

COMPANY REGISTRATION NUMBER: 06975522 (England and Wales)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

SYMEC TECHNOLOGIES LIMITED

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SYMEC TECHNOLOGIES LIMITED
Registered number 06975522

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SYMEC TECHNOLOGIES LIMITED
Company Information
for the year ended 31 July 2022

DIRECTORS:	Mr P Bruce Mr P Golden
REGISTERED OFFICE:	10 Brook Office Park Emersons Green Bristol BS16 7FL
REGISTERED NUMBER:	06975522
INDEPENDENT AUDITORS:	RSM UK Audit LLP Chartered Accountants Second Floor 1 The Square Temple Quay Bristol BS1 6DG

**SYMEC TECHNOLOGIES LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 July 2022**

The directors present their strategic report for the year ended 31 July 2022.

Review of Business and Key Performance Indicators

The financial result for the year ended 31st July 2022 shows revenues of £18,993,757. This is an increase of over 8% from the £17,539,855 revenue in the prior year. Gross margin percentage increased from 22% to 23%. This is caused by a change in the revenue mix with a proportional increase in services, which are generally at a higher margin. The company delivered a profit for the financial period of £795,580 (2021: £402,507)

This shows a positive growth despite the uncertainties caused by the global pandemic, geopolitical uncertainty, and high inflation.

At 31 July 22, the company had a positive cash balance and positive net current assets. The balance sheet position provides confidence that the company continues to have sufficient resources to meet it's expected working capital requirements.

Key Performance Indicators

The principle indicator used to measure the performance of the company in the period is gross profit.

Year ended	31 July 2022	31 July 2021
Gross profit	£4,299,250	£3,832,788

There are also detailed KPI's at an operating level which are monitored accordingly on a regular basis.

Strategic Focus

The company's focus is on becoming a Dynamic Systems Integrator for mobile technology with our customers and this vision extends to becoming our customers mobile technology partner of choice, differentiated by our solutions, capabilities and attitude. Despite the general economic uncertainty, enterprise mobility continues to be a growing sector with more companies looking to improve efficiencies and increase productivity using more innovative technology.

Information and analysis for larger customers, who have thousands of handheld devices - either rugged, smartphone or a mix, becomes critical. This data is interpreted through a suite of in-house software utilities that help our customers make better decisions on mobile technology adoption, security and overall utilisation.

The company's strong relationships with the industry's key manufacturers and software partners remains a key part of the strategy to provide industry leading solutions and recommendations to our customers.

Finally, continued investments were made in strengthening our Service, Marketing, Software and Finance functions with the goal of supporting long-term, sustainable growth.

**SYMEC TECHNOLOGIES LIMITED
STRATEGIC REPORT (CONTINUED)
for the year ended 31 July 2022**

Principal risks and uncertainties and financial risk management

Liquidity risk is a principal risk to the company. It is carefully managed to ensure that short term fluctuations in cash flow, due to the nature of sales made, can be navigated. To mitigate the risk, actions taken include, but are not limited to;

- Maintaining short- and long-term cash forecasts which are regularly completed and reviewed by senior management
- Ensuring contractual terms on larger deals are structured to enable cash revenues to be received prior to the associated payment of cost of sales
- Where appropriate, various funding lines such as working capital overdraft facility and short-term asset backed loans from hardware suppliers are available

In the macro-economic environment, there is uncertainty created by many factors including the long-term impacts of Brexit, war in Ukraine, global supply chain issues and the increase in the cost of living. Supply chain issues have been managed through communication and expectation setting with customers. Symec is an accredited living wage employer and, whilst continuing to manage overheads in line with business objectives, has increased salaries to support employees during the cost-of-living crisis.

The group's customers will be impacted by macro-economic influences to different extents. The group has good coverage of revenue from many business sectors and geographic locations and management consider that the group is well paced to be able to manage these uncertainties in the future.

Future Developments

The company will continue to focus on becoming a Dynamic Systems Integrator for mobile technology with our customers.

The company will be launching and rolling out new software applications to better suit customers' needs.

There will be continued support and development of our people and our capabilities to accelerate sustainable long-term growth.

**SYMEC TECHNOLOGIES LIMITED
STRATEGIC REPORT (CONTINUED)
for the year ended 31 July 2022**

Going concern assessment

Management have completed detailed forecasts for the coming year. The base case scenario assumes overall revenue growth in 2023 generated from existing and new customers, of which a proportion relates to identified opportunities currently being explored with customers.

Cash position at year end is £2.7m and has further strengthened since the close of the financial period. The company is forecast to grow and be cash positive in the current year. There is notable headroom on the forecasted cashflows of the company over the coming twelve months allowing the company to retain a positive cash position. Therefore, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Should there be an unexpected downward deviation from forecasts then mitigating actions could be taken to reduce the overhead cost base, which have not been factored into the base forecast.

Alongside the current strong positive cash position, the company has favourable credit terms with its major suppliers and secured long-term debt in the form of the government backed Coronavirus business interruption loan.

Whilst being cognisant of the challenges that the macro-economic environment poses to all businesses at the current time, management remains very confident that the company has enough financial and operational resources to grow profitably and achieve its objectives.

On behalf of the board

Mr P Bruce *Phil Bruce*
Director

Date: 10/03/23.....

SYMEC TECHNOLOGIES LIMITED
DIRECTORS' REPORT
for the year ended 31 July 2022

The directors present their annual report and financial statements for the year ended 31 July 2022

Principal activities

The principal activity of the company continued to be that the buying and selling of hand held technology and related services.

Results and dividends

The results for the year are set out on page 10. Upstream Dividends were paid to the Parent company amounting to £582,017 (2021: £467,937).

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr P Bruce

Mr P Golden

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

RSM UK Audit LLP has indicated its willingness to be reappointed for another term and appropriate arrangements have been put in place for it to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Matters included in the strategic report

As permitted by Companies Act 2006 s. 414C(11), the company has chosen to set out in the strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Phil Bruce

.....
Mr P Bruce

Director

Date: 10/03/23.....

SYMEC TECHNOLOGIES LIMITED
DIRECTORS' RESPONSIBILITIES REPORT
for the year ended 31 July 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SYMEC TECHNOLOGIES LIMITED

Opinion

We have audited the financial statements of Symec Technologies Limited (the 'company') for the year ended 31 July 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 July 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditor's 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SYMEC TECHNOLOGIES LIMITED (CONTINUED)

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 strategic report or 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 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SYMEC TECHNOLOGIES LIMITED (CONTINUED)

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS102, the Companies Act 2006 and tax compliance regulations. We have performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The company audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud.

- Management override of controls - Audit procedures performed included, but were not limited to, testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements, reviewing accounting estimates for biases and evaluating whether the circumstances producing the bias, if any, represent a risk of material misstatement. We also evaluated whether the business rationale (or the lack thereof) of the transactions outside the normal course of business suggest that they may have been entered into in order to engage in fraudulent financial reporting or to conceal misappropriation of assets.
- Revenue recognition - Audit procedures in relation to the risk of fraud in revenue recognition, included but were not limited to, assessing financial reporting requirements for sample of key customer's bundled contracts and whether each of the bundled element's performance obligations have been achieved prior to the year end, testing a sample of sales to ensure revenue recognition has been correctly recorded and testing a sample of deferred revenue balances to ensure the deferred balance is in line with the revenue recognition model, and the terms of the individual contract.

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.

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.

T R Morgan

Thomas Morgan (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
2nd Floor
1 The Square
Temple Quay
Bristol
BS1 6DG
10/03/23.....

SYMEC TECHNOLOGIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
for the Year ended 31 July 2022

	Notes	Year ended 31 July 2022 £	Year ended 31 July 2021 £
Turnover	3	18,993,757	17,539,855
Cost of sales		(14,694,507)	(13,707,067)
Gross Profit		<u>4,299,250</u>	<u>3,832,788</u>
Administrative expenses		(3,684,347)	(3,553,566)
Other operating income		147,004	164,459
Operating Profit	6	<u>761,907</u>	<u>443,681</u>
Interest payable and similar expenses	7	(1,135)	(2,736)
Profit Before Taxation		<u>760,772</u>	<u>440,945</u>
Taxation on profit	8	34,808	(38,438)
Profit For The Financial Year		<u>795,580</u>	<u>402,507</u>

SYMEC TECHNOLOGIES LIMITED
STATEMENT OF FINANCIAL POSITION
As at 31 July 2022
Company Registration number: 06975522

	Notes	31 July 2022 £	31 July 2021 £
Fixed Assets			
Intangible assets	10	490,791	530,816
Tangible Assets	11	137,332	197,758
Investments	12	898	898
		<u>629,021</u>	<u>729,472</u>
Current assets			
Stocks	14	77,105	107,928
Debtors	15	6,065,361	6,984,279
Cash at bank and in hand		2,684,442	2,621,292
		<u>8,826,908</u>	<u>9,713,499</u>
Creditors: amounts falling due within one year	16	(7,583,690)	(8,420,550)
Net current assets		<u>1,243,219</u>	<u>1,292,949</u>
Total assets less current liabilities		1,872,240	2,022,421
Creditors: amounts falling due after more than one year	17	(589,366)	(918,302)
Provisions for liabilities	19	(85,149)	(119,957)
Net assets		<u>1,197,725</u>	<u>984,162</u>
Capital and reserves			
Called up share capital	22	76	76
Profit and loss reserves	23	1,197,649	984,086
		<u>1,197,725</u>	<u>984,162</u>

The financial statements were approved by the board of directors and authorised for issue on 10/03/23..... and are signed on its behalf by:

Phil Bruce

P Bruce
Director

SYMEC TECHNOLOGIES LIMITED
STATEMENT OF CHANGES IN EQUITY
for the Year ended 31 July 2022

	£	£	£
	Share capital	Profit and loss reserves	Total
Balance at 1st August 2020	76	1,049,516	1,049,592
Year ended 31 July 2021			
Profit and total comprehensive income for the year	-	402,507	402,507
Dividends	9	(467,937)	(467,937)
Balance at 31 July 2021	76	984,086	984,162
Year ended 31 July 2022			
Profit and total comprehensive income for the year	-	795,580	795,580
Dividends	9	(582,017)	(582,017)
Balance at 31 July 2022	76	1,197,649	1,197,725

SYMEC TECHNOLOGIES LIMITED
Notes to the Financial Statements
for the Year ended 31 July 2022

1 Accounting Policies

Company information

Symec Technologies Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 10 Brook Office Park, Emersons Green, Bristol, BS16 7FL.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Reduced disclosure framework

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Symec Group Limited. These consolidated financial statements are available from its registered office, 10 Brook Office Park, Emersons Green, Bristol, BS16 7FL, United Kingdom.

Consolidation

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Going concern

Management have completed detailed forecasts for the coming year. The base case scenario assumes overall revenue growth in 2023 generated from existing and new customers, of which a proportion relates to identified opportunities currently being explored with customers.

Cash position at year end is £2.7m and has further strengthened since the close of the financial period. The company is forecast to grow and be cash positive in the current year. There is notable headroom on the forecasted cashflows of the company over the coming twelve months allowing the company to retain a positive cash position. Therefore, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Should there be an unexpected downward deviation from forecasts then mitigating actions could be taken to reduce the overhead cost base, which have not been factored into the base forecast.

Alongside the current strong positive cash position, the company has favourable credit terms with its major suppliers and secured long-term debt in the form of the government backed Coronavirus business interruption loan.

Whilst being cognisant of the challenges that the macro-economic environment poses to all businesses at the current time, management remains very confident that the company has enough financial and operational resources to grow profitably and achieve its objectives.

SYMEC TECHNOLOGIES LIMITED
Notes to the Financial Statements (continued)
for the Year ended 31 July 2022

1 Accounting policies (Continued)

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

The company provides bundled contracts, with several distinct performance obligations to its customers. The individual performance obligations are separately identified and treated.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods to an agreed location), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of services is recognised on a straight-line base over time from the date the services are capable of being consumed by the customer.

Revenue from the provision of resold services is recognised at a point in time, when the costs can be reliably measured.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	20% straight line
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Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	33% straight line
Computers	20-33% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

SYMEC TECHNOLOGIES LIMITED
Notes to the Financial Statements (continued)
for the Year ended 31 July 2022

1 Accounting policies (Continued)

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

Other financial liabilities

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments where the contractual returns, repayment of the principal, or other terms (such as prepayment provisions or term extensions) do not meet the conditions to be measured at amortised cost, are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

SYMEC TECHNOLOGIES LIMITED
Notes to the Financial Statements (continued)
for the Year ended 31 July 2022

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax is based on taxable profit for the year. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets are recognised when tax paid exceeds the tax payable. Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

SYMEC TECHNOLOGIES LIMITED
Notes to the Financial Statements (continued)
for the Year ended 31 July 2022

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Revenue recognition

Revenue recognition is subject to the directors' reviews and estimation processes described under the turnover accounting policy set out in note 1.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

3 Turnover and other revenue

	Year ended 31 July 2022	Year ended 31 July 2021
	£	£
Turnover analysed by class of business		
Product sales	10,597,900	11,247,287
Repairs	2,157,487	1,887,664
Connectivity	736,354	1,183,547
Software	2,243,246	1,695,538
Other services	3,258,770	1,525,819
	<u>18,993,757</u>	<u>17,539,855</u>
	Year ended 31 July 2022	Year ended 31 July 2021
Other Revenue		
Grants Received	-	30,217
Turnover analysed by geographical market		
UK	18,363,776	16,734,595
Europe	578,299	710,120
Rest of World	51,682	95,140
	<u>18,993,757</u>	<u>17,539,855</u>

SYMEC TECHNOLOGIES LIMITED
Notes to the Financial Statements (continued)
for the Year ended 31 July 2022

4 Employees

	Year ended 31 July 2022 Number	Year ended 31 July 2021 Number
The average monthly number of persons (including directors)		
Operations Staff	28	19
Sales staff	14	13
Administration staff	11	11
Total	<u>53</u>	<u>43</u>

Their aggregate remuneration comprised:

	Year ended 31 July 2022 £	Year ended 31 July 2021 £
Wages and salaries	2,322,869	1,955,549
Social security costs	261,004	213,098
Pension costs	134,647	102,731
	<u>2,718,521</u>	<u>2,271,378</u>

5 Directors' remuneration

	Year ended 31 July 2022 £	Year ended 31 July 2021 £
Remuneration for qualifying services	15,120	15,782
	<u>15,120</u>	<u>15,782</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2021: 0)

6 Operating profit

	Year ended 31 July 2022 £	Year ended 31 July 2021 £
Operating profit for the year is stated after charging/(crediting):		
Foreign exchange differences	40,078	10,098
Government grants	-	(30,217)
Fees payable to the company's auditor for the audit of the company's financial statements	33,600	28,000
Depreciation of owned tangible fixed assets	78,496	146,821
Loss on disposal of tangible fixed assets	-	56,083
Amortisation of intangible assets	191,000	161,139
Operating lease charges	107,391	122,987

Prior year grants received comprise of £30,217 in respect of the Coronavirus Job Retention Scheme (CJRS)

7 Interest payable and similar expenses

	Year ended 31 July 2022 £	Year ended 31 July 2021 £
Interest on bank overdrafts and loans	-	1,255
Other interest on financial liabilities	1,135	1,481
	<u>1,135</u>	<u>2,736</u>

SYMEC TECHNOLOGIES LIMITED
Notes to the Financial Statements (continued)
for the Year ended 31 July 2022

8 Taxation	Year ended 31 July 2022 £	Year ended 31 July 2021 £
Current Tax		
Adjustments in respect of prior periods	-	(90,652)
Total current tax	<u>-</u>	<u>(90,652)</u>
Deferred Tax		
Origination and reversal of timing differences	(32,896)	19,423
Changes in tax rates		(2,885)
Adjustments in respect of prior periods	(1,912)	112,552
Total deferred tax	<u>(34,808)</u>	<u>129,090</u>
Total tax (credit)/charge	<u>(34,808)</u>	<u>38,438</u>

The total tax charge/(credit) for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	Year ended 31 July 2022 £	Year ended 31 July 2021 £
Profit before taxation	<u>760,772</u>	<u>440,945</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	144,547	83,780
Tax effect of expenses that are not deductible in determining taxable profit	(1,012)	1,086
Adjustments in respect of prior periods	(1,913)	21,900
Group relief	(73,063)	(43,202)
Research and development tax credit	(95,472)	(75,215)
Change in tax rates	(7,895)	28,790
Permanent fixed asset differences	-	21,299
Taxation (credit)/charge for the year	<u>(34,808)</u>	<u>38,438</u>

In the budget on 3 March 2021, the UK Government announced an increase in the main rate of UK corporation tax from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021. Deferred tax has been calculated at 25% which was the tax rate substantively enacted at 31 July 2021

9 Dividends	Year ended 31 July 2022 £	Year ended 31 July 2021 £
Interim Paid	582,018	467,937

SYMEC TECHNOLOGIES LIMITED
Notes to the Financial Statements (continued)
for the Year ended 31 July 2022

10 Intangible fixed assets

	Software
	£
Cost	
At 1 August 2021	882,894
Additions - internally developed	150,975
At 31 July 2022	<u>1,033,869</u>
Amortisation and impairment	
At 1 August 2021	352,078
Amortisation charged for the year	191,000
At 31 July 2022	<u>543,078</u>
Carrying amount	
At 31 July 2022	<u>490,791</u>
At 31 July 2021	530,816

11 Tangible fixed assets

	Leasehold improvements	Computer equipment	Motor Vehicles	Total
	£	£	£	£
Cost				
At 1 August 2021	243,808	588,372	116,680	948,860
Additions	-	19,069	-	19,069
Disposals	-	-	999	999
At 31 July 2022	<u>243,808</u>	<u>607,441</u>	<u>115,681</u>	<u>966,930</u>
Depreciation and impairment				
At 1 August 2021	241,490	495,111	14,501	751,102
Depreciation charged in the year	1,145	48,368	28,983	78,496
Disposals	-	-	-	-
At 31 July 2022	<u>242,635</u>	<u>543,479</u>	<u>43,483</u>	<u>829,598</u>
Carrying amount				
At 31 July 2022	<u>1,173</u>	<u>63,961</u>	<u>72,198</u>	<u>137,332</u>
At 31 July 2021	2,318	93,261	102,179	197,758

SYMEC TECHNOLOGIES LIMITED
Notes to the Financial Statements (continued)
for the Year ended 31 July 2022

12 Investments	Note	Year ended 31 July 2022 £	Year ended 31 July 2021 £	
Investments in subsidiaries	13	898	898	
Movements in fixed asset investments				
			Shares in group undertakings	
Cost or Valuation			£	
At 1 August 2021			898	
Carrying amount				
At 31 July 2022			898	
At 31 July 2021			898	
13 Subsidiaries				
Details of the Company's subsidiaries at 31 July 2022 are:				
Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Symec Technologies Sp.z o.o.	Kasztanowa 2A, 64-320 Niepruszewo/k. Poznania, Polska	Repair and restoration of handheld technology	Ordinary shares	100%
14 Stocks				
		31 July 2022 £	31 July 2021 £	
Finished goods and goods for resale		77,105	107,928	
		<u>77,105</u>	<u>107,928</u>	
15 Debtors: Amounts falling due within one year				
		31 July 2022 £	31 July 2021 £	
Trade debtors		3,990,786	4,889,178	
Corporation tax recoverable		104,725	120,652	
Amounts owed by group undertakings		1,344,804	906,053	
Other debtors		155,792	511,695	
Prepayments and accrued income		469,255	556,701	
		<u>6,065,361</u>	<u>6,984,279</u>	
16 Creditors: amounts falling due within one year				
	Note	31 July 2022 £	31 July 2021 £	
Bank loans	18	107,096	7,789	
Trade creditors		1,086,598	1,345,080	
Taxation and social security		747,428	2,253,749	
Other creditors		10,295	9,080	
Accruals and deferred income		5,632,274	4,804,852	
		<u>7,583,690</u>	<u>8,420,550</u>	

SYMEC TECHNOLOGIES LIMITED
Notes to the Financial Statements (continued)
for the Year ended 31 July 2022

17 Creditors: amounts falling due after more than one year

	31 July 2022	31 July 2021
	£	£
Bank loans and overdrafts	385,115	492,211
Taxation and social security	204,251	426,091
	<u>589,366</u>	<u>918,302</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>-</u>	<u>96,768</u>
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18 Borrowings

	31 July 2022	31 July 2021
	£	£
Bank Loans	492,211	500,000
	<u>492,211</u>	<u>500,000</u>
Payable within one year	107,096	7,789
Payable after one year	385,115	492,211

Bank loans comprise £500,000 received from the Coronavirus Business Interruption Loan Scheme in September 2020. These loans were introduced by the UK Government with the aim of continued provision of finance to UK SMEs during the Coronavirus outbreak and provide lenders with a government-backed guarantee.

The term of this loan was 72 months, comprising an initial 12 month capital and interest holiday, followed by 60 months capital and interest payments of £8,925 per month. During the 12 month capital and interest holiday, interest at a rate of 2.725% is accrued and offset against government grant income recognised at the same amount.

In June 2021, the loan was transferred to another lender and the company was granted a further 12 month capital repayment holiday during which (starting in July 2021) only interest payments of £1,135 per month are payable. Thereafter, capital and interest payments of £8,925 are payable monthly for 60 months.

19 Provisions for liabilities

	Note	31 July 2022	31 July 2021
		£	£
Deferred tax liabilities	20	<u>85,149</u>	<u>119,957</u>

Deferred taxation

The deferred tax liabilities recognised by the company are:

Balances:	Liabilities 2022	Liabilities 2021
	£	£
Fixed asset timing differences	<u>85,149</u>	<u>119,957</u>

SYMEC TECHNOLOGIES LIMITED
Notes to the Financial Statements (continued)
for the Year ended 31 July 2022

20 Deferred taxation

	2022
Movements in the year:	£
Liability at 1 August 2021	119,957
Release to profit or loss	(34,808)
Liability at 31 July 2022	<u>85,149</u>

The deferred tax liability set out above is expected to reverse within 3 to 5 years and relates to accelerated capital allowances that are expected to mature within the same period.

21 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	<u>134,647</u>	<u>102,731</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the company in independently administered funds. Contributions totalling £13,135 (2021 - £9,431) were payable to the funds at the year end and are included in other creditors.

22 Share Capital

Ordinary share capital issued and fully paid	2022	2021	2022	2021
	Number	Number	£	£
Ordinary shares of £1 each	<u>76</u>	<u>76</u>	<u>76</u>	<u>76</u>

The company's ordinary shares carry the right to receive dividends, participate in any capital distribution on winding up and carrying voting rights at general meetings of the company.

23 Profit and loss reserves

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the company.

24 Financial commitments, guarantees and contingent liabilities

The Coronavirus Business Interruption Loan in note 18 is secured under a fixed and floating charge.

A cross-guarantee is in place between the Company and the wider Symec Group in respect of the CBILs Loan.

Also in respect of the CBILs loan, two directors have placed personal security of £100,000 each on the borrowings of the company.

SYMEC TECHNOLOGIES LIMITED
Notes to the Financial Statements (continued)
for the Year ended 31 July 2022

25 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	79,437	102,094
Between one and five years	8,828	72,374
	<u>88,265</u>	<u>174,468</u>

26 Related Party transactions

The company has taken advantage of the exemption available under Section 33 of FRS 102 and have not disclosed details of transactions or balances with wholly-owned group companies.

27 Directors' transactions

	Opening Balance	Amounts advanced	Amounts repaid	Closing Balance
	£	£	£	£
Director Loan	2,226	40	(2,010)	256
Director Loan	7,184	6,399	(4,374)	9,209
	<u>9,410</u>	<u>6,439</u>	<u>(6,384)</u>	<u>9,465</u>

The loans advanced to directors are provided interest free.

28 Ultimate controlling party

The ultimate parent undertaking of the company is Symec Group Limited, a company incorporated in the United Kingdom and registered in England and Wales. In the opinion of the directors there is no overall controlling party.

Symec Group Limited heads the largest and smallest group in which the results and financial position of the company are consolidated. Copies of the group financial statements can be obtained from its registered office, 10 Brook Office Park, Emersons Green, Bristol, BS16 7FL

29 Share options

Symec Group Limited, the company's parent, has granted share options under the Enterprise Management Incentive (EMI) scheme to the company's employees.

Under the EMI plan, share options are granted at the market price agreed with HMRC of the Company's shares at the grant date for the purposes of granting EMI options. The employee is entitled to exercise the share options in accordance with the EMI plan. If options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options lapse if the employee leaves the Company before they become entitled to exercise the share options.

	2022	2022	2021	2021
	Number of options	Market value exercise price	Number of options	Market value exercise price
		£		£
Outstanding options at start of year	-	-	-	-
Granted during the year	15,000	1.00	-	-
Forfeited during the year	(2,000)	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding options at end of year	<u>13,000</u>	<u>1.00</u>	<u>-</u>	<u>-</u>

The actual market value of £1.00 per Ordinary share was agreed with HMRC on 13/05/2021 & 22/11/2021 for the purposes of granting EMI options. No charge has been recognised in the income statement as the directors have deemed the charge to be immaterial.