

REGISTERED NUMBER: 03563803 (England and Wales)

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

FOR

SYNCRONICITY LIMITED

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FOR THE YEAR ENDED 31 MAY 2023**

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STATEMENT OF FINANCIAL POSITION
31 MAY 2023

	Notes	31.5.23 £	31.5.22 £
FIXED ASSETS			
Intangible assets	4	-	-
Property, plant and equipment	5	<u>1,255</u>	<u>4,099</u>
		<u>1,255</u>	<u>4,099</u>
CURRENT ASSETS			
Inventories		3,978	4,037
Debtors	6	5,399	14,831
Cash at bank		<u>36,531</u>	<u>50,313</u>
		45,908	69,181
CREDITORS			
Amounts falling due within one year	7	<u>(33,347)</u>	<u>(52,251)</u>
NET CURRENT ASSETS		<u>12,561</u>	<u>16,930</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		13,816	21,029
CREDITORS			
Amounts falling due after more than one year	8	<u>(31,333)</u>	<u>(33,333)</u>
NET LIABILITIES		<u>(17,517)</u>	<u>(12,304)</u>
CAPITAL AND RESERVES			
Called up share capital		100	100
Retained earnings		<u>(17,617)</u>	<u>(12,404)</u>
		<u>(17,517)</u>	<u>(12,304)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 May 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 May 2023 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

STATEMENT OF FINANCIAL POSITION - continued
31 MAY 2023

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

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 20 October 2023 and were signed on its behalf by:

G Lane - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

1. STATUTORY INFORMATION

Synchronicity Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address are as below:

Registered number:	03563803
Registered office:	Suite 2, First Floor Chase Golf Club Pottal Pool Road Penkridge Staffordshire ST19 5RN

2. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

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

The financial statements are prepared in sterling, which is the functional currency of the entity.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Estimated useful lives and residual values of fixed assets

Depreciation of tangible fixed assets has been based on estimated useful lives and residual values deemed appropriate by the directors. Estimated useful lives and residual values are reviewed annually and revised as appropriate. Revisions take into account estimated useful lives used by other companies operating in the sector and actual asset lives and residual values, as evidenced by disposals during the current and prior accounting periods.

REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

INTANGIBLE ASSETS

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development costs have been amortised evenly over their estimated useful life of three years.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2023

2. ACCOUNTING POLICIES - continued

TANGIBLE FIXED ASSETS

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

Fixtures and fittings	- 15% reducing balance
Motor vehicles	- 25% reducing balance

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

STOCKS

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

FINANCIAL INSTRUMENTS

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

TAXATION

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2023

2. ACCOUNTING POLICIES - continued
DEFERRED TAX

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

RESEARCH AND DEVELOPMENT

The company recognises intangible assets as an asset if and only if it is probable that the expected future economic benefits will flow to the company and where the cost of value of the asset can be measured reliably.

Development expenditure is recognised as an intangible asset in accordance with FRS 102, if and only if the company can demonstrate all of the following:

- (a) The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- (b) Its intention to complete the intangible asset and use or sell it.
- (c) Its ability to use or sell the intangible asset.
- (d) How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, it is to be used internally, the usefulness of the intangible asset.
- (e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- (f) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Expenditure arising from research (or on the research phase of an internal project) and expenditure that does not meet the conditions of development expenditure above is recognised as an expense when it is incurred and written off to the profit and loss account.

Development costs that are recognised as an intangible asset are amortised straight line over the estimated period of sale for which these units are expected to be sold as. The amortisation commences when the intangible asset is available to use.

Development expenditure that is recognised as an intangible asset is reviewed at the end of each accounting period and where there is no commitment by a third party to purchase the asset at the end of its useful life or where there is not an active market for the asset and the residual value can not be determined by reference to that market; and it is not probable that such a market will exist at the end of the asset's useful life then the intangible asset is written off to the profit and loss account.

HIRE PURCHASE AND LEASING COMMITMENTS

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2023

2. ACCOUNTING POLICIES - continued

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

GOING CONCERN

The accounts have been prepared on the going concern basis which assumes that the company will continue to trade for the foreseeable future.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 4 (2022 - 5) .

4. INTANGIBLE FIXED ASSETS

	Developme costs £
COST	
At 1 June 2022 and 31 May 2023	<u>500,876</u>
AMORTISATION	
At 1 June 2022 and 31 May 2023	<u>500,876</u>
NET BOOK VALUE	
At 31 May 2023	<u>-</u>
At 31 May 2022	<u>-</u>

5. PROPERTY, PLANT AND EQUIPMENT

	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 June 2022	3,123	8,780	5,000	16,903
Disposals	-	(5,353)	-	(5,353)
At 31 May 2023	<u>3,123</u>	<u>3,427</u>	<u>5,000</u>	<u>11,550</u>
DEPRECIATION				
At 1 June 2022	3,123	4,681	5,000	12,804
Charge for year	-	222	-	222
Eliminated on disposal	-	(2,731)	-	(2,731)
At 31 May 2023	<u>3,123</u>	<u>2,172</u>	<u>5,000</u>	<u>10,295</u>
NET BOOK VALUE				
At 31 May 2023	<u>-</u>	<u>1,255</u>	<u>-</u>	<u>1,255</u>
At 31 May 2022	<u>-</u>	<u>4,099</u>	<u>-</u>	<u>4,099</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2023

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.5.23	31.5.22
	£	£
Trade debtors	2,530	5,155
Other debtors	2,869	9,676
	<u>5,399</u>	<u>14,831</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.5.23	31.5.22
	£	£
Bank loans and overdrafts	4,947	10,000
Trade creditors	1,066	5,966
Taxation and social security	21,083	29,184
Other creditors	6,251	7,101
	<u>33,347</u>	<u>52,251</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.5.23	31.5.22
	£	£
Bank loans	<u>31,333</u>	<u>33,333</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans payable more than		
5 years by instalments	<u>11,544</u>	<u>-</u>
	<u>11,544</u>	<u>-</u>

9. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 May 2023 and 31 May 2022:

	31.5.23	31.5.22
	£	£
G Lane and J Lane		
Balance outstanding at start of year	9,676	5,986
Amounts advanced	11,595	34,078
Amounts repaid	(18,402)	(30,388)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>2,869</u>	<u>9,676</u>

The directors had interest free loans during the year. By virtue of the loan accounts, a liability to taxation exists under section 455 CTA 2010 in the sum of £968 which will be repaid or discharged when the loans are repaid. It is anticipated that the loans will be repaid within nine months of the year end and, as such, no provision for the taxation has been made.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MAY 2023

10. RELATED PARTY DISCLOSURES

All transactions undertaken with the directors are deemed to be conducted under normal market conditions and/or are not material.

11. GOING CONCERN

At 31 May 2023 the company had net liabilities of £17,517. However, at the balance sheet date the company owed £31,333 for the bounce back loan which is repayable due after more than one year and is therefore shown within long term creditors. Accordingly, the directors consider it appropriate to prepare the financial statements on the going concern basis.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.