
SYNECTICS SOLUTIONS LIMITED

ABBREVIATED ACCOUNTS

for the year ended 31 August 2011

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SYNECTICS SOLUTIONS LIMITED

COMPANY INFORMATION

DIRECTORS	Mr K J Shanahan Mrs C A Shanahan Mr R A Moorhouse Mr M Hopkins
COMPANY SECRETARY	Mrs C A Shanahan
COMPANY NUMBER	2685135
REGISTERED OFFICE	Synectics House The Brampton Newcastle under Lyme Staffordshire ST5 0QY
AUDITORS	Moore Stephens Registered Auditors & Chartered Accountants 6 Ridge House Ridgehouse Drive Festival Park Stoke-on-Trent Staffordshire ST1 5TL
BANKERS	Natwest Bank Commercial Banking Churchill House Regent Road Stoke on Trent ST1 3JJ
SOLICITORS	KJD Churchill House Regent Road Stoke on Trent ST1 3RQ

SYNECTICS SOLUTIONS LIMITED

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SYNECTICS SOLUTIONS LIMITED

DIRECTORS' REPORT for the year ended 31 August 2011

The directors present their report and the financial statements for the year ended 31 August 2011

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing 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 judgments and 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.

PRINCIPAL ACTIVITIES

The principal activities of the company during the year were the design, supply and support of specialist computerised systems and software, and database bureau services.

BUSINESS REVIEW

The results for the company show a pre-tax profit of £263,747 (2010 - £253,145) for the year on sales of £7.8 million (2010 - £6.3 million).

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are considered to relate to competition from both national and independent businesses, employee retention, and continued product enhancement.

KEY PERFORMANCE INDICATORS ("KPI's").

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

RESULTS

The profit for the year, after taxation, amounted to £184,386 (2010 - £173,969).

SYNECTICS SOLUTIONS LIMITED

DIRECTORS' REPORT for the year ended 31 August 2011

DIRECTORS

The directors who served during the year were

Mr K J Shanahan
Mrs C A Shanahan
Mr R A Moorhouse
Mr M Hopkins

EVENTS SINCE THE END OF THE YEAR

On 1 December 2011 the company purchased a property at Water Street, Newcastle, Staffordshire for a consideration of £548,107

FUTURE DEVELOPMENTS

Business continues in line with our expectations. We continue to achieve long term commitments, 3 – 5 years, on renewal of contracts and win new business at or above the rate in previous years. To accommodate the increase in overall business levels we also acquired additional premises in December 2011.

FINANCIAL INSTRUMENTS

The main risks arising from the company's financial instruments are credit risk and liquidity risk. The company is not significantly affected by price or foreign currency risk.

Credit risk

Whilst the company has no significant concentration of credit risk, appropriate credit control procedures have been implemented to manage the exposure to this risk. The company trades with "blue chip" companies and government organisations which in turn reduces further any exposure.

Liquidity risk

The company's objective is to ensure sufficient cash reserves are available to fund ongoing activities and future product development plans as and when these are carried out. The company operates a system of advance payments from its customers to manage cash resources to achieve these objectives.

PROVISION OF INFORMATION TO AUDITORS

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

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

SYNECTICS SOLUTIONS LIMITED


DIRECTORS' REPORT
for the year ended 31 August 2011

AUDITORS

The auditors, Moore Stephens, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board and signed on its behalf

Director



MRS C A SHANAHAN

Date

15 MARCH 2017

SYNECTICS SOLUTIONS LIMITED

INDEPENDENT AUDITORS' REPORT TO SYNECTICS SOLUTIONS LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 5 to 22, together with the financial statements of Synectics Solutions Limited for the year ended 31 August 2011 prepared under section 396 of the Companies Act 2006

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

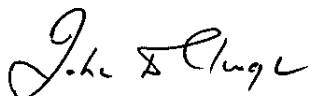
RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

OPINION ON FINANCIAL STATEMENTS

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445(3) of the Companies Act 2006, and the abbreviated accounts on pages 5 to 22 have been properly prepared in accordance with the regulations made under that section.



John D Clough (Senior statutory auditor)
for and on behalf of

Moore Stephens, Statutory auditor

Registered Auditors

Chartered Accountants

6 Ridge House

Ridgehouse Drive

Festival Park

Stoke-on-Trent

Staffordshire

ST1 5TL

Date 15/03/12

SYNECTICS SOLUTIONS LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
for the year ended 31 August 2011

	Note	2011 £	2010 £
TURNOVER	1	7,748,258	6,344,172
GROSS PROFIT		3,178,234	2,677,164
Administrative expenses		(2,514,882)	(2,350,445)
Exceptional administrative expenses	3	(300,200)	-
Total administrative expenses		(2,815,082)	(2,350,445)
OPERATING PROFIT	2	363,152	326,719
Interest payable and similar charges	5	(99,405)	(73,574)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		263,747	253,145
Tax on profit on ordinary activities	6	(79,361)	(79,176)
PROFIT FOR THE FINANCIAL YEAR	15	184,386	173,969

All amounts relate to continuing operations

The notes on pages 9 to 22 form part of these financial statements

SYNECTICS SOLUTIONS LIMITED

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 August 2011**

	Note	2011 £	2010 £
PROFIT FOR THE FINANCIAL YEAR		184,386	173,969
Unrealised deficit on revaluation of tangible fixed assets		<u>(156,344)</u>	<u>-</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		<u>28,042</u>	<u>173,969</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES
for the year ended 31 August 2011**

	2011 £	2010 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	263,747	253,145
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	<u>10,256</u>	<u>8,807</u>
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>274,003</u>	<u>261,952</u>
HISTORICAL PROFIT FOR THE YEAR AFTER TAXATION	<u>194,642</u>	<u>182,776</u>

The notes on pages 9 to 22 form part of these financial statements

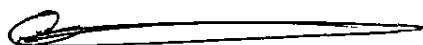
SYNECTICS SOLUTIONS LIMITED
Registered number. 2685135

ABBREVIATED BALANCE SHEET
as at 31 August 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Intangible assets	7		798,769		934,750
Tangible assets	8		2,600,195		2,619,806
			<u>3,398,964</u>		<u>3,554,556</u>
CURRENT ASSETS					
Stocks	9	-		3,200	
Debtors	10	1,616,912		2,345,341	
Cash at bank		199,844		73,505	
			<u>1,816,756</u>	<u>2,422,046</u>	
CREDITORS amounts falling due within one year	11	(2,190,187)		(2,739,150)	
NET CURRENT LIABILITIES			<u>(373,431)</u>		<u>(317,104)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,025,533</u>		<u>3,237,452</u>
CREDITORS: amounts falling due after more than one year	12		(1,509,896)		(1,490,612)
PROVISIONS FOR LIABILITIES					
Deferred tax	13		(158,580)		(207,825)
NET ASSETS			<u>1,357,057</u>		<u>1,539,015</u>
CAPITAL AND RESERVES					
Called up share capital	14		100		100
Share premium account	15		477,873		477,873
Revaluation reserve	15		396,007		562,607
Capital redemption reserve	15		48		48
Profit and loss account	15		483,029		498,387
SHAREHOLDERS' FUNDS	16		<u>1,357,057</u>		<u>1,539,015</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of section 445(3) of the Companies Act 2006 relating to medium-sized companies, were approved and authorised for issue by the board and were signed on its behalf by

Director



MRS C A SHANAHAN

Date

The notes on pages 9 to 22 form part of these financial statements

SYNECTICS SOLUTIONS LIMITED

**ABBREVIATED CASH FLOW STATEMENT
for the year ended 31 August 2011**

	Note	2011 £	2010 £
Net cash flow from operating activities	18	1,404,652	582,670
Returns on investments and servicing of finance	19	(99,405)	(73,574)
Taxation		(120,248)	(13,810)
Capital expenditure and financial investment	19	(131,314)	(67,531)
Equity dividends paid		(210,000)	(73,500)
CASH INFLOW BEFORE FINANCING		843,685	354,255
Financing	19	(723,132)	(336,328)
INCREASE IN CASH IN THE YEAR		120,553	17,927

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
for the year ended 31 August 2011**

	2011 £	2010 £
Increase in cash in the year	120,553	17,927
Cash outflow from decrease in debt and lease financing	723,132	336,328
CHANGE IN NET DEBT RESULTING FROM CASH FLOWS	843,685	354,255
New finance lease	(357,953)	(239,653)
Other non-cash changes	(225,571)	-
MOVEMENT IN NET DEBT IN THE YEAR	260,161	114,602
Net debt at 1 September 2010	(2,419,004)	(2,533,606)
NET DEBT AT 31 AUGUST 2011	(2,158,843)	(2,419,004)

The notes on pages 9 to 22 form part of these financial statements

SYNECTICS SOLUTIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 August 2011

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention as modified by the revaluation of freehold buildings and in accordance with applicable accounting standards

1.2 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

The company recognises revenue in line with the performance of its contractual obligations

1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	over fifty years
Motor vehicles	-	between two and five years
Office equipment	-	over four years
IT equipment	-	between two and five years

1.4 REVALUATION OF TANGIBLE FIXED ASSETS

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Profit and loss account

1.5 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

SYNECTICS SOLUTIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 August 2011

1. ACCOUNTING POLICIES (continued)

1.6 OPERATING LEASES

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.7 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

1.8 DEFERRED TAXATION

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

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements

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

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

Deferred tax assets and liabilities are not discounted

1.9 FOREIGN CURRENCIES

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

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

Exchange gains and losses are recognised in the Profit and loss account

SYNECTICS SOLUTIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 August 2011

1. ACCOUNTING POLICIES (continued)

1 10 DEVELOPMENT COSTS

Development costs were previously capitalised within intangible assets where they could be identified with a specific product or project anticipated to produce future benefits, and continue to be amortised in line with the benefit derived from the useful life of the asset

Deferred development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Profit and loss account

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

1 11 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1 12 EMPLOYER FINANCED RETIREMENT BENEFIT SCHEME (EFRBS)

During the year the company established an employer financed retirement benefit scheme for the benefit of its officers, employees and their wider families, The Synectics Solutions Limited Employer Financed Retirement Benefit Scheme ("the Scheme")

In accordance with UITF 32 "Employee Benefit Trusts and other intermediate payment arrangements" the Company does not include the assets and liabilities of the Scheme on its balance sheet to the extent that it considers that it will not retain any future economic benefit from the assets of the Scheme and will not have control over the rights or other access to those future economic benefits

2. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2011 £	2010 £
Depreciation of tangible fixed assets		
- owned by the company	506,355	290,201
- held under finance leases	-	171,968
Auditors' remuneration	6,000	5,500
Difference on foreign exchange	(8,117)	3,824
Amortisation of deferred development expenditure	135,981	109,971
Administration exceptional item (see below)	300,200	-

SYNECTICS SOLUTIONS LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31 August 2011**

EXCEPTIONAL ITEMS

	2011	2010
	£	£
Employer Financed Retirement Benefit Scheme Contribution	300,200	-

During the year the company set up an Employer Financed Retirement Benefit Scheme. The company made a contribution of £300,200 in the year.

3. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2011	2010
	£	£
Wages and salaries	4,648,064	3,867,491
Social security costs	372,957	329,614
Other pension costs	121,020	97,158
	5,142,041	4,294,263

The average monthly number of employees, including the directors, during the year was as follows

	2011	2010
	No	No
Administration	5	5
Finance & legal	12	7
Catering	14	10
Technical	97	94
Cleaning & maintenance	18	17
Research & development	30	13
	176	146

SYNECTICS SOLUTIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 August 2011

4. DIRECTORS' REMUNERATION

	2011 £	2010 £
Emoluments	701,146	421,944
Company pension contributions to defined contribution pension schemes	12,460	12,710

During the year retirement benefits were accruing to 3 directors (2010 - 3) in respect of defined contribution pension schemes

The highest paid director received remuneration of £411,091 (2010 - £111,315)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2010 - £3,000)

During the year the company, in order to motivate and incentivise its officers and employees, established an employer financed retirement benefit scheme for the benefit of the company's officers and employees and their wider families, The Synectics Solutions Limited Employer Funded Retirement Benefit Scheme ("the Scheme") £300,200 included above relates to the scheme contributions made during the year

5. INTEREST PAYABLE

	2011 £	2010 £
On bank loans and overdrafts	33,529	16,170
Interest on tax & VAT	-	271
On finance leases and hire purchase contracts	42,214	57,133
Other interest payable	23,662	-
	99,405	73,574

6. TAXATION

	2011 £	2010 £
ANALYSIS OF TAX CHARGE IN THE YEAR/PERIOD		
CURRENT TAX (see note below)		
UK corporation tax charge on profit for the year/period	128,606	123,671
DEFERRED TAX (see note 13)		
Origination and reversal of timing differences	(49,245)	(44,495)
TAX ON PROFIT ON ORDINARY ACTIVITIES	79,361	79,176

SYNECTICS SOLUTIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31 August 2011

6. TAXATION (continued)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR/PERIOD

The tax assessed for the year/period is higher than (2010 - lower than) the standard rate of corporation tax in the UK of 27.16% (2010 - 28%). The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>263,747</u>	<u>253,145</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 27.16% (2010 - 28%)	71,634	70,881
EFFECTS		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,097	5,656
Capital allowances for year in excess of depreciation	68,515	65,538
Small profits relief	(15,924)	(17,431)
Other short term timing differences	284	(973)
CURRENT TAX CHARGE FOR THE YEAR/PERIOD (see note above)	<u><u>128,606</u></u>	<u><u>123,671</u></u>

7. INTANGIBLE FIXED ASSETS

	Development expenditure £
COST	
At 1 September 2010 and 31 August 2011	<u>1,266,508</u>
AMORTISATION	
At 1 September 2010	331,758
Charge for the year	<u>135,981</u>
At 31 August 2011	<u>467,739</u>
NET BOOK VALUE	
At 31 August 2011	<u><u>798,769</u></u>
At 31 August 2010	<u><u>934,750</u></u>

SYNECTICS SOLUTIONS LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31 August 2011**

8. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Fixtures & fittings £	Total £
COST OR VALUATION				
At 1 September 2010	1,600,000	162,565	2,251,144	4,013,709
Additions	-	77,253	577,324	654,577
Disposals	-	(65,519)	(725)	(66,244)
Revaluation surplus/(deficit)	(200,000)	-	-	(200,000)
At 31 August 2011	<u>1,400,000</u>	<u>174,299</u>	<u>2,827,743</u>	<u>4,402,042</u>
DEPRECIATION				
At 1 September 2010	21,828	94,117	1,277,958	1,393,903
Charge for the year	21,828	26,464	458,063	506,355
On disposals	-	(54,030)	(725)	(54,755)
On revalued assets	(43,656)	-	-	(43,656)
At 31 August 2011	<u>-</u>	<u>66,551</u>	<u>1,735,296</u>	<u>1,801,847</u>
NET BOOK VALUE				
At 31 August 2011	<u>1,400,000</u>	<u>107,748</u>	<u>1,092,447</u>	<u>2,600,195</u>
At 31 August 2010	<u>1,578,172</u>	<u>68,448</u>	<u>973,186</u>	<u>2,619,806</u>

The net book value of assets held under finance leases, other loans or hire purchase contracts, included above, are as follows

	2011 £	2010 £
Motor vehicles	93,559	60,899
Furniture, fittings and equipment	771,393	557,910
	<u>864,952</u>	<u>618,809</u>

Included in land and buildings is freehold land at revalued amount of £560,000 (2010 - £533,333), which is not depreciated

Valuation at 31 August 2010 is as follows

	Land and buildings £
AT COST	1,028,586
AT VALUATION:	
Valued on an open market basis by Louis Taylor on 26 July 2011	371,414
	<u>1,400,000</u>

SYNECTICS SOLUTIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31 August 2011

8. TANGIBLE FIXED ASSETS (continued)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

	2011 £	2010 £
Cost	1,133,685	1,133,685
Accumulated depreciation	(118,120)	(105,099)
Net book value	<u>1,015,565</u>	<u>1,028,586</u>

9. STOCKS

	2011 £	2010 £
Consumable goods	<u>-</u>	<u>3,200</u>

10. DEBTORS

	2011 £	2010 £
Trade debtors	569,916	794,443
Other debtors	7,544	335,837
Prepayments and accrued income	1,039,452	1,215,061
	<u>1,616,912</u>	<u>2,345,341</u>

11. CREDITORS

	2011 £	2010 £
Bank loans and overdrafts	514,924	734,172
Other loans	61,502	-
Net obligations under finance leases and hire purchase contracts	272,365	267,725
Trade creditors	160,398	171,178
Corporation tax	128,606	120,248
Social security and other taxes (see below)	485,507	527,069
Other creditors	50,264	45,288
Accruals and deferred income	516,621	873,470
	<u>2,190,187</u>	<u>2,739,150</u>

SYNECTICS SOLUTIONS LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31 August 2011**

11. CREDITORS (continued)

SOCIAL SECURITY AND OTHER TAXES

	2011 £	2010 £
PAYE/NI control	424,989	293,956
VAT control	60,518	233,113
	<u>485,507</u>	<u>527,069</u>

The bank loans are secured by legal charges held over the company's freehold properties and by a fixed and floating charge over all current and future assets of the company

Finance lease, other loans and hire purchase creditors are secured on the assets concerned

**12. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2011 £	2010 £
Bank loans	1,185,693	1,283,561
Other loans	86,951	-
Net obligations under finance leases and hire purchase contracts	237,252	207,051
	<u>1,509,896</u>	<u>1,490,612</u>

Included within the above are amounts falling due as follows

	2011 £	2010 £
BETWEEN ONE AND TWO YEARS		
Bank loans	32,490	41,560
Other loans	66,997	-
BETWEEN TWO AND FIVE YEARS		
Bank loans	112,261	112,752
Other loans	19,954	-
OVER FIVE YEARS		
Bank loans	<u>1,040,942</u>	<u>1,129,249</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2011 £	2010 £
Repayable by instalments	<u>1,040,942</u>	<u>1,129,249</u>

The bank loans are secured by legal charges held over the company's freehold properties and by a fixed and floating charge over all current and future assets of the company

SYNECTICS SOLUTIONS LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31 August 2011**

**12. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)**

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	2011	2010
	£	£
Between one and five years	237,252	207,051

Finance lease, other loans and hire purchase creditors are secured on the assets concerned

13. DEFERRED TAXATION

	2011	2010
	£	£
At beginning of year	207,825	252,320
(released)/charge for the year	(49,245)	(44,495)
At end of year/period	158,580	207,825

The provision for deferred taxation is made up as follows

	2011	2010
	£	£
Accelerated capital allowances	161,721	210,747
Short term timing differences	(3,141)	(2,922)
	158,580	207,825

14. SHARE CAPITAL

	2011	2010
	£	£
ALLOTTED, CALLED UP AND FULLY PAID		
10,000 A ordinary shares of £0 01 each	100	100

SYNECTICS SOLUTIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS for the year ended 31 August 2011

15. RESERVES

	Share premium account £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £
At 1 September 2010	477,873	48	562,607	498,387
Profit for the year				184,386
Dividends Equity capital				(210,000)
Unrealised deficit on revaluation of freehold property			(156,344)	
Transfer between Revaluation Reserve and P/L account			(10,256)	10,256
At 31 August 2011	<u>477,873</u>	<u>48</u>	<u>396,007</u>	<u>483,029</u>

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Opening shareholders' funds	1,539,015	1,438,546
Profit for the year/period	184,386	173,969
Dividends (Note 17)	(210,000)	(73,500)
Other recognised gains and losses during the year/period	(156,344)	-
Closing shareholders' funds	<u>1,357,057</u>	<u>1,539,015</u>

17. DIVIDENDS

	2011 £	2010 £
Dividends paid on equity capital	<u>210,000</u>	<u>73,500</u>

The above figure includes dividends paid to directors of

K J Shanahan - £80,000 (2010 - £25,000)

C A Shanahan - £80,000 (2010 - £25,000)

R A Moorhouse - £50,000 (2010 - £23,500)

SYNECTICS SOLUTIONS LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31 August 2011**

18 NET CASH FLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit	363,152	326,719
Amortisation of intangible fixed assets	135,981	109,971
Depreciation of tangible fixed assets	506,355	462,169
(Profit)/loss on disposal of tangible fixed assets	(2,236)	441
Decrease in stocks	3,200	-
Decrease/(increase) in debtors	723,827	(691,425)
(Decrease)/increase in creditors	(325,627)	374,795
NET CASH INFLOW FROM OPERATING ACTIVITIES	1,404,652	582,670

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

	2011 £	2010 £
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest paid	(57,191)	(16,441)
Hire purchase interest	(42,214)	(57,133)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(99,405)	(73,574)

	2011 £	2010 £
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		
Purchase of tangible fixed assets	(145,039)	(87,031)
Sale of tangible fixed assets	13,725	19,500
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(131,314)	(67,531)

	2011 £	2010 £
FINANCING		
New secured loans	-	108,553
Repayment of loans	(322,902)	(71,555)
Repayment of other loans	(77,118)	-
Repayment of finance leases	(323,112)	(373,326)
NET CASH OUTFLOW FROM FINANCING	(723,132)	(336,328)

SYNECTICS SOLUTIONS LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31 August 2011**

20 ANALYSIS OF CHANGES IN NET DEBT

	1 September 2010 £	Cash flow £	Other non-cash changes £	31 August 2011 £
Cash at bank and in hand	73,505	126,339	-	199,844
Bank overdraft	-	(5,786)	-	(5,786)
	<u>73,505</u>	<u>120,553</u>	<u>-</u>	<u>194,058</u>
DEBT.				
Finance leases	(474,776)	323,112	(357,953)	(509,617)
Debts due within one year	(734,172)	389,103	(225,571)	(570,640)
Debts falling due after more than one year	(1,283,561)	10,917	-	(1,272,644)
NET DEBT	<u>(2,419,004)</u>	<u>843,685</u>	<u>(583,524)</u>	<u>(2,158,843)</u>

21. MAJOR NON-CASH TRANSACTIONS

During the year the company entered into new finance lease and other loan agreements for fixtures, fittings and equipment at a value of £583,524 (2010 - £239,653)

22. 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 £121,020 (2010 - £97,158). Contributions totalling £14,959 (2010 - £13,913) were payable to the fund at the balance sheet date and are included in creditors.

SYNECTICS SOLUTIONS LIMITED

**NOTES TO THE ABBREVIATED ACCOUNTS
for the year ended 31 August 2011**

23. DIRECTORS' BENEFITS: ADVANCES, CREDIT AND GUARANTEES

K J Shanahan and C A Shanahan have provided personal guarantees in respect of the company's £200,000 business term loan, this loan was fully paid off in the year

In addition the following balances with directors existed during the year

	Outstanding at 31 August 2011 £	Maximum outstanding in 2011 £	<i>Outstanding at 31 August 2010 £</i>	<i>Maximum outstanding in 2010 £</i>
K J Shanahan	(4,555)	178,020	157,503	248,465
C A Shanahan	(4,554)	178,019	157,502	248,464
R A Moorhouse	(20,014)	25,014	10,035	30,442
M Hopkins	396	1,631	733	3,562
Total	<u>(28,727)</u>	<u>382,684</u>	<u>325,773</u>	<u>530,933</u>