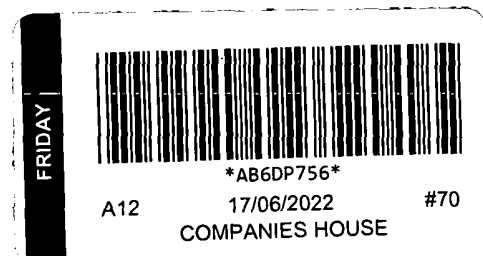
**MOORTEC SEMICONDUCTOR  
LIMITED**

**Directors' Report and Financial  
Statements**

**Year Ended**

**31 MAY 2021**

**Company Number 05443610**



**MOORTEC SEMICONDUCTOR LIMITED**

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**COMPANY INFORMATION**

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<b>Director</b>	Orla Anne Murphy (appointed 11 November 2020)
<b>Registered number</b>	05443610
<b>Registered office</b>	7 Research Way Derriford Plymouth Devon England PL6 8BT
<b>Independent auditors</b>	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

## MOORTEC SEMICONDUCTOR LIMITED

### DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MAY 2021

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The director presents his report and the financial statements for the year ended 31 May 2021.

#### Director's responsibilities statement

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 director is 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 to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

#### Principal activity

The principal activity of the Company is that of electronic engineering solutions. The Company provides embedded subsystem IP solutions for Process, Voltage & Temperature (PVT) monitoring, targeting advanced node CMOS technologies on 40nm, 28nm, 16nm, 12nm & 7nm.

#### Results and dividends

The profit for the year, after taxation, amounted to £29,333,832 (2020 - £409,039).

#### Director

The directors who served during the year were:

Stephen Anthony Crosher (resigned 11 November 2020)  
Claire Elizabeth King (resigned 11 November 2020)  
Oliver King (resigned 11 November 2020)  
Jonathan David Simm (resigned 11 November 2020)  
Simon Richard White (resigned 11 November 2020)  
Timothy Penhale - Jones (resigned 11 November 2020)  
Orla Anne Murphy (appointed 11 November 2020)

**MOORTEC SEMICONDUCTOR LIMITED**

**DIRECTOR'S REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MAY 2021**

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**Disclosure of information to auditors**

The director at the time when this Director's Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the 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's auditors are aware of that information.

**Auditors**

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 3 June 2022

and signed on its behalf.

*Orla Murphy*

Orla Anne Murphy  
**Director**

08 June 2022

## MOORTEC SEMICONDUCTOR LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOORTEC SEMICONDUCTOR LIMITED

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#### Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 2021 and of the Company's 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.

We have audited the financial statements of Moortec Semiconductor Limited ("the Company") for the year ended 31 May 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, 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).

#### 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 Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

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.

#### Emphasis of matter - financial statements prepared on a basis other than going concern

We draw attention to Note 2.2 to the financial statements which explains that subsequent to year end on August 02, 2021, the Company has transferred its trade and all assets and liabilities to one of its group companies, Synopsys (Northern Europe) Limited, and has ceased trading. The directors therefore do not consider the company to be a going concern. Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 2.2. Our opinion is not modified in respect of this matter.

## MOORTEC SEMICONDUCTOR LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOORTEC SEMICONDUCTOR LIMITED (CONTINUED)

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#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report and Financial Statements other than the financial statements and our auditor's report 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. 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 course of 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.

#### **Other Companies Act 2006 reporting**

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

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

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 Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 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; 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' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

## MOORTEC SEMICONDUCTOR LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOORTEC SEMICONDUCTOR LIMITED (CONTINUED)

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#### **Responsibilities of directors**

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, and for such internal control as the Directors determine is 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.

#### **Auditor's 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 an auditor's report 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.

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Company, we considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We have evaluated management incentives and opportunities for fraudulent manipulation of the financial statements including management override, and considered that the principal risk were related to the posting of inappropriate journal entries to improve the result before tax for the year.

We designed our audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

Procedures performed included:

- Discussions with management regarding known or suspected instances of non-compliance with laws and regulations;
- Reading the minutes of meetings of those charged with governance;
- Evaluation of controls designed to prevent and detect irregularities; and
- Assessing journal entries as part of our planned audit approach.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**MOORTEC SEMICONDUCTOR LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOORTEC SEMICONDUCTOR LIMITED  
(CONTINUED)**

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**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 an auditor's 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.

DocuSigned by:

*Arbinder Chatwal*

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**Arbinder Chatwal** (Senior Statutory Auditor)  
For and on behalf of **BDO LLP**, Statutory Auditor  
Southampton  
United Kingdom  
09 June 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## MOORTEC SEMICONDUCTOR LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MAY 2021

	Note	2021 £	2020 £
Turnover		10,206,825	5,631,499
Cost of sales		(5,065,079)	(1,595,847)
<b>Gross profit</b>		<b>5,141,746</b>	<b>4,035,652</b>
Administrative expenses		(10,557,008)	(3,522,028)
Other operating income	3	40,973,713	-
<b>Operating profit</b>	4	<b>35,558,451</b>	<b>513,624</b>
Interest receivable and similar income		53	445
Interest payable and similar expenses	6	(72,133)	(158,147)
<b>Profit before tax</b>		<b>35,486,371</b>	<b>355,922</b>
Tax on profit	7	(6,152,539)	53,117
<b>Profit for the financial year</b>		<b>29,333,832</b>	<b>409,039</b>
<b>Other comprehensive income for the year</b>			
<b>Total comprehensive income for the year</b>		<b>29,333,832</b>	<b>409,039</b>

The notes on pages 12 to 26 form part of these financial statements.

There was no other comprehensive income for 2021 (2020 :£Nil).

## MOORTEC SEMICONDUCTOR LIMITED

BALANCE SHEET  
AS AT 31 MAY 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	8	74,423	3,321,072
Tangible assets	9	215,068	199,031
Investments	10	-	10,979
		<u>289,491</u>	<u>3,531,082</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	11	4,793,962	4,425,615
Cash at bank and in hand		809,224	199,720
		<u>5,603,186</u>	<u>4,625,335</u>
Creditors: amounts falling due within one year	12	(2,904,458)	(3,690,305)
<b>Net current assets</b>		<u>2,698,728</u>	<u>935,030</u>
<b>Total assets less current liabilities</b>		<u>2,988,219</u>	<u>4,466,112</u>
Creditors: amounts falling due after more than one year	13	-	(1,744,831)
<b>Provisions for liabilities</b>			
Deferred tax	15	(5,291)	(654,796)
		<u>(5,291)</u>	<u>(654,796)</u>
<b>Net assets</b>		<u><u>2,982,928</u></u>	<u><u>2,066,485</u></u>

**MOORTEC SEMICONDUCTOR LIMITED**  
**REGISTERED NUMBER:05443610**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MAY 2021**

	Note	2021 £	2020 £
<b>Capital and reserves</b>			
Called up share capital	16	140	129
Share premium account	17	96,440	96,440
Capital redemption reserve	17	(2)	(2)
Capital contribution	17	4,076,814	-
Profit and loss account	17	(1,190,464)	1,969,918
		<u>2,982,928</u>	<u>2,066,485</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 were approved and authorised for issue by the board and were signed on its behalf on

*Orla Murphy*

08 June 2022

**Orla Anne Murphy**  
Director

The notes on pages 12 to 26 form part of these financial statements.

## MOORTEC SEMICONDUCTOR LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MAY 2021

	Called up share capital	Share premium account	Capital redemption reserve	Capital contribution	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 June 2020	129	96,440	(2)	-	1,969,918	2,066,485
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	29,333,832	29,333,832
Dividends: Equity capital	-	-	-	-	(32,494,214)	(32,494,214)
Shares issued during the year	11	-	-	-	-	11
Capital contribution for repayment of loan (refer note 1 below)	-	-	-	1,900,630	-	1,900,630
Share option charge	-	-	-	2,176,184	-	2,176,184
<b>Total transactions with owners</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>4,076,814</b>	<b>(32,494,214)</b>	<b>(28,417,389)</b>
<b>At 31 May 2021</b>	<b>140</b>	<b>96,440</b>	<b>(2)</b>	<b>4,076,814</b>	<b>(1,190,464)</b>	<b>2,982,928</b>

The notes on pages 12 to 26 form part of these financial statements.

Note 1: Capital contribution for repayment of loan:

During the year the company has repaid the entire outstanding loan along with interest due thereon. The loan along with interest due thereon was repaid by Synopsys Inc., as part of acquisition process. The proceeds received from Synopsys Inc., for repayment of loans is accounted as Capital contribution and have been credited to equity.

## MOORTEC SEMICONDUCTOR LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MAY 2020

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 June 2019	136	96,440	(9)	1,668,662	1,765,229
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	409,039	409,039
Purchase of own shares	-	-	7	(107,783)	(107,776)
Shares cancelled during the year	(7)	-	-	-	(7)
<b>Total transactions with owners</b>	<b>(7)</b>	<b>-</b>	<b>7</b>	<b>(107,783)</b>	<b>(107,783)</b>
<b>At 31 May 2020</b>	<b>129</b>	<b>96,440</b>	<b>(2)</b>	<b>1,969,918</b>	<b>2,066,485</b>

## MOORTEC SEMICONDUCTOR LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

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#### 1. General information

Moortec Semiconductor Limited is a private company limited by shares incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the principal activity is that of electronic engineering solutions.

#### 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

##### 2.2 Going Concern

Subsequent to year end on 02 August 2021, the company has transfer its trade and assets and liabilities to its group company, Synopsys (Northern Europe) Limited and has ceased trading. As required by UK accounting standards, the directors have prepared the financial statements on the basis that the company is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis. All assets and liabilities are to be transferred to the group company at their carrying amounts.

##### 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.

**MOORTEC SEMICONDUCTOR LIMITED**

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

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**2. Accounting policies (continued)**

**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:

**Sale of design licenses**

Revenue arises from the sale of a perpetual license that allows the acquirer to use the company's internally development design in a specified product. Revenue on licences is recognised when all of the following criteria are met:

- the amount can be measured reliably;
- the stage of completion of the contract at the end of the reporting period can be measured reliably;
- persuasive evidence of an arrangement exists, such as a signed contract or purchase order;
- delivery has occurred and no further elements to be delivered are essential to the functionality of the delivered element;
- the fee is fixed or determinable; and
- collectability is probable.

**2.5 Research and Development**

Expenditure on pure and applied research is charged to the profit and loss account in the year in which it is incurred.

Development costs are also 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 ten years commencing in the year the company starts to benefit from the expenditure.

Development expenditure is written off and charged to statement of comprehensive income on sale of related IP.

**MOORTEC SEMICONDUCTOR LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2021**

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**2. Accounting policies (continued)****2.6 Intangible assets**

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Development expenditure	-	5	years
Computer software	-	3	years

**2.7 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.

## MOORTEC SEMICONDUCTOR LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

## 2. Accounting policies (continued)

### 2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### 2.9 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Fixtures and fittings	-	33%
Computer equipment	-	33%
Other fixed assets	-	33%

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.

### 2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

**MOORTEC SEMICONDUCTOR LIMITED**

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

**2. Accounting policies (continued)**

**2.11 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.

**2.12 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 and loans to related parties.

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 Comprehensive Income.

**2.13 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**3. Other operating income**

	2021 £	2020 £
Profit on sale of IP development rights to parent company	40,973,713	-
	<u>40,973,713</u>	<u>-</u>

During the year with effect from 11 November 2020, Synopsys Inc., acquired 100% shareholding of Moortec Semiconductor Limited. As part of transaction, the Company also sold its IP development rights to Synopsys Inc., - the profit earned on sale of IP rights is shown as other operating income.

## MOORTEC SEMICONDUCTOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2021**4. Operating profit**

The operating profit is stated after charging:

	2021	2020
	£	£
Amortisation	443,716	718,184
Exchange differences	343,710	(111,886)
Defined contribution pension costs	251,940	147,553
Other operating lease rentals	128,616	167,413
Depreciation	272,060	106,537
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	17,000	14,000
	<u>17,000</u>	<u>14,000</u>

**5. Employees**

The average monthly number of employees, including directors, during the year was 48 (2020 - 39).

**6. Interest payable and similar expenses**

	2021	2020
	£	£
Other loan interest payable	72,133	158,147
	<u>72,133</u>	<u>158,147</u>

## MOORTEC SEMICONDUCTOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2021

## 7. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	6,860,166	(292,169)
Adjustments in respect of previous periods	(58,122)	15,101
	<u>6,802,044</u>	<u>(277,068)</u>
<b>Total current tax</b>	<u>6,802,044</u>	<u>(277,068)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(857,457)	220,960
Adjustments in respect of previous periods	892	2,991
Effect of tax rate change in opening balance	207,060	-
<b>Total deferred tax</b>	<u>(649,505)</u>	<u>223,951</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>6,152,539</u>	<u>(53,117)</u>

## MOORTEC SEMICONDUCTOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2021

## 7. Taxation (continued)

## Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>35,486,371</u>	<u>355,922</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	6,742,410	67,625
<b>Effects of:</b>		
Expenses not deductible for tax purposes	614,847	9,924
Other permanent differences	(1,318,387)	(10,124)
Additional deduction for R&D expenditure	-	(351,828)
Surrender of tax losses for R&D tax credit refund	-	107,603
Foreign tax credits	150,056	54,551
Adjustment to tax charge in respect of previous periods	(58,122)	15,101
Adjustments to tax charge in respect of previous periods - deferred tax	892	2,991
Remeasurement of deferred tax for changes in tax rates	1,270	51,040
Fixed assets difference	20,361	-
R&D expenditure credits	(788)	-
<b>Total tax charge for the year</b>	<u><u>6,152,539</u></u>	<u><u>(53,117)</u></u>

## MOORTEC SEMICONDUCTOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2021

## 8. Intangible assets

	Development expenditure £	Computer software £	Total £
<b>Cost</b>			
At 1 June 2020	4,446,426	95,281	4,541,707
Additions	1,091,624	44,841	1,136,465
Disposals	(5,538,050)	-	(5,538,050)
At 31 May 2021	-	140,122	140,122
<b>Amortisation</b>			
At 1 June 2020	1,167,037	53,598	1,220,635
Charge for the year on owned assets	431,615	12,101	443,716
On disposals	(1,598,652)	-	(1,598,652)
At 31 May 2021	-	65,699	65,699
<b>Net book value</b>			
At 31 May 2021	-	74,423	74,423
At 31 May 2020	3,279,389	41,683	3,321,072

## MOORTEC SEMICONDUCTOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2021

## 9. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Leasehold improvement £	Total £
<b>Cost or valuation</b>				
At 1 June 2020	112,954	292,255	-	405,209
Additions	33,575	113,978	140,544	288,097
Disposals	(795)	(14,066)	-	(14,861)
At 31 May 2021	<u>145,734</u>	<u>392,167</u>	<u>140,544</u>	<u>678,445</u>
<b>Depreciation</b>				
At 1 June 2020	57,464	148,714	-	206,178
Charge for the year on owned assets	45,670	119,228	107,162	272,060
Disposals	(795)	(14,066)	-	(14,861)
At 31 May 2021	<u>102,339</u>	<u>253,876</u>	<u>107,162</u>	<u>463,377</u>
<b>Net book value</b>				
At 31 May 2021	<u>43,395</u>	<u>138,291</u>	<u>33,382</u>	<u>215,068</u>
At 31 May 2020	<u>55,490</u>	<u>143,541</u>	<u>-</u>	<u>199,031</u>

## MOORTEC SEMICONDUCTOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2021**10. Fixed asset investments**

	Investments in subsidiary companies £
At 1 June 2020	10,979
Disposals	(10,979)
At 31 May 2021	-

**11. Debtors**

	2021 £	2020 £
Trade debtors	-	2,953,414
Amounts owed by group undertakings	2,807,683	125,500
Other debtors	60,336	296,264
Prepayments and accrued income	231,819	332,123
Tax recoverable	1,694,124	718,314
	<u>4,793,962</u>	<u>4,425,615</u>

**12. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Trade creditors	251,918	599,073
Amounts owed to group undertakings	287,280	202,612
Other taxation and social security	251,539	86,405
Other creditors	185,992	45,168
Accruals	1,927,729	2,757,047
	<u>2,904,458</u>	<u>3,690,305</u>

## MOORTEC SEMICONDUCTOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2021**13. Creditors: Amounts falling due after more than one year**

	2021 £	2020 £
Other loans	-	1,744,831
	<u>-</u>	<u>1,744,831</u>
	<u>-</u>	<u>1,744,831</u>

**14. Loans**

Analysis of the maturity of loans is given below:

	2021 £	2020 £
<b>Amounts falling due 2-5 years</b>		
Other loans	-	411,787
	<u>-</u>	<u>411,787</u>
<b>Amounts falling due after more than 5 years</b>		
Other loans	-	1,333,044
	<u>-</u>	<u>1,333,044</u>
	<u>-</u>	<u>1,744,831</u>
	<u>-</u>	<u>1,744,831</u>

During the year the Company has repaid the entire outstanding loan along with interest due thereon. The loan along with interest due thereon was repaid by Synopsys Inc., as part of acquisition process. The proceeds received from Synopsys Inc., for payment of loans is accounted as Capital contribution and have been credited to equity.

## MOORTEC SEMICONDUCTOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2021

## 15. Deferred taxation

	2021 £	2020 £
At beginning of year	(654,796)	(430,845)
Charged /(credited) to profit or loss	649,505	(223,951)
<b>At end of year</b>	<b>(5,291)</b>	<b>(654,796)</b>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(10,724)	(658,214)
Short term timing differences	5,433	3,418
	<b>(5,291)</b>	<b>(654,796)</b>

## MOORTEC SEMICONDUCTOR LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2021**16. Share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
<i>Nil (2020 - 39,744) Ordinary A shares of £0.001 each</i>	-	40
<i>Nil (2020 - 19,016) Ordinary B shares of £0.001 each</i>	-	19
<i>Nil (2020 - 70,000) Ordinary C shares of £0.001 each</i>	-	70
<i>140,159 (2020 - Nil) Ordinary shares of £0.001 each</i>	140	-
	<u>140</u>	<u>129</u>

**17. Reserves****Share Capital**

Called up share capital represents the nominal value of the shares issued.

**Share premium account**

Amount subscribed for share capital in excess of the nominal value of shares issued.

**Capital redemption reserve**

The Capital Redemption Reserve relates to the Company's own shares bought back from shareholders.

**Capital contribution**

This reserves relates to capital contributions received from parent company.

**Profit and loss account**

The accumulated residual profits of the Company not distributed to shareholders.

**18. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £251,940 (2020 - £147,553). Contributions totaling £45,448 (2020 - £17,988) were payable to the fund at the balance sheet date and are included in creditors.

**MOORTEC SEMICONDUCTOR LIMITED**

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

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**19. Related party transactions**

Key management personnel are deemed to be the directors of the Company. Remuneration to key management personnel is £390,630 (2020 - £640,673). All transactions with related parties have been made on an arm's length basis.

The Company has taken advantage of the exemption available under FRS 102 from the requirement to disclose related party transactions between the Parent Company and its subsidiaries.

**20. Post balance sheet events**

Subsequent to year end, on 02 August 2021, the Company has transferred its trade and all assets and liabilities to its group company at carrying value and has ceased trading.

**21. Controlling party**

The immediate parent company is Synopsys International Limited and ultimate holding company is Synopsys Inc.,