

Synergy Financial Products Limited

Annual Report and Financial Statements

For the year ended 30 June 2021

Company Registration No. 01792304 (England and Wales)

Synergy Financial Products Limited

Company Information

Director	E Lyons
Secretary	S Yau
Company number	01792304
Registered office	Centrium 1 Griffiths Way St Albans AL1 2RD
Bankers	HSBC plc London Corporate Banking Centre Level 6, 71 Queen Victoria Street London EC4V 4AY
Solicitors	CMS Cameron McKenna Nabarro Olswang LLP Cannon Place 78 Cannon Street London EC4N 6AF
Auditor	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD

Synergy Financial Products Limited

Contents

	Page
Strategic report	1 - 3
Director's report	4
Director's responsibilities statement	5
Independent auditor's report	6 - 9
Profit and loss account	10
Statement of comprehensive income	11
Balance sheet	12
Statement of changes in equity	13
Statement of cash flows	14
Notes to the financial statements	15 - 26

Synergy Financial Products Limited

Strategic Report

For the year ended 30 June 2021

The director presents the strategic report for the year ended 30 June 2021.

Review of the business

The principal activity of the company is the provision of packaged protection and investment related products.

The company has managed to control costs by outsourcing its technology and business support services, as well as generating new revenue by investing in marketing and new product development. During the year the company has developed new go-to-market strategies including provision of a white labelled service provision to start up investment providers. This will improve the company's new business prospects as it looks to extend the existing customer base.

The company continued to generate turnover on the existing books for protection and investment products. The sustainability of profits is, to a large extent, a function of the number of customers and the assets under management. Turnover for the year was £1,455,017 (2020: £1,525,030). The company has managed to return to profit of £23,302 (2020: £4,585) by focusing on cost management and new product development.

The company continues to maintain a healthy balance sheet with a cash balance at 30 June 2021 of £1,256,652 (2020: £1,076,424).

Key performance indicators

	30 June 2021	30 June 2020	30 June 2019
Turnover £'000	1,455	1,531	1,638
Operating profit/(loss) £'000	23	5	33
Total policies in force '000	8	9	10
Operating profit(loss) / turnover %	1.6%	0.3%	2%
Operating profit(loss) / policies £	£2.91	£0.49	£3.17

Financial risk management objectives and policies

The company's activities expose it to a number of risks including financial risk, credit risk, liquidity risk and regulatory risk.

Financial risk

The company receives commission from insurers for the sale of protection products. Should these policies lapse within a six-year timeframe, a proportion of the commission is repayable. The company has no contractually determined cash flows and so interest rate risk is normal. The company is not exposed to currency risk. No hedging techniques are employed.

The company's risk management objectives and policies aim to mitigate specific financial risks where there is a possibility that any financial risk may lead to material changes in the company's financial performance, position or cash flow. The company has limited exposure to financial risk through its financial assets and financial liabilities.

Credit risk

Cash is held in major UK banks in an attempt to mitigate credit risk and regular reviews of the bank ratings are conducted by management. At the balance sheet date, the maximum exposure to credit risk is limited to the carrying amount of each financial asset/liability in the balance sheet. Management review the level of outstanding debt to manage credit risk effectively.

Synergy Financial Products Limited

Strategic Report (Continued)

For the year ended 30 June 2021

Liquidity risk

The company manages liquidity risk by maintaining sufficient funds in cash held in major UK banks to meet liabilities in a timely and orderly manner.

Regulatory risk

Our business and products are regulated by the Financial Conduct Authority in the UK, and we are therefore exposed to the risk of not complying with regulatory requirements, regulatory change or regulators' expectations. Failing to properly manage regulatory risk, including the handling of client money, may result in regulatory sanctions being imposed and could harm our reputation. We therefore monitor the regulatory environment on an on-going basis and our own internal controls have been designed to counter such risk. Management receive regular reports on compliance which include results from compliance reviews on specific topics, suggestions for improvements of systems and information on customer complaints. We also engage external specialists where appropriate to review elements of our controls in this area.

Future developments

The director expects the general level of activity of current business to remain consistent in the forthcoming year. A significant amount of efforts have been invested in the current year in controlling our costs and developing new revenue stream.

Statement by the director relating to their statutory duties under section 172(1) of the Companies Act 2006

The director, in line with his duties under s172 of the Companies Act 2006, act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its member, and in doing so have regard, amongst other matters, to the:

- Likely consequences of any decision in the long term;
- Interests of the company's employees;
- Need to foster the company's business relationships with suppliers, customers and others;
- Impact of the company's operations on the community and the environment;
- Desirability of the company maintaining a reputation for high standards of business conduct;
- Need to act fairly as between members of the company.

Stakeholders

The board understands the importance of engagement with all of its stakeholders and gives appropriate weighting to the outcome of its decisions for the relevant stakeholder in weighing up how best to promote the success of the company. The board regularly discusses issues concerning customers, suppliers, employees, community and environment, regulators and its shareholder, which it takes into account in its discussions and in its decision-making process. In addition to this, the board seeks to understand the interests and views of the company's stakeholders by engaging with them directly when required. The below summarises the key stakeholders and how we engage with each:

Customers

The board is in regular contact with existing and potential customers, to obtain feedback on matters such as product quality and customer service. The company's customer relations team is critical to ensuring long term customer satisfaction through communication and product improvement.

Suppliers

We work with a range of suppliers and remain committed to being fair and transparent in our dealings with all of our suppliers. Suppliers are generally relevant to the whole company and the company has, where relevant, procedures in place requiring due diligence of suppliers as to their internal governance, including for example, their anti-bribery and corruption practices, data protection policies and modern slavery matters. The company has systems and processes in place to ensure suppliers are paid in a timely manner.

Synergy Financial Products Limited

Strategic Report (Continued)

For the year ended 30 June 2021

Employees

The company has a well-established management reporting structure which encourages employee engagement in an open working environment. The board is responsible for ensuring that this structure enables effective communication and feedback between employees and management.

Community and environment

The board is aware of the impact its activities can have on the environment, and is committed to minimising our environmental footprint.

Regulators

We work with our regulators in an open and proactive manner to help develop processes and controls that meet the needs of all our stakeholders. The board's intention is to behave responsibly and to ensure that the management team operates the business in a responsible manner, acting with the high standards and good governance expected of a regulated business like ours.

Shareholder

The board also seeks to behave in a responsible manner towards our shareholders. The board frequently communicates information relevant to the shareholders, such as its financial reporting and updates on commercial activity.

Effect of COVID 19

The restrictions and closures resulting from the COVID-19 outbreak have not had a materially adverse impact on the company's financial condition or results of operations, nor do management expect a materially adverse impact moving forward.

Events after the balance sheet date

The director confirms that there are no post balance sheet events that need to be disclosed.

Approved by the Board and signed on its behalf by

E Lyons

Chief Executive Officer

21 October 2021

Synergy Financial Products Limited

Director's Report

For the year ended 30 June 2021

The director presents his annual report and financial statements for the year ended 30 June 2021.

Principal activities

The principal activity of the company continued to be that of the provision of packaged protection and investment related products.

Going concern

The director has reviewed the forecasts and projections of Synergy Financial Products Limited, taking into account the existing business and the revenue generated from the new plan. The forecasts show the business is likely to break even in the next year. He has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The director has considered the key risks and uncertainties surrounding the company in reaching this decision. Thus, he continues to adopt the going concern basis in preparing the annual financial statements.

Director

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

E Lyons

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Auditor

In accordance with the company's articles, a resolution proposing that Moore Kingston Smith LLP be reappointed as auditor of the company will be put at a General Meeting.

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, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Results and dividends

Details of the company's unaudited Pillar 3 disclosures, required under section 11 of the Financial Services Authority's Prudential Sourcebook for Banks, Building Societies and Investment Firms (BIPRU), can be found at the following web address: www.sfpl.co.uk.

On behalf of the board

E Lyons

Chief Executive Officer

21 October 2021

Synergy Financial Products Limited

Director's Responsibilities Statement

For the year ended 30 June 2021

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Synergy Financial Products Limited

Independent Auditor's Report

To the Members of Synergy Financial Products Limited

Opinion

We have audited the financial statements of Synergy Financial Products Limited (the 'company') for the year ended 30 June 2021 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 director's 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 director with respect to going concern are described in the relevant sections of this report.

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Synergy Financial Products Limited

Independent Auditor's Report (Continued)

To the Members of Synergy Financial Products Limited

Opinions on other matters prescribed by the Companies Act 2006

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

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

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 and the Director's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Director's Responsibilities Statement, the director is 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 director is 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 director 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.

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

Synergy Financial Products Limited

Independent Auditor's Report (Continued)

To the Members of Synergy Financial Products Limited

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks 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 to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Synergy Financial Products Limited

Independent Auditor's Report (Continued)

To the Members of Synergy Financial Products Limited

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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and the company's members as a body, for our work, for this report, or for the opinions we have formed.

Thomas Moore (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

21 October 2021

Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Synergy Financial Products Limited

Profit and loss account

For the year ended 30 June 2021

	Notes	2021 £	2020 £
Turnover	3	1,455,017	1,525,030
Cost of sales		(681,399)	(647,915)
Gross profit		<u>773,618</u>	<u>877,115</u>
Administrative expenses		(750,728)	(878,192)
Operating profit/(loss)	4	<u>22,890</u>	<u>(1,077)</u>
Interest receivable and similar income	8	412	5,662
Profit before taxation		<u>23,302</u>	<u>4,585</u>
Taxation	9	-	-
Profit for the financial year		<u><u>23,302</u></u>	<u><u>4,585</u></u>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

Synergy Financial Products Limited

Statement of Comprehensive Income

For the year ended 30 June 2021

	2021	2020
	£	£
Profit for the year	23,302	4,585
Other comprehensive income	-	-
Total comprehensive income for the year	<u>23,302</u>	<u>4,585</u>

Synergy Financial Products Limited

Balance Sheet

As at 30 June 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	10	129,727		233,169	
Tangible assets	11	1,713		2,823	
Investments	12	4		4	
			131,444		235,996
Current assets					
Debtors	15	175,146		165,304	
Cash at bank and in hand		1,256,652		1,076,424	
			1,431,798		1,241,728
Creditors: amounts falling due within one year	16	(447,787)		(385,571)	
Net current assets			984,011		856,157
Total assets less current liabilities			1,115,455		1,092,153
Capital and reserves					
Called up share capital	18	273,520		273,520	
Share premium account		350,050		350,050	
Capital redemption reserve		300,000		300,000	
Profit and loss reserves		191,885		168,583	
Total equity			1,115,455		1,092,153

The financial statements were approved and signed by the director and authorised for issue on 21 October 2021

E Lyons
Director

Company Registration No. 01792304

Synergy Financial Products Limited

Statement of Changes in Equity

For the year ended 30 June 2021

	Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 July 2019	273,520	350,050	300,000	163,998	1,087,568
Year ended 30 June 2020:					
Profit and total comprehensive income for the year	-	-	-	4,585	4,585
Balance at 30 June 2020	273,520	350,050	300,000	168,583	1,092,153
Year ended 30 June 2021:					
Profit and total comprehensive income for the year	-	-	-	23,302	23,302
Balance at 30 June 2021	273,520	350,050	300,000	191,885	1,115,455

Synergy Financial Products Limited

Statement of Cash Flows

For the year ended 30 June 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from operations	20		179,816		121,557
Investing activities					
Purchase of tangible fixed assets		-		(124)	
Interest received		412		5,662	
Net cash generated from investing activities			412		5,538
Net cash used in financing activities			-		-
Net increase in cash and cash equivalents			180,228		127,095
Cash and cash equivalents at beginning of year			1,076,424		949,329
Cash and cash equivalents at end of year			1,256,652		1,076,424

Synergy Financial Products Limited

Notes to the Financial Statements

For the year ended 30 June 2021

1 Accounting policies

Company information

Synergy Financial Products Limited is a private company limited by shares incorporated in England and Wales. The registered office is Centrium 1 Griffiths Way, St. Albans, England, AL1 2RD.

1.1 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 pound.

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

1.2 Going concern

The restrictions and closures resulting from the COVID-19 outbreak have not had a materially adverse impact on the company's financial condition or results of operations, nor do management expect a materially adverse impact moving forward.

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of services to customers. It is recognised as it is earned.

All turnover is derived from commission and fees receivable on product design, marketing, underwriting and administration of protection and investment related products.

The company receives commission from insurers on the sale of protection products. Should these policies lapse within a set timeframe, a proportion of commission is repayable. A provision is made for the amounts expected to be repaid, based on expected lapse rates. The company also receives fees in the form of dealing and administrative charges levied on the plan holder and commission rebates from investment managers.

All sales are made in the United Kingdom.

Synergy Financial Products Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

1 Accounting policies

(Continued)

1.4 Intangible fixed assets other than goodwill

The purchase cost of the ISA book of business plus attributable acquisition costs has been capitalised, and is being amortised to nil by equal annual instalments over its useful life, which has been estimated at 15 years.

Development expenditure in respect of software is written off, except where the director is satisfied as to the technical, commercial and financial viability of the project. In this case, the expenditure is capitalised and amortised over the period during which the company is expected to benefit. The amortisation method used is the straight line method, which is amortised to nil by equal annual instalments over the period.

Development expenditure cost includes irrecoverable VAT. The director considers that the inclusion of irrecoverable VAT in the development expenditure on software more accurately measures the cost of the software.

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	5 years
ISA Business Book	15 years

1.5 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:

Computers and Office Equipment	5 years
--------------------------------	---------

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.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities 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.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

Synergy Financial Products Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

1 Accounting policies

(Continued)

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets 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.

1.8 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 in the company's balance sheet 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company 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.

Synergy Financial Products Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and 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 that do not meet the conditions in FRS 102 paragraph 11.9 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 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.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Synergy Financial Products Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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.

Intangible assets

The annual amortisation charge for intangible assets is sensitive to changes in the estimated lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. Goodwill impairment reviews are also performed annually. These reviews require an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise for the cash generating unit and a suitable discount rate to calculate present value. See note 10 for the carrying amount of the intangible assets and note 1.4 for the useful economic lives for each class of asset.

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Synergy Protect	454,525	502,311
Home Protection	74,362	76,384
Mortgage ISA	890,392	900,251
ASU (Accident, Sickness and Unemployment)	19,528	25,942
Investore	16,210	16,810
Commission	-	3,333
	<u>1,455,017</u>	<u>1,525,030</u>
	2021	2020
	£	£
Other significant revenue		
Interest income	412	5,662
	<u>412</u>	<u>5,662</u>

Synergy Financial Products Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

4 Operating profit/(loss)

	2021	2020
	£	£
Operating profit/(loss) for the year is stated after charging:		
Depreciation of owned tangible fixed assets	1,110	1,507
Amortisation of intangible assets	103,442	143,928
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	15,500	15,000
	<u> </u>	<u> </u>
For other services		
Other assurance services	15,500	15,000
All other non-audit services	4,900	4,500
	<u> </u>	<u> </u>
	<u>20,400</u>	<u>19,500</u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
	Number	Number
Management	2	3
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	188,054	191,116
Social security costs	24,185	25,260
Pension costs	8,237	11,945
	<u> </u>	<u> </u>
	<u>220,476</u>	<u>228,321</u>

Synergy Financial Products Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

7 Director's remuneration

	2021 £	2020 £
Remuneration for qualifying services	110,000	107,288
Company pension contributions to defined contribution schemes	5,500	7,989
Compensation for loss of office	-	107,363
	<u>115,500</u>	<u>222,640</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	110,000	214,651
Company pension contributions to defined contribution schemes	5,500	7,989
	<u>115,500</u>	<u>222,640</u>

The director is considered to be key management personnel.

8 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Other interest income	412	5,662
	<u>412</u>	<u>5,662</u>

9 Taxation

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	23,302	4,585
	<u>23,302</u>	<u>4,585</u>
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)</i>	4,427	871
Tax effect of expenses that are not deductible in determining taxable profit	211	(249)
Tax effect of utilisation of tax losses not previously recognised	(4,261)	(425)
Permanent capital allowances in excess of depreciation	(377)	(197)
	<u>-</u>	<u>-</u>
Taxation charge for the year	-	-

Synergy Financial Products Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

10 Intangible fixed assets

	Software £	ISA Business Book £	Total £
Cost			
At 1 July 2020 and 30 June 2021	599,398	377,746	977,144
Amortisation and impairment			
At 1 July 2020	520,016	223,959	743,975
Amortisation charged for the year	79,382	24,060	103,442
At 30 June 2021	599,398	248,019	847,417
Carrying amount			
At 30 June 2021	-	129,727	129,727
At 30 June 2020	79,382	153,787	233,169

11 Tangible fixed assets

Computers and Office Equipment

	£
Cost	
At 1 July 2020 and 30 June 2021	104,678
Depreciation and impairment	
At 1 July 2020	101,855
Depreciation charged in the year	1,110
At 30 June 2021	102,965
Carrying amount	
At 30 June 2021	1,713
At 30 June 2020	2,823

12 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	13	4	4

Synergy Financial Products Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

12 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 July 2020 & 30 June 2021	4
Carrying amount	
At 30 June 2021	4
At 30 June 2020	4

13 Subsidiaries

Details of the company's subsidiaries at 30 June 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	Direct	Indirect
New Direction Finance Nominees Limited	Centrium 1, Griffiths Way, St Albans, AL1 2RD	Nominee company for holding clients' assets and receipt of dividends relating to clients' investments	Ordinary	100	0	
Synergy Nominees Limited	Centrium 1, Griffiths Way, St Albans, AL1 2RD	Nominee company for holding clients' assets and receipt of dividends relating to clients' investments	Ordinary	100	0	

In accordance with Companies Act 2006 s405(2), Synergy Financial Products Limited has excluded its subsidiary undertakings from consolidation. Both companies were dormant during the year and so the directors do not consider the subsidiaries to be material for the purpose of giving a true and fair view of the accounts of Synergy Financial Products Limited.

For the financial year ended 30 June 2021 both subsidiaries are entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

14 Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	170,184	158,912
Carrying amount of financial liabilities		
Measured at amortised cost	426,341	359,285

Synergy Financial Products Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

15 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	170,184	158,912
Prepayments and accrued income	4,962	6,392
	<u>175,146</u>	<u>165,304</u>

16 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	326,939	269,854
Corporation tax	1,107	1,107
Other taxation and social security	20,339	25,179
Accruals and deferred income	99,402	89,431
	<u>447,787</u>	<u>385,571</u>

17 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>8,237</u>	<u>11,945</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

18 Share capital

	2021 £	2020 £
Ordinary share capital		
Issued and fully paid		
273,520 Ordinary share capital of £1 each	<u>273,520</u>	<u>273,520</u>
	<u>273,520</u>	<u>273,520</u>

Synergy Financial Products Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

19 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of services		Purchase of services	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Outsourced Professional Administration Limited	144	210	285	123
Pandora Software Solutions Limited	-	-	30	31
	<u>144</u>	<u>210</u>	<u>315</u>	<u>154</u>

The following amounts were outstanding at the reporting end date:

	2021 £'000	2020 £'000
Amounts owed to related parties		
Outsourced Professional Administration Limited	25	12
Pandora Software Solutions Limited	3	3
	<u>28</u>	<u>15</u>

	2021 £'000	2020 £'000
Amounts owed by related parties		
Outsourced Professional Administration Limited	12	17
	<u>12</u>	<u>17</u>

Management, staff and other support services have been provided by Outsourced Professional Administration Limited and Pandora Software Solutions Limited, these constitute related parties under FRS102, Section 33 as a result of having a common director. The transactions with these related parties have been stated above.

Synergy Financial Products Limited

Notes to the Financial Statements (Continued)

For the year ended 30 June 2021

20 Cash generated from operations

	2021 £	2020 £
Profit for the year after tax	23,302	4,585
Adjustments for:		
Investment income	(412)	(5,662)
Amortisation and impairment of intangible assets	103,442	143,928
Depreciation and impairment of tangible fixed assets	1,110	1,507
Movements in working capital:		
(Increase)/decrease in debtors	(9,842)	31,208
Increase/(decrease) in creditors	62,216	(54,009)
Cash generated from operations	<u>179,816</u>	<u>121,557</u>

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