

**SYNECTICS**

# A Leader in Advanced Security and Surveillance Solutions



**Synectics plc** Annual Report & Accounts 2024

Protecting what matters,  
where it matters most





**Synectics plc\* (AIM: SNX)**  
**is a leader in advanced**  
**security and surveillance**  
**solutions that help protect**  
**people, property and**  
**assets around the world.**

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## Highlights

Revenue

**£55.8m**

(FY23: £49.1m)

Underlying Operating Profit

**£4.8m**

(FY23: £3.1m)<sup>1</sup>

Underlying EBITDA

**£6.2m**

(FY23: £4.8m)<sup>2</sup>

Order Book

**£38.5m**

(FY23: £29.2m)

Net Cash

**£9.6m**

(FY23: £4.6m)

Total Dividend

**4.5p**

(FY23: 3.0p)

### Strong Results

materially ahead of expectations.

### CEO Appointment

of Amanda Larnder to drive the Company's growth ambitions.

### Strategic Rebrand

of Synectics Security to Ocular Integration as part of a broader transformation programme.

### Market Momentum

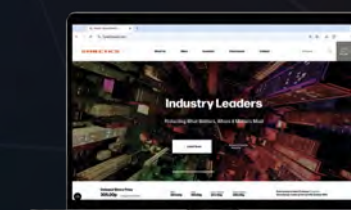
with all sectors investing in new projects and renewals of existing systems.

### New AI Capabilities

with the launch of Synergy DETECT, and upcoming launch of Synergy SEARCH.

### Solid Order Book

reinforced by significant contract wins across all sectors.



For the latest news and information check out our website

[→ synecticsplc.com](https://synecticsplc.com)

\* Synectics plc is referred to as 'Synectics', the 'Company' and the 'Group' in this document.

1. Underlying operating profit represents profit before tax, finance costs and non-underlying items; see note 5 to the Consolidated Financial Statements.  
 2. Underlying EBITDA represents profit before tax, depreciation, amortisation, finance costs and non-underlying items.



# Advanced security and surveillance solutions

## Who We Are

Synectics is a leader in advanced security and surveillance solutions that help protect people, property and assets around the world.

It transforms customer operations by seamlessly integrating systems, technologies, and data into a unified solution—enhancing safety, improving efficiency, and enabling smarter, faster decision-making and response capabilities.

With its technical expertise, decades of experience, and strong partnerships, Synectics sets itself apart by delivering innovation and service that drive real value and long-term success.



## Where We Operate

We have seven sales and support hubs covering UK & Ireland, North America, Europe, Asia-Pacific and the Middle East.



## Our Purpose

Protecting what matters, where it matters most.

## Our Vision

To deliver the most trusted advanced security and surveillance solutions in the world's most critical environments.

## Our Markets

- Critical Infrastructure**
  - Utilities
  - Custodial
  - Emergency Services
  - Healthcare
  - Data Centres\*
- Energy**
  - Offshore Oil & Gas
  - Onshore Oil & Gas
  - Refineries
  - Vessels
  - Renewables\*
- Public Space**
  - Smart Cities
  - Local Authorities
  - Education
  - Retail
- Transport**
  - Transport Hubs
  - Mass Transit Vehicles
  - Mobility
  - Infrastructure
- Leisure & Hospitality**
  - Casinos
  - Resorts
  - Stadiums & Venues
  - Heritage

\* Data Centres and Renewables represent potential areas of opportunity for Synectics, for which we are currently completing competitive market assessments.

**2**  
Distinct businesses operating in growing markets

**313**  
Employees worldwide

**50+**  
Certified Partners and Authorised Reseller

**7**  
Sales and support hubs covering the UK & Ireland, North America, Europe, Asia-Pacific and the Middle East

**270+**  
Synergy installations across key markets throughout the world

**250,000**  
Channels monitored and recorded by Synergy

**10,000**  
COEX camera stations delivered in the last ten years

[synecticsplc.com](https://synecticsplc.com)



# Advanced technology, deep industry knowledge, lasting value

## 1 What We Do

We specialise in the creation of security and surveillance solutions that are tailored for some of the world's most challenging environments.

We operate in a specific number of sectors where security and surveillance needs are acute and where our advanced technologies and specialist expertise deliver the maximum value for customers.

## 2 How We Do It

Synectics is comprised of two businesses, Synectic Systems and Ocular, each grounded in shared values that shape how we build and nurture relationships with our customers, collaborate on solutions, and forge partnerships.

Each business allows us to address a diverse range of customer needs across our target markets and geographies, often within complex or challenging environments where our specialised expertise provides significant value.

## 3 Our Businesses



### SYNECTICS

Synectic Systems develops technology-led solutions for specialist markets globally – including critical infrastructure, energy, public space, transport, and leisure and hospitality.

Capabilities centre around its proprietary software platform, Synergy, which is tailored to the unique requirements of each customer, and specialist COEX cameras for the energy market.



### Ocular

Ocular is an independent security systems integrator with expertise built over four decades, delivering security solutions for high-security, public space, transport, and infrastructure projects throughout the UK & Ireland.

Its strong partnerships with leading technology providers enables Ocular to keep at the forefront of technological advances and deliver innovative and reliable solutions tailored to customers' needs.



## 4 Our Differentiators

### Industry Expertise

Our industry experience has been built through 40 years of implementation and delivering successful projects around the world.

### Proprietary Technology

We invest in our core IP, including Synergy software and COEX cameras, to remain at the forefront of innovation.

### Integrated Solutions

Our technology and strategic partnerships enable scalable, interoperable solutions for smarter, more efficient, and connected operations.

### Customer Experience

We provide tailored solutions, flexible upgrades, and dedicated support to enhance customer experience and build long-term relationships.

## 5 We Create Value

### Industry-Leading Innovation

By delivering the latest technology and third-party integrations, we're able to lead the way in advanced security and surveillance software within our core markets.

### Market-Specific Solutions

Our solutions are specially designed for markets with high barriers to entry due to stringent industry regulations and technical requirements.

### Large-Scale Projects

Our scalable, flexible solutions place us at the forefront of selection for some of the largest and most complex sites and projects in the world.

### Long-term Partnerships

We prioritise building strong relationships with our customers and partners, providing ongoing support and tailored services that foster collaboration and trust.

## 6 How We Deliver for Our Stakeholders

### Our People

- Rewarding work
- Well-being initiatives
- Development
- Inclusive culture

### Our Customers

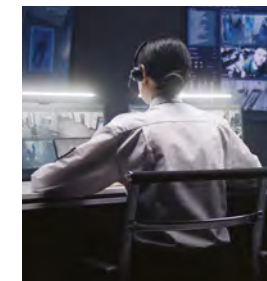
- Technical excellence
- Reliability and peace of mind
- Tailored solutions
- Seamless integration

### Our Partners

- Global partner framework
- Training and support
- Growth opportunities
- Co-marketing

### Our Shareholders

- Trusted UK company
- Dividend paying
- Strong IP portfolio
- Financial strength



# Accelerating our growth aspiration

We have a refreshed strategy committing to excellence and innovation, based around our key principles of **Know More. Serve Better. Innovate Always.**

Our strategy is focused on delivering ambitious organic growth in order to achieve sustainable increases in revenue, EBITDA and cash flow. If appropriate, we will also support our organic growth with carefully targeted acquisitions that enhance or complement our existing technical capabilities or customer base.

In addition we aim to drive increased recurring revenues in the longer term by introducing subscription pricing for our core Synergy technology and developing additional subscription-only based modules, which provide reliable income streams and enhance customer engagement.

Underpinning this strategy is our investment in people and a customer-focused culture. With a strong cash position and balance sheet and high operational gearing, Synectics is well-positioned to take advantage of new investment opportunities.

## Strategic Priorities

### Expand our market presence

**Clear focus on target sectors where Synectics possesses the highest level of skill and knowledge.**

#### How

- Strengthen the sector and regional expertise within our team while improving our engagement strategies with end users to address customer needs and challenges effectively.
- Invest in sales and marketing resources to fully capitalise on growth prospects and ensure these resources are allocated to the right areas.
- Assess potential opportunities in adjacent markets and evaluate our capacity to compete successfully in those areas.

#### Progress

- Allocated budget to expand the sales team by bringing in four new sales representatives to enhance reach in North American gaming, global Oil and Gas, and UK transport and infrastructure.
- Identified new markets - Infrastructure in North America and in Asia-Pacific, global data centres and renewables, as markets with promising growth potential; currently completing competitive analysis to understand our ability to be successful within these markets.
- Successfully delivered ten impactful, multi-channel campaigns, leading to a 40% increase in marketing leads.

### Innovation

**Invest in technology to position ourselves as leaders in technological advancements, enabling us to capitalise on bringing innovative solutions to our customers.**

#### How

- Monitor market trends in the sectors in which we have deep expertise and develop innovative solutions that address the changing needs of our customers.
- Create scalable and sustainable technologies that can drive higher levels of recurring revenue.
- Provide the tools and platforms within our business to enable our people to foster innovation and automate processes.

#### Progress

- Synergy introduced its first in-built AI Suite, enabling users to seamlessly configure and deploy twelve AI-driven surveillance tools, with AI Forensic Search and Facial Recognition functionality set to launch in 2025.
- Synergy's Scene Check was also launched, streamlining casino operations by automating surveillance camera verification. This innovation drastically cuts inspection time of thousands of cameras to just minutes whilst significantly boosting accuracy.
- Alongside technology partners Navaho Technologies, we unveiled our latest On-Board Hub technology at Euro Bus Expo 2024, which integrates multiple on-vehicle applications onto a single industrially rated embedded device.
- Good progress on the implementation of our new Company-wide ERP and CRM system, which will provide significant upgrades and improvements to previous processes and operations.



### Customer relationships

**Focus on providing the highest quality service to our customers.**

#### How

- Continue to develop our customer relationships; understand their challenges and provide effective solutions to solve them.
- Lead the market with innovative solutions tailored to address the issues faced in our target markets.
- Develop new customer relationships and enhance existing ones; cross-sell our additional products to existing customers to solve their challenges or improve operational efficiencies.
- Strive to always exceed customer expectations.

#### Progress

- Good progress in the implementation of a suitable CRM to track customer interactions, improve customer service and ultimately drive sales growth by providing valuable insights into customer behaviour and preferences.
- Delivery of four Synergy webinars, educating our customers on the latest features and updates, fostering deeper customer advocacy and insights.
- Showcased our solutions at leading industry events - World Game Protection, G2E Asia, CCTV User Group Conference, and ADIPEC - while gaining valuable customer and market insights to drive future innovations.
- Our customer communication strategy continued to grow, with mailing list subscribers rising by 24%.
- Launched a customer and partner CPD programme featuring four CPD-accredited presentations on AI, Healthcare, Rail, and Public Space Surveillance.

### Strategic partnerships

**Develop our partner relationships to provide an effective channel to our global markets.**

#### How

- Partner with chosen system integrators who have skill and experience in the sectors in which we operate.
- Strengthen our relationships and improve collaboration with integrators to become their provider of choice where possible for security and surveillance solutions.
- Establish partnerships with other organisations where their products enhance or complement our offering.

#### Progress

- The launch of a new partner programme in August provided us with a unified approach to onboarding, supporting, and engaging with our partners.
- A new online Partner Portal was launched, providing comprehensive sales and marketing resources, equipping partners with the tools they need to promote and sell our solutions.
- A new interactive locator map was introduced on the website, providing visitors with a visually engaging way to identify and learn more about our partners and resellers.
- Finalised partnership agreements with two technology partners, incorporating their technology into our solutions, which is expected to broaden our market access and increase value for customers.
- Priority for 2025 is to recruit a Partner Programme Lead to drive and manage our ways of working with partners, including partnership agreements, training and business plans.



# Synectics represents a compelling investment opportunity

## 1

### Specialist Markets

- **Demanding markets:** complex, large-scale and regulated markets requiring high expertise.
- **Large addressable market:** significant opportunities in core and adjacent markets.
- **Strong long-term growth drivers:** multi-polar world, rising geopolitical risks, increasing investment in infrastructure, complex regulatory environments, transition to digital and automation, net zero.
- **High barriers to entry:** technology developed over years based on deep sector expertise and compliance with complex regulations.



## 2

### Innovative Technology

- **Technological advancement:** products at the forefront of technological advancement, integrating artificial intelligence and other cutting-edge capabilities.
- **Tailored solutions:** solutions specially designed for technical and regulatory requirements of specialist markets.
- **Seamless integration:** Designed for interoperability with third-party systems to create connected, scalable and intelligent solutions.
- **Cybersecurity capabilities:** Robust security features to protect critical systems and ensure compliance with evolving cyber regulations.



## Synectics delivers cutting-edge security and surveillance solutions for complex, regulated markets.

With a strong financial position, high operational leverage, and an impressive portfolio of customers, we are uniquely positioned to capitalise on the significant long-term growth opportunities in a modern world in which security is becoming ever-more important.

## 3

### A Trusted Brand

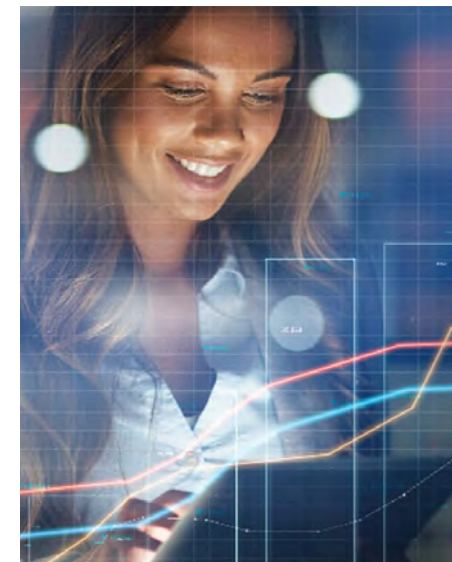
- **Proven brand:** strong reputation for delivering successful projects around the world.
- **Long-standing partners:** global partnerships and diversified channels network.
- **Strong customer retention:** repeat business and rolling software support agreements.
- **Blue-chip customers:** strong customer base across critical infrastructure, energy, public space, transport, and leisure and hospitality.



## 4

### Financial Strength

- **Track record:** strong financial growth and well-placed to capitalise on emerging market opportunities.
- **High operational leverage:** high potential for margin expansion.
- **Investment:** increased investment in growth opportunities, both organic investment and potential for value accretive acquisitions.
- **Strong balance sheet:** £9.6 million cash, no debt.
- **Dividends:** UK-headquartered company paying dividends in line with earnings.



# We have strengthened our status as a **leading security and surveillance provider** with major contract wins



I am delighted to announce that revenues increased in the year to **£55.8 million (FY23: £49.1 million)** with underlying EBITDA\* up 27.2% to **£6.2 million (FY23: £4.8 million)**. We ended the year with both a record cash balance of **£9.6 million (FY23: £4.6 million)** and a record order book of **£38.5 million (£29.2 million)**.

I was appointed as Chair of the Board in April 2024, taking over from Steve Coggins who had served the Company excellently for 20 years. Subsequently, in July 2024, Jon Kempster was appointed as an independent Non-Executive Director and as Chair of the Audit Committee.

In August 2024, we received the sad news of the sudden death of the CEO, Paul Webb. Paul played a fundamental role in the growth of the Company. Amanda Larnder, the CFO, took over the role on an interim basis and was appointed as the permanent CEO in November.

We are in advanced discussions to appoint a permanent CFO to support Amanda which we hope to announce in due course. In the meantime we have recruited an interim Group Finance Director to provide support in the intervening period.

Throughout the year, we reaffirmed our status as a leading security and surveillance provider supporting global businesses. Our growing reputation was evidenced by the large number of contract wins announced throughout the year. Our expertise, particularly in the oil and gas, gaming and public sectors provides excellent growth opportunities for expansion into adjacent markets and sectors.

Our focus remains clear in building our reputation further by delivering solutions that customers can rely on to meet the challenges that they envisage in these most rapidly evolving and challenging times. Product development remains a key focus with management at all levels looking to ensure that Synectics remains at the forefront of innovation and first-class customer support.

The Board is committed to bringing future success for the Company.

It would be remiss of me not to thank our shareholders, and all our employees for their commitment in providing both these excellent results and future opportunities.

I look forward to bringing news of further successes to you in due course.

**Bob Holt**  
Non-Executive Chair  
3 March 2025

\* Underlying EBITDA represents profit before finance costs, tax, depreciation, amortisation and non-underlying items.

# A year of **strong performance for the business, building confidence as we focus now on sustainable growth**



I am pleased to present my first report as Chief Executive Officer, for the financial year ended **30 November 2024 ("FY24")**.

FY24 was a strong year for Synectics, with growth in all sectors. We made encouraging operational and financial progress, underpinned by positive momentum in our key markets. We are strategically investing in our people, operations and products to ensure that we are well-positioned for growth and I am excited to be leading the next stage of our story.

I am extremely proud of the team's achievements in FY24, which have enabled the positive progress that we made. I would like to express my sincere thanks to all our employees for their continued hard work and dedication.

Having recently been appointed as the Company's CEO, I want to take a moment to honour the legacy of our former CEO and friend, Paul Webb, who passed away in August 2024. Paul was a dedicated leader who steered Synectics with passion and vision. I am committed to carrying forward his legacy by upholding the values in which he believed and pursuing a future for the Company that he would be proud of.

## Financial Summary

It is particularly pleasing to report double-digit revenue and underlying operating profit growth in FY24. Revenue increased by 13.6% to **£55.8 million (FY23: £49.1 million)** with record gross margins of 42.9% (FY23: 40.7%). Underlying operating profit was up by 56.8% to **£4.8 million (FY23: £3.1 million)**, materially ahead of recently upgraded market expectations<sup>1</sup>.

Underlying EBITDA<sup>2</sup> increased by 27.2% to **£6.2 million (FY23: £4.8 million)**, with underlying EPS up significantly to 21.6 pence (FY23: 14.2 pence). The order book at 30 November 2024 was robust at **£38.5 million (30 November 2023: £29.2 million)**.

Our financial position remains strong. Synectics is debt free and the excellent cash generation in the year led to a record cash balance of **£9.6 million (FY23: £4.6 million)** at the year end providing sufficient funds to deliver our plans for future organic growth and take advantage of opportunities as they arise.

As a result of the strong performance, the Board is recommending (subject to shareholder approval) the payment of a final dividend of 2.5 pence per share (FY23: 3.0 pence per share), to be paid on 16 May 2025 to shareholders on the register at the close of business on 25 April 2025 (ex-dividend date of 24 April 2025). Following the reinstatement of the payment of an interim dividend of 2.0 pence per share (FY23: nil), this will take the total dividend payable for FY24 to 4.5 pence per share (FY23: 3.0 pence per share).

1. Underlying operating profit represents profit before tax, finance costs and non-underlying items; see note 5 to the Consolidated Financial Statements.  
2. Underlying EBITDA represents profit before finance costs, tax, depreciation, amortisation and non-underlying items.



### Refresh of strategy

During the last few months, we have been undertaking a review of the existing strategy to better align our long-term objectives and growth ambitions with market opportunities.

This renewed focus on excellence and innovation is encapsulated in our guiding principles of "Know More. Serve Better. Innovate Always." Our primary goal is to accelerate organic growth to achieve sustainable increases in revenue, EBITDA, and cash flow. To support this, we may also explore targeted strategic acquisitions that enhance our existing capabilities or customer base. In addition, we will be introducing subscription pricing for our core Synergy technology by the end of FY25, aiming to drive increased levels of recurring revenues and deepen customer engagement.

Our growth strategy is categorised into the following priorities:

- Expanding our market presence in our existing markets as well as into new or adjacent markets by clearly focusing on target sectors where Synectics possesses the highest level of skill and knowledge;
- Investing in technology to position ourselves as leaders in technological advancements, enabling us to capitalise on bringing innovative solutions to our customers;
- Maintaining excellent customer relationships by providing the highest quality service; and
- Developing our existing partner relationships and building new ones to provide an effective channel to our global markets.

Progress is being made across each of these strategic priorities, particularly in expanding our market presence. We have strengthened our sales organisation, investing in new resource to target key sectors, including North American gaming, tribal gaming (casinos located on reservation land), UK transport and infrastructure and international business development. We have identified promising growth potential in new markets and geographies such as the UAE, Infrastructure in North America and in Asia, global datacentres, and renewable energy, and we are currently performing a comprehensive competitive analysis to determine our ability to compete in these markets.

Partnerships remain a cornerstone of our strategy, and we are committed to developing strong relationships with system integrators and complementary technology companies. The launch of a unified partner programme has been kickstarted with an online portal and improved training. During 2025, we will invest in a Programme Lead to manage our partner relationships and ensure that our partners are empowered to promote our solutions effectively.

As we move into 2025, we have strategically redefined our sector focus to better align with current market dynamics and emerging opportunities. Our new sectors are now critical infrastructure, energy, public space, transport, and leisure and hospitality, (previously reported as oil & gas, gaming and public space, transport and infrastructure ("PSTI")), and the Company's FY25 results will be reported in this way.

This evolution reflects our commitment to expanding our reach and expertise in areas where we can deliver the most value and innovation, whilst also addressing growing demands for enhanced security and surveillance solutions in these critical domains.

Ensuring that we have the optimal go-to-market strategy for both existing markets and new opportunities is crucial to our success. As we move forward, we are confident that our refreshed strategy will drive significant progress and ensure that we capitalise on the growing opportunities within our markets.

### Continued innovation

Ongoing innovation is essential. In markets characterised by evolving regulations, rising security and safety threats and the emergence of new technologies, we have to be able to help customers in navigating these transformations effectively.

We made significant investment during FY24 into our proprietary software, Synergy, to ensure it can continue to meet the challenging and demanding needs of our customers.

In April, we announced the latest version of Synergy, which was launched with improved tools for incident management and team collaboration, a new mobile app, simplified web-based system access and remote camera sharing.

In November, we announced the launch of Synergy DETECT, offering new AI capabilities including twelve AI-powered tools to streamline real-time detection and analysis.

Integrations have always been at the heart of how Synectics operates. We are seeing this become increasingly important across our markets, where the trend towards connectivity and unified platforms is becoming more prevalent and provides better management and response capabilities, as well as efficiencies and cost savings. Synergy can evolve swiftly to accommodate and integrate new technology developments as they emerge, to ensure that it always remains a leading solution for customers. We will continue to invest in this area.

Current areas of investment include AI capabilities for event notification and forensic searching, hybrid Synergy, focus on SaaS, our Transport offering, edge-based Video Analytics in our COEX 4K cameras and an alternative COEX range suitable for offshore renewables.

### People

Our people are critical to the success of the business, and we are committed to investing in and empowering them.

In the last year, we invested significantly in learning and development resources for our employees. In addition, recognising the importance of our leaders and managers, we have invested in a new Management Development Programme, aimed at supporting our managers to motivate and engage with their teams and to enhance overall organisational performance.

Employee well-being remains a top priority and we have expanded our mental health initiatives. I am extremely pleased that we have recently been accredited as a Real Living Wage employer, reflecting our commitment to ensuring fair pay and supporting the well-being of our valued team members.

I am committed to fostering a positive and inclusive culture that enhances employee well-being and enables our people to thrive. This is a top priority of mine in 2025 and beyond.

### Sustainability

Another area in which we are making good progress is sustainability. The environment, and climate change in particular, is increasingly becoming a concern for businesses globally as the world transitions to net-zero.

I am pleased with our progress in this area as we have completed phase two of our four-phase sustainability plan. As part of this, we have analysed the materiality assessment performed in FY23 and developed our ESG framework, identifying our three ESG strategic pillars which will support our goal of becoming a responsible, reliable and sustainable partner to our customers and wider stakeholders. Our three pillars are: advancing governance and building trust; developing people and delivering social value; and reducing environmental footprint and playing a role in the low carbon transition.

Throughout FY25 we will be using our ESG framework to develop our roadmap and integrate sustainability across the business.

**I am extremely proud of the team's achievements in FY24, which have enabled the positive progress that we made.**

### Outlook

Following a good start to FY25, trading to date is in line with the Board's expectations, with our strong order book underpinning confidence in FY25 and beyond.

The Board is focused on delivering sustainable growth and as such it is undertaking a number of strategic initiatives across the Group, which include ongoing product development, the strengthening of our sales channels, implementing operational efficiencies and developing out our subscription pricing models. These investments, which lay the foundations to unlock future opportunities and position the Group for sustained long-term success, will be reflected in FY25; while we expect to maintain double-digit growth in FY25 and for the results to increase in line with upgraded market expectations, full margin potential will be achieved in future years when the returns on these investments are delivered.

We are confident that our commitment to delivering operational excellence positions us to be a trusted leader in our chosen markets, enabling us to seize new and exciting business opportunities. I am very enthusiastic about the Group's prospects and look forward to updating shareholders on further progress in due course.

### Amanda Larnder

Chief Executive Officer and Chief Financial Officer  
3 March 2025



# Operating in markets where security and surveillance are critical

Despite their diversity, they share key elements: extensive scale, intricate complexity, stringent regulations, and a need for rigorously applied, proven technologies.

Our dedication to these markets allows us to differentiate our offering by building tailored solutions that meet the unique security challenges that our customers face on a daily basis.



## Critical Infrastructure

We are poised for significant growth as investments in modernising and securing critical infrastructure surge. With rising threats, the demand for advanced security and surveillance solutions has never been greater.

Our solutions enhance threat detection, minimise downtime, and strengthen the resilience of essential services. Combined with our expertise, we are well-positioned to secure major projects in the UK and South-East Asia.

Additionally, we intend to leverage our strong presence in the custodial sector in Northern Ireland to expand market share in the UK.

### Target Markets

- Utilities
- Custodial
- Emergency Services
- Healthcare
- Data Centres

### Market Drivers

- Urbanisation Growth
- Rising Security Threats
- Regulatory Compliance
- Economic Growth
- Technological Advancements

### Technology Trends

- Scalable, hybrid cloud solutions for centralised monitoring
- AI analytics for anomaly detection and predictive maintenance
- Advanced diagnostics and remote management tools
- Consolidating systems for improved cybersecurity



## Energy

Amid the surge in energy demand, the need to secure these facilities has intensified, driving demand for advanced surveillance solutions.

Our Synergy software and COEX cameras meet the growing need for remote monitoring, anomaly detection, and hazard identification. Powered by AI analytics and 4K technology, our solutions align with industry demands and position us as a preferred supplier.

As investment in renewable energy accelerates, our technology is ideally suited to support offshore wind farms, solar farms, and biomass storage facilities.

### Target Markets

- Offshore Oil & Gas
- Onshore Oil & Gas
- Refineries
- Vessels
- Renewables

### Market Drivers

- Expanding Energy Projects
- Global Energy Transition
- Regulatory Demands
- Environmental Concerns
- Growing Security Threats

### Technology Trends

- AI analytics for anomaly detection and safety compliance
- Remote monitoring for centralised oversight of uncrewed facilities
- Drone integration for rapid aerial inspections



## Public Space

With persistent threats to public safety, the demand for advanced surveillance systems continues to rise.

The UAE and North America offer significant growth potential. We are also diversifying into adjacent sectors, such as healthcare and education, by building on the customer reference sites already in our portfolio. These sectors face similar challenges, including high footfall, multiple entry points, and complex estate management.

### Target Markets

- Smart Cities
- Local Authorities
- Education
- Retail

### Market Drivers

- Increasing Urban Populations
- Growing Security Threats
- Regulatory Compliance
- Infrastructure Development
- Digital Transformation

### Technology Trends

- AI analytics for crowd, behaviour, and safety monitoring
- Integrated access control providing streamlined security
- Unification of systems for improved operational efficiency
- Remote access for anytime, anywhere monitoring



## Transport

Our Synergy software and on-vehicle technologies enable transport operators to seamlessly connect, monitor, and control essential systems that play a pivotal role in ensuring passenger safety, security, and an unparalleled travel experience.

Our investment in real-time threat detection, operational efficiency, and incident management is crucial to differentiating our offer and ensures we'll meet the needs of operators in the future. These benefits, coupled with increasing investments in smart transportation initiatives, create a fertile ground for us to flourish in the vast potential of the transport market.

### Target Markets

- Transport Hubs
- Mass Transit Vehicles
- Mobility Infrastructure

### Market Drivers

- Infrastructure Investment
- Digital Transformation
- Urbanisation
- Population Growth
- Tourism Growth

### Technology Trends

- Scalable cloud and hybrid solutions for real-time monitoring
- AI analytics for traffic flow, safety, and threat detection
- Centralised systems for multi-site management
- Remote access for real-time monitoring from any location



## Leisure & Hospitality

The demand for robust surveillance systems is rapidly increasing, driven by tighter regulatory frameworks and a growing recognition of the critical role these systems play in compliance and operational efficiency.

We are expanding into broader security and operations management solutions for major integrated resorts across South-East Asia and the UAE. South-East Asia also presents opportunities to collaborate with new partners, expanding our footprint in these high-potential markets.

### Target Markets

- Casinos
- Resorts
- Stadiums & Venues
- Heritage

### Market Drivers

- Regulatory Compliance
- Global Travel Growth
- Enhanced Guest Experience
- Fraud and Theft
- Growing Security Threats

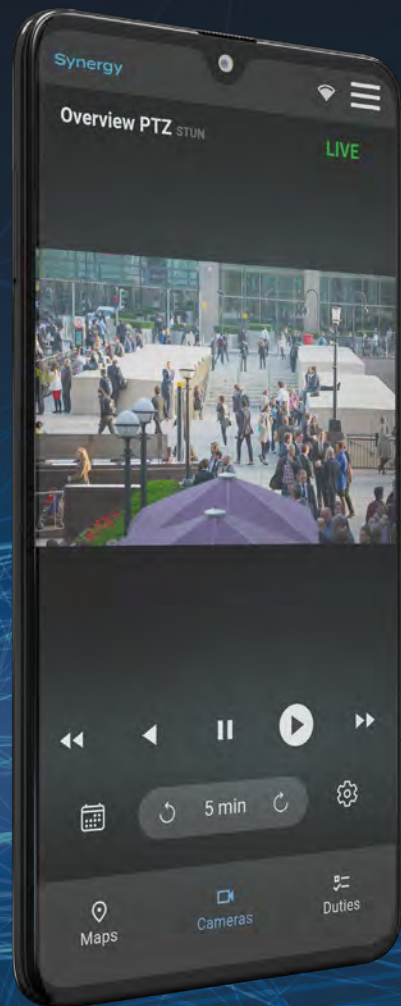
### Technology Trends

- AI analytics for behaviour detection and fraud prevention
- Facial recognition for guest identification and VIP tracking
- Drone monitoring for aerial security of venues and attractions
- Unification of systems for improved operational efficiency



# Synergy's AI, cloud and mobile advancements at the forefront of its latest developments

Throughout the year, the Company focused on launching Synergy's first AI Suite, while enhancing its cloud, mobile, and remote access capabilities.



### AI-Powered Real-Time Risk Detection

Marking a key milestone in 2024, Synergy introduced its first in-built AI Suite, allowing users to easily configure and activate twelve AI-powered surveillance tools.

These tools address a range of safety concerns – from detecting worker trips, falls, and unauthorised access to hazardous areas, to monitoring safety protocol compliance, crowd formations, and suspicious behaviours like loitering and intrusion.

### Cloud Services

Synergy continues to refine its cloud offering, integrating on-premise systems with cloud services to maximise performance and accessibility.

Significant advancements have been made with our Cloud Transport Services and the ongoing development of the On-Board Hub, which integrates multiple on-vehicle applications.

### Expanded Mobile Capabilities

Upgrades to Synergy's mobile app allow users to follow dedicated workflows and access live or recorded footage from selected cameras on the go.

Enhanced mapping and live task updates enable control room teams to monitor colleagues' task statuses in real time.

### Enhanced Web Features

Synergy's web-based platform now supports secure, multi-user access for viewing footage, controlling PTZ cameras, and utilising additional functions such as reports.

Whether used by security managers at home, centralised teams managing satellite sites, or field-based personnel, Synergy delivers the tools needed for seamless operation.



## Where we're investing

### AI and Analytics

Synergy's AI capabilities are making a significant leap forward with the launch of a number of native and third-party tools for AI event notification, scene verification and forensic searching.

### Hybrid Synergy

By combining our on-premise and cloud solution, we'll offer a modular, scalable market offering that balances operational costs with the flexibility of cloud services.

### SaaS

New central, modern licensing engine for our portfolio of products. Designed to support on-premise and cloud deployments and upcoming subscription model.

### Transport Solutions

Progress continues with our Transport Cloud Services offering. We're also working with a strategic technology partner to introduce a new On-Board Hub.

### User Experience

A management hub is to be introduced that will aid complex deployments and improve the overall customer experience while empowering our partners.

### Resilience

Synergy's failover and replication functionality will further evolve to meet the modern architecture requirements and solution flexibility that future projects will require.



# COEX Cameras continue to thrive in the **world's toughest environments**

The complexity of the task facing our energy customers is enormous: safeguarding on-site personnel; protecting offshore and onshore infrastructure; and monitoring hazardous and explosive areas, often in remote locations under extreme temperatures.



It is an industry where customers choose Synectics because of our experience and reputation for product reliability.

At the core of our offer is the COEX camera range, which is specified by many end users as their product of choice.

**10,000+**

COEX camera stations delivered in the last ten years.

## Innovation for the Toughest Conditions

COEX continues to lead the way in explosion-proof camera technology, particularly in the oil and gas market.

With features like 4K video, thermal imaging, and hazardous-area certifications, COEX represents cutting-edge surveillance technology designed to excel in the most challenging environments.

## Where we're investing

### Edge AI

The third-generation COEX 4K cameras will support advanced edge-based video analytics, enhancing the Synergy AI Suite.

### Expanded Range

We'll be delivering an alternative COEX product range which enables us to target other adjacent markets such as wind and hydrogen.



# Our success is based on our distinctive and unique culture that's been nurtured over decades

At Synectics, our people are at the heart of everything we do. This year has been a testament to their commitment, resilience, and drive, underscored by significant strides in employee engagement, learning, and well-being.

Our people strategy focuses on finding, keeping, and growing brilliant individuals. By building a high-potential talent pipeline, fostering cross-business collaboration, and preparing leaders for growth, we aim to empower every employee to connect their role to Synectics' success.

### Empowering Growth

We launched several initiatives to enhance professional development and leadership capabilities, including a new learning & development platform and Management Development Programme, along with targeted training in coaching and mental health awareness.

By aligning career paths with organisational growth and linking individual objectives to company strategy, we are equipping our teams with the tools and opportunities needed for long-term success.

### Attracting and Retaining Talent

We've introduced a new onboarding process designed to provide a seamless and supportive start for new employees. By delivering interview skills training for managers and focusing on recruiting in line with our values, we've improved how we attract and select the right talent for Synectics.

### Prioritising Well-Being

Employee well-being remains a top priority. This year, we expanded mental health initiatives, providing mental health awareness training for managers and additional mental health support resources.

Our comprehensive annual Well-being Calendar included initiatives like #WalkthisMay, monthly employee lunch and learns, and Mental Health First Aider training, ensuring our people feel supported both in and out of the workplace.

### Engagement and Belonging

Our Net Engagement Score has seen a remarkable 46-point improvement since 2021. This progress reflects the ongoing efforts to foster a workplace where everyone feels valued and connected.

Employees increasingly report a strong sense of belonging and confidence in Synectics' future, with themes like Equality, Diversity and Inclusion (EDI) and leadership receiving the highest scores.

## Underpinned by our core values

Every decision we make fits with our values. By doing this, we're able to drive the Company forward, help everyone reach their goals, and differentiate our offerings.

### We are Human

We look at business in terms of people: our colleagues, our customers, and above all the people we keep safe.

### We are Customer Driven

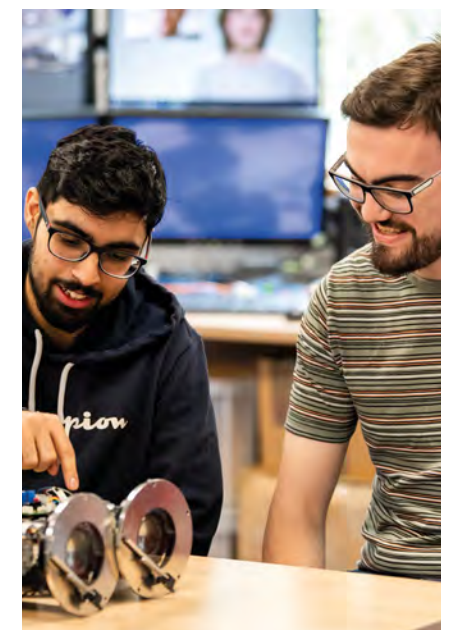
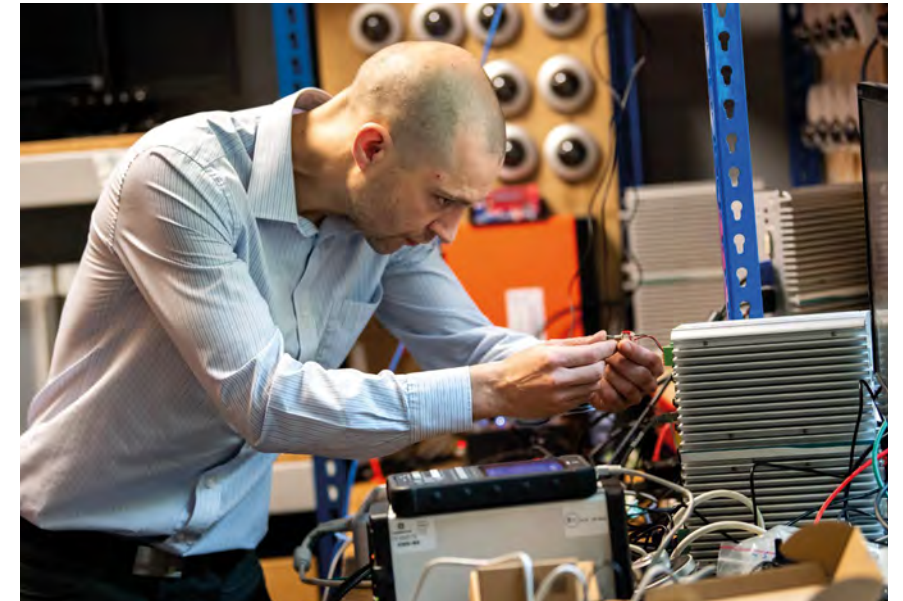
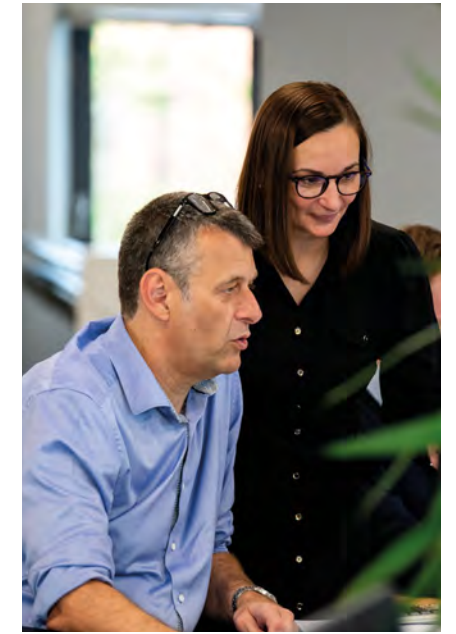
We are committed to our customers; our customers' needs guide everything we do.

### We are Enterprising

We are creative and innovative; we are solution-led and relentless in our quest to find the right outcome.

### We are Honourable

We do what we say we will do, and we do the right thing.





# Securing **major contracts** in Qatar and Brazil

Synectics has successfully leveraged opportunities in the thriving oil and gas market, securing multiple high-value contracts across the globe. Our cutting-edge COEX cameras and Synergy security and surveillance software continue to set the benchmark for technological innovation in the industry.

Synectics has been awarded two significant contracts to provide advanced security and surveillance solutions for critical oil and gas operations in Qatar and Brazil.

In Qatar, Synectics will deliver its COEX camera station technology to North Oil Company (NOC), responsible for 45% of the country's oil production. This is part of NOC's efforts to boost output at the Ruya Project, a key component of the Al-Shaheen field expansion—Qatar's largest oil field. The deployment will occur in two phases (2025 and 2026), with the technology enabling surveillance of critical offshore platform locations and monitoring of operational activities to ensure employee and asset safety.

In Brazil, Synectics was selected to supply specialist security and surveillance solutions for a Floating Production Storage and Offloading (FPSO) vessel. The tailored solution will enhance the vessel's situational awareness, security operations, and compliance with stringent offshore safety standards.

These contract wins highlight Synectics' technical excellence and trusted expertise in delivering innovative security solutions for the oil and gas industry, reinforcing its role as a global leader in supporting critical energy infrastructure.



# Additional contracts for **National Grid security enhancement** projects

The project sees Synergy rolled out in the main command and control centre, centralising feeds from numerous locations throughout the network into a single unified platform.

During the year, Synectics was awarded further contracts as part of a framework agreement with National Grid. The additional contracts will see Synectics deliver security improvement works across 13 new sites.

Synectics was awarded its first contract under the framework agreement with National Grid in October 2022, and will now be deploying its services across 20 sites throughout National Grid's substantial estate. The contract will be delivered by Ocular Integration, which will be responsible for delivering the improvement works as well as providing ongoing support.

The framework agreement centres around the provision of CCTV and Access Control Systems throughout the National Grid estate across England, Wales and Scotland. Synectics is able to draw on its significant expertise in the delivery of solutions for critical infrastructure projects to deliver an end-to-end solution for the customer.



# Major South-East Asia gaming resort expands surveillance partnership with Synectics

Upgrading and expanding the Synergy surveillance system at a major gaming resort. The customer has been using Synergy since 2014, and the resort is one of the most successful and high profile in the world.

Synectics has been awarded a significant contract to further enhance and expand the surveillance infrastructure at one of South-East Asia's most prestigious gaming resorts.

This latest agreement builds on the long-standing relationship with the resort, which has relied on Synectics' cutting-edge security solutions, including its proprietary Synergy software platform, since 2014.

Under the terms of this new contract, Synectics will undertake a comprehensive upgrade of the resort's existing surveillance system, transitioning it to the latest version of Synergy. This advanced platform will deliver enhanced operational efficiency, improved analytics, and greater scalability to meet the resort's evolving needs.

By integrating innovative technology with world-class service, Synectics is once again reaffirming its position as a trusted leader in the field of surveillance solutions for the global gaming and leisure industry.



# Synectic Systems

## Synectic Systems develops and delivers its proprietary, technology-led solutions to specialist markets globally – including gaming, oil and gas, public space, transport and critical infrastructure – through local systems integrators and channel partners.

Capabilities centre around a proprietary software platform, Synergy, that is tailored to the unique requirements of each customer, and specialist hardware for oil and gas markets built on our COEX camera range.

	FY24	FY23	Inc/dec
Revenues - EMEA	<b>£18.4m</b>	£15.0m	22%
Revenues - North America	<b>£7.1m</b>	£5.0m	43%
Revenues - Asia-Pacific	<b>£10.4m</b>	£12.0m	(13)%
Total revenue	<b>£35.9m</b>	£32.0m	12%
Gross margin	<b>49.4%</b>	46.4%	3.0ppts
Underlying operating profit <sup>1</sup>	<b>£6.1m</b>	£4.1m	50%
Underlying operating margin	<b>17.0%</b>	12.7%	4.3ppts

Demand for our solutions remained strong and our ability to meet the precise requirements of our customers remains a key market differentiator.

Throughout FY24, contract momentum was positive, and we have announced several large contract wins, underpinned by a good level of repeat business from our existing customer base for upgrades and new installations.

A key contract signed in the year was a \$13.2 million project for the upgrade and expansion of one of the world's most successful and highest-profile gaming resorts in South-East Asia. Synectic Systems has been working with this customer since 2014, and this contract reflects the strength of Synergy's proven expertise in delivering tailored, high-performance and reliable solutions. Furthermore, we expanded our presence in North America with a series of contract wins across both large and medium-sized casinos, while also strengthening our footprint in other regions, including the Philippines and Cambodia.

Revenues in Synectic Systems increased by 12.1% to £35.9 million (FY23: £32.0 million), with underlying operating profit<sup>1</sup> up 49.8% to £6.1 million (FY23: £4.1 million), reflecting a solid year of growth and performance.

The significant increase in operating profit is reflective of the high level of operational gearing, combined with the sector mix of higher-margin gaming sales replacing slightly lower-margin oil and gas sales as a proportion of the business' total revenue.

Revenues in oil and gas have increased by 5% year-on-year. The oil and gas market is closely linked to global economic conditions, geopolitical events, and technological advancements, which in turn have driven fluctuating demand due to energy transitions, OPEC decisions and geopolitical tensions. Oil and gas infrastructure remains critical to national economies with an increasing need for enhanced security measures. Threats are increasing to both digital and physical infrastructure due to risks of sabotage, theft and terrorism; therefore we expect investment in integrated security and surveillance solutions to rise in order to protect these critical assets.

In FY23, we noted that there was a continued delay, particularly in North America, in the refurbishment of large casinos following the pandemic leading to an overall slower than expected recovery in the gaming market. However, we started to see an increase in this activity in FY24 and overall good momentum in global gaming as regulatory conditions continue to evolve and there is a focus on preventing fraud, as well as enhancing the player experience. Revenues in gaming increased by 20% year-on-year, predominantly due to the sector's recovery in North America.

The tribal gaming market, which covers casinos that are located on reservation land, represents the other major source of US gaming, although this is not an area from which Synectic Systems had previously generated revenues. During the year, we hired specific sales resources to focus on this part of the gaming market and we are making good inroads here.

Revenues in PSTI increased by 11% compared to FY23. Despite ongoing challenges in the public space sector, driven by budgetary constraints, local authorities still need to prioritise resilience against various threats, including crime and public safety. In addition, it is recognised that significant investment is needed in infrastructure, including utilities, healthcare and prisons, in the UK, and globally. During the year, Synectic Systems was awarded a £0.8 million contract with a new customer, a major UK utility provider, to deliver a multi-site deployment of Synergy, further work was undertaken with National Grid and Synergy is now deployed in five NHS Trusts.

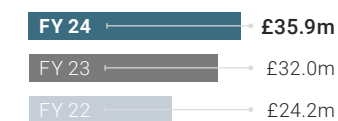
Demand is continuing to increase for both new projects, and investment in existing infrastructure, including upgrades and expansions, in all our market sectors. Operating in growing markets, and with a low market share, significant opportunities exist to further expand our footprint within these core markets. In addition, we are also actively exploring adjacent sectors to drive future growth.

We are establishing a presence in the UAE and have recently received a trade licence in this region. The UAE is projected to see significant investment in the coming years across various sectors, particularly mega-resorts, infrastructure development, and gated communities. As the country aims to diversify its economy and enhance its position as a global tourism and investment hub, substantial funds are being directed toward hospitality and infrastructure. Given the deep expertise we have in these sectors, we should be well poised to capitalise on the opportunities in this region.

Additionally, we are exploring opportunities in two potential new sectors: datacentres, as the UK Government has recently designated this sector as Critical National Infrastructure ("CNI"), thus increasing compliance requirements in relation to security measures and operational standards for datacentres; and the offshore renewable energy sector, which tends to share similar security challenges to offshore oil and gas, and lends itself to an alternative range of our COEX cameras, which have been proven to work in the most challenging environments.

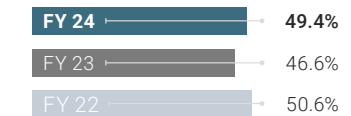
### £35.9 million

Revenue



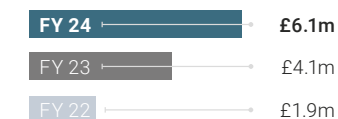
### 49.4%

Gross margin



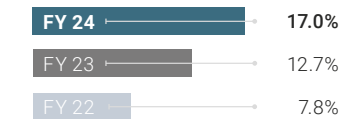
### £6.1 million

Underlying operating profit<sup>1</sup>



### 17.0%

Underlying operating margin<sup>1</sup>



1. After research and development expenditure, but before non-underlying costs (see note 5 to the Consolidated Financial Statements) and allocated central costs.



# Ocular

Ocular delivers integrated solutions, service, and support directly to end-users in the UK and Ireland – principally within public space, transport, and national infrastructure – utilising a combination of the Group’s proprietary technology and third-party products

	FY24	FY23	Inc/(dec)
Revenue	<b>£21.3m</b>	£18.3m	17%
Gross margin	<b>29.2%</b>	28.3%	0.9 ppts
Underlying operating profit <sup>1</sup>	<b>£1.6m</b>	£1.3m	22%
Underlying operating margin	<b>7.4%</b>	7.1%	0.3 ppts

The business, previously known as Synectics Security, was rebranded as Ocular Integration (“Ocular”) in November 2024. This rebranding signifies a broader transformation programme designed to sharpen Ocular’s focus on delivering cutting-edge security solutions and innovations across identifiable sectors, including public space, transport, and critical national infrastructure. The change also creates a clearer distinction between Synectic Systems and Ocular, as an independent systems integrator, providing enhanced clarity for stakeholders.

Progress since the re-branding has been positive, with the team focused on refining and developing Ocular’s go-to-market strategy and ensuring its solutions directly address customer challenges. This includes a targeted approach to key sectors where Ocular possesses a proven ability to provide excellent customer service and secure sales. In addition, as well as the appointment of a new Sales Director, we have invested in strengthening the wider sales team to support the future growth of the business.

Revenues in Ocular increased by 17% to £21.3 million in the year (FY23: £18.3m), with underlying operating profit up 22% to £1.6 million (FY23: £1.3 million).

This positive progress reflects the increased traction in transport sales, primarily driven by new vehicle registrations and the drive towards zero-emission vehicles. Security sales remained broadly flat year-on-year.

During the year, Ocular was awarded over £6.0 million worth of contracts, as part of an ongoing framework agreement, to deliver security improvement works for the National Grid estate. Ocular now supports 32 sites throughout the National Grid’s estate.

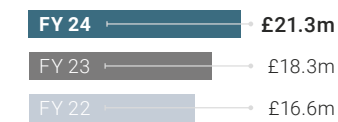
The UK transport market is moving towards a more sustainable, secure, and connected future, with substantial investment aimed at improving infrastructure and services. This includes investment in upgrading and integrating transport systems, increasing emphasis on the safety of passengers and communities, leading to enhancing surveillance systems, a shift towards the electrification of fleets and an increasing focus on smart transport solutions, which enable real-time communication between vehicles and central systems.

The UK security market continues to grow, fuelled by increasing investment, technological integration, a heightened focus on the importance of security, and active political support. Organisations are increasingly looking for innovative, flexible, and reliable security solutions to mitigate risks and enhance safety in an evolving threat landscape.

With a renewed leadership team and improved go-to-market strategy, Ocular is now focused on increasing market share in these growing markets by delivering a more focused strategy and leveraging its deep market expertise to deliver innovative technical solutions.

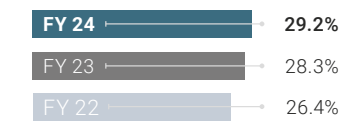
## £21.3 million

Revenue



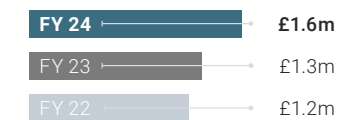
## 29.2%

Gross margin



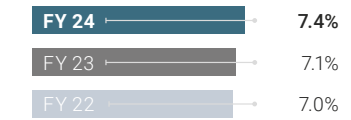
## £1.6 million

Underlying operating profit<sup>1</sup>



## 7.4%

Underlying operating margin<sup>1</sup>

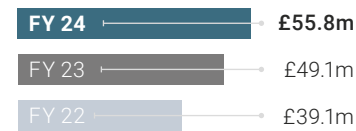


1. Before non-underlying costs (see note 5 to the Consolidated Financial Statements) and allocated central costs.



## £55.8 million

Revenue



### Definition

Income earned from the delivery of goods and services.

### Relevance

Revenue is a key indicator of the performance, growth and market share of the business.

### Performance

Revenue increased by 13.6% driven by strong growth in both businesses.

## £7.5 million

Recurring revenue



### Definition

Contracted annual revenue, typically software support, subscriptions, maintenance and service contracts.

### Relevance

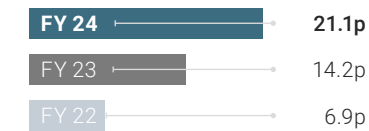
To enable us to track and assess the strength of the underlying contracted revenues of the business.

### Performance

Recurring revenue has increased by 6.0%.

## 21.1p

Underlying diluted earnings per share



### Definition

Ratio of underlying profit/(loss) after tax to weighted number of ordinary shares in issue and dilutive potential ordinary shares arising from share options.

### Relevance

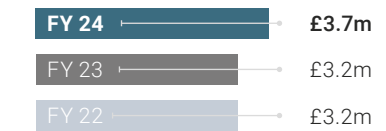
To enable us to track, assess and compare the return for investors and to provide them with a measure of return to compare with other investment opportunities, using a measure that is more representative of our baseline performance.

### Performance

Underlying diluted earnings per share are reflective of the underlying profit performance.

## £3.7 million

Technology spend



### Definition

Expenditure on technology before any capitalisation or amortisation.

### Relevance

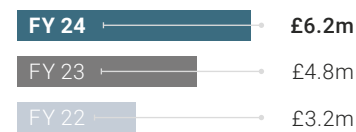
It is key to the business to continue to invest in our products to maintain our position as a technical leader in our industry in order to generate sustainable, profitable growth.

### Performance

Investment in technology has increased in the year.

## £6.2 million

Underlying EBITDA



### Definition

Profit before interest, taxation, depreciation, amortisation and non-underlying items.

### Relevance

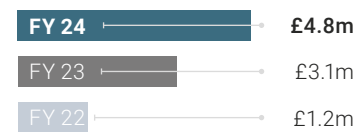
EBITDA is a measure of operational profitability before the potentially distorting effects of changes in interest, taxation, depreciation and amortisation.

### Performance

Underlying EBITDA has increased by £1.4m from £4.8m in 2023 to £6.2m in 2024. This highlights the reduction in amortisation in the year of £0.3m when comparing to the movement in underlying operating profit.

## £4.8 million

Underlying operating profit/(loss)



### Definition

Operating profit/(loss) before interest and non-underlying items.

### Relevance

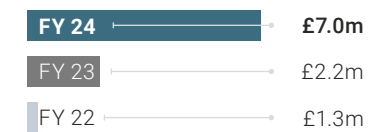
Underlying operating profit/(loss) helps us understand our performance excluding those items considered non-underlying to assess the baseline nature of profit or loss.

### Performance

Underlying operating profit is up by £1.7m from £3.1m in 2023 to £4.8m in 2023 reflecting increased revenues and strong and improving gross margins in both businesses.

## £7.0 million

Free cash flow



### Definition

Cash flow from operations (after tax) less capital expenditure, but before any payments in respect of non-underlying items.

### Relevance

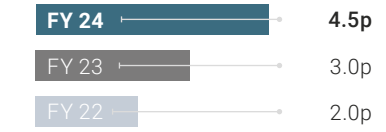
To understand the extent to which the business has generated cash from its trading activities, after replacing the capital assets integral in generating that cash flow, in order to decide whether to invest further in the business or return cash to shareholders.

### Performance

Due to an improved profit performance and working capital movements, free cash flow increased to £7.0m from £2.2m in the prior year.

## 4.5p

Dividend



### Definition

Dividend per ordinary share.

### Relevance

Dividend performance is key to shareholders and therefore the Group has a progressive dividend policy.

### Performance

The increase in dividend per share from 3.0p in 2023 to 4.5p in 2024 is driven by the improved profitability of the Group.



# Improved performance in all sectors drives continued increase in revenue and underlying profitability

## Group Results for the Year

Performance in FY24 was substantially ahead of the prior year, with both businesses achieving double-digit year-on-year growth in revenue and underlying operating profit. Revenue growth was particularly strong in the Gaming sector in Synectic Systems, 19.9% year-on-year, whilst Ocular also achieved solid growth of 16.9%.

Total consolidated revenue for the year increased by 13.6% from £49.1 million to £55.8 million. Gross margin increased by 2.2 percentage points, resulting in underlying operating profit of £4.8 million, £1.7 million (56.8%) higher than the previous year.

The Group ended the year with a strong cash balance of £9.6 million (2023: £4.6 million), an inflow of £5.0 million. Adjusting for non-underlying cash items, capital expenditure, tax and financing, free cash inflow in the period was £7.0 million (2023: £2.2 million inflow).

We have proposed a final dividend of 2.5 pence, taking the total dividend for FY24 to 4.5 pence (FY23: 3.0 pence) reflecting the improved financial performance in the year.

Other key performance indicators are shown on pages 32 and 33 and are discussed in more detail on the following pages.

Performance was substantially ahead of FY23, with both businesses achieving double-digit year-on-year growth in revenue and underlying operating profit.



**Amanda Larnder**  
Chief Executive Officer and Chief Financial Officer  
3 March 2025

## Income Statement

Total revenue for the year to 30 November 2024 increased by 13.6% to £55.8 million (2023: £49.1 million). Revenue split between our two business segments was as follows:

	2024	2023	Inc/(dec)	
Revenue	£000	£000	£000	
Synectic Systems	35,881	32,015	3,866	12.1%
Ocular	21,349	18,261	3,088	16.9%
Intra-Group sales	(1,421)	(1,148)	(273)	23.8%
<b>Total revenue</b>	<b>55,809</b>	<b>49,128</b>	<b>6,681</b>	<b>13.6%</b>

Revenue in the Synectic Systems business of £35.9m was £3.9 million (12.1%) ahead of FY23 reflecting growth in all sectors. Revenue in the Ocular business increased by £3.1 million (16.9%) to £21.3 million.

Recurring revenue grew by 6.0% to £7.5 million (2023: £7.1 million) representing approximately 13.4% (2023: 14.4%) of sales.

The proportion of sales arising outside the UK (measured by the geographical location of the contract) fell slightly during the year to 51%, compared with 52% in the previous year.

	2024		2023	Inc/(dec)	
Sales by geographical location of contract	£000		£000	£000	
UK	27,552	49%	23,745	48%	4,000
Rest of Europe	3,520	6%	3,395	7%	2,930
UK and Europe- total	31,072	55%	27,140	55%	6,930
North America	7,141	13%	5,001	10%	1,861
Asia Pacific	10,382	19%	11,999	25%	(293)
Middle East and Africa	7,214	13%	4,988	10%	(1,817)
<b>Total revenue</b>	<b>55,809</b>	<b>100%</b>	<b>49,128</b>	<b>100%</b>	<b>6,681</b>

Consolidated gross profit for FY24 increased by 19.7% to £23.9 million. Gross margin increased by 2.2 percentage points to 42.9%, with both businesses achieving margin improvements. In Synectic Systems, representing 61.7% of revenues, gross margins increased by 3.0% to 49.4% in the year.

The full segmental analysis is as follows:

Gross margin %	2024	2023	Inc
Synectic Systems	49.4%	46.4%	3.0%
Ocular	29.2%	28.3%	0.9%
<b>Group</b>	<b>42.9%</b>	<b>40.7%</b>	<b>2.2%</b>

Underlying operating expenses in the year increased by 13.0% to £19.2 million due largely to staff cost increases, both inflationary and due to increases in headcount, as well as an increase in professional fees incurred on a number of projects in the year.

	2024	2023	Inc/(dec)	
Operating expenses	£000	£000	£000	
Underlying operating expenses	19,151	16,951	2,200	13.0%
Non-underlying items:				
Costs in relation to legal matters	–	207	(207)	
Restructuring and transformation costs	410	14	396	
Write-off of deferred consideration	100	–	100	
Pension buy-out costs	21	81	(60)	
Non-underlying operating expenses	531	302	229	
<b>Total operating expenses</b>	<b>19,682</b>	<b>17,253</b>	<b>2,449</b>	<b>14.1%</b>



Non-underlying operating expenses amounted to £0.5 million (2023: £0.3 million) and related mainly to Group restructuring and transformation costs.

Underlying operating profit increased substantially to £4.8 million in FY24 compared to £3.1 million in FY23. Underlying EBITDA increased by 27.2% to £6.2 million (2023: £4.8 million), whilst the Group recorded an underlying profit before tax of £4.7 million (2023: £3.0 million).

	2024	2023	Diff
	£000	£000	£000
<b>Underlying operating profit</b>			
Synectic Systems	6,068	4,051	2,017
Ocular	1,589	1,300	289
Central costs	(2,865)	(2,295)	(570)
Underlying operating profit	4,792	3,056	1,736
Depreciation and amortisation	1,360	1,779	(419)
<b>Underlying EBITDA</b>	<b>6,152</b>	<b>4,835</b>	<b>1,317</b>

A reconciliation of operating profit to profit before tax, by business, is as follows:

	2024	2023	Diff
	£000	£000	£000
<b>Operating profit</b>			
Synectic Systems	5,818	3,885	1,933
Ocular	1,386	1,300	86
Central costs	(2,943)	(2,431)	(512)
Operating profit	4,261	2,754	1,507
Net finance costs	(87)	(101)	14
<b>Profit before tax</b>	<b>4,174</b>	<b>2,653</b>	<b>1,521</b>

In FY24, £3.7 million (2023: £3.2 million) was spent on research & development. Of this, £1.2 million (2023: £1.0 million) was capitalised and £2.5 million (2023: £2.2 million) charged to the Income Statement.

The Group underlying operating margin increased to 8.6% (2023: 6.2%), split by business as follows:

	2024	2023	Inc
<b>Underlying operating margin</b>			
Synectic Systems	17.0%	12.7%	4.3%
Ocular	7.4%	7.1%	0.3%
<b>Group</b>	<b>8.6%</b>	<b>6.2%</b>	<b>2.4%</b>

The Group operating margin increased to 7.6% (2023: 5.6%), split by business as follows:

	2024	2023	Inc/(dec)
<b>Operating margin</b>			
Synectic Systems	16.3%	12.1%	4.2%
Ocular	6.5%	7.1%	(0.6)%
<b>Group</b>	<b>7.6%</b>	<b>5.6%</b>	<b>2.0%</b>

The effective rate of corporation tax for the year on an underlying basis was 22% (2023: 19%). On a statutory basis, the effective rate was 24% (2023: 18%). The effective rate is higher than the previous year due to the full utilisation of previously unrecognised tax losses in the Asia-Pacific region in FY23.

Underlying basic earnings per share was 21.6p (2023: 14.2p). Basic and diluted earnings per share were 18.8p and 18.3p respectively (2023: 12.8p and 12.8p).

The Board adopts a progressive dividend policy and is proposing a final dividend of 2.5p in addition to the interim dividend paid in the year of 2.0p (2023: 3.0p final dividend, nil interim dividend).

## Statement of Financial Position

The net assets of the Group amounted to £41.3 million at 30 November 2024 (2023: £38.9 million), summarised as follows:

	2024	2023
	£000	£000
Property, plant and equipment (excluding right of use assets)	2,038	1,909
Right of use assets	1,763	1,830
Intangible assets	22,248	21,128
Non-current assets (excluding deferred tax assets)	26,049	24,867
Cash balances	9,559	4,604
Working capital	8,653	11,588
Net tax assets (including deferred tax assets)	257	1,156
Lease liabilities	(1,890)	(1,938)
Provisions	(1,297)	(1,400)
<b>Net assets</b>	<b>41,331</b>	<b>38,877</b>

Total capital expenditure of £1.9 million has increased from £1.4 million in FY23 predominantly due to increased capitalised development costs and purchased software.

Working capital levels decreased by £2.9 million compared with the prior year.

	2024	2023
	£000	£000
Stock	9,244	5,069
Trade and other debtors	14,124	13,868
Contract assets	5,378	6,954
Trade and other payables	(13,665)	(11,270)
Contract liabilities	(6,428)	(3,033)
<b>Total</b>	<b>8,653</b>	<b>11,588</b>

## Cash flow

The Group's cash balance increased in the year by £5.0 million from £4.6 million at the beginning of the year to £9.6 million at 30 November 2024. The net cash flow is shown in the table below:

	2024	2023
	£000	£000
<b>Free cash flow</b>		
Operating cash flow before movement in working capital	6,087	5,049
Movements in working capital	2,476	(2,449)
Tax	(47)	434
Capital expenditure	(1,926)	(1,394)
Payments in respect of non-underlying items	366	539
<b>Free cash flow</b>	<b>6,956</b>	<b>2,179</b>
Lease payments and bank interest	(787)	(848)
Bank interest received	25	–
Dividends paid	(845)	(338)
Payments in respect of non-underlying items	(366)	(539)
Effect of exchange rate changes on cash	(28)	(106)
<b>Net cash flow</b>	<b>4,955</b>	<b>348</b>



The Group has generated significant cash flows from operations, with a further inflow from working capital movements driven by the timing of payment and billing milestones on a number of large contracts ongoing at the year end.

### Going concern

The Financial Statements have been prepared on a going concern basis. The Directors have reviewed the Group's funding position and financial forecasts for the foreseeable future, which included scenario modelling and stress testing of budgets. See note 1 to the Consolidated Financial Statements for further detail around the testing performed.

### Use of non-GAAP financial performance measures

Certain disclosures and analyses set out in this Annual Report and Accounts include measures which are not defined by generally accepted accounting principles ('GAAP') such as International Financial Reporting Standards ('IFRS'). We believe this information, along with comparable GAAP measurements, is useful to investors. Management uses these financial measures, along with the most directly comparable GAAP financial measures, to evaluate operating performance. Non-GAAP measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP. The primary non-GAAP financial measure we use is underlying profit.

In the following table we provide a reconciliation of this and other non-GAAP measures, as defined in the Business Review on pages 28 to 31, to relevant GAAP measures:

#### Underlying profit measures

	2024	2023
	£000	£000
<b>Underlying operating profit</b>		
Reported operating profit	4,261	2,754
Costs associated with ongoing legal matters	–	207
Costs associated with restructuring and transformation	410	14
Write-off of deferred consideration	100	–
Costs associated with buy-out of the defined benefit pension scheme	21	81
<b>Underlying operating profit</b>	<b>4,792</b>	<b>3,056</b>

	2024	2023
	£000	£000
<b>Underlying EBITDA</b>		
Underlying operating profit (see above table)	4,792	3,056
Depreciation and amortisation	1,360	1,779
<b>Underlying EBITDA</b>	<b>6,152</b>	<b>4,835</b>

	2024	2023
	£000	£000
<b>Underlying profit before tax</b>		
Reported profit before tax	4,174	2,653
Costs associated with ongoing legal matters	–	207
Write-off of deferred consideration	100	–
Costs associated with restructuring and transformation	410	14
Costs associated with buy-out of the defined benefit pension scheme	21	81
<b>Underlying profit before tax</b>	<b>4,705</b>	<b>2,955</b>

A reconciliation of reported profits to non-underlying profits for each business is as follows:

### GAAP reconciliation

	Gross profit		Operating profit	
	2024	2023	2024	2023
	£000	£000	£000	£000
<b>Synectic Systems</b>				
<b>Underlying profit</b>				
Reported profit	17,711	14,841	5,818	3,885
Non-underlying items	–	–	250	166
<b>Underlying profit</b>	<b>17,711</b>	<b>14,841</b>	<b>6,068</b>	<b>4,051</b>

	Gross profit		Operating profit	
	2024	2023	2024	2023
	£000	£000	£000	£000
<b>Ocular</b>				
<b>Underlying profit</b>				
Reported profit	6,232	5,166	1,386	1,300
Non-underlying items	–	–	203	–
<b>Underlying profit</b>	<b>6,232</b>	<b>5,166</b>	<b>1,589</b>	<b>1,300</b>

### Underlying EPS

The Group monitors underlying EPS. In calculating earnings for underlying EPS, net profit is adjusted to eliminate the post-tax impact of non-underlying items. Note 12 to the Consolidated Financial Statements includes a reconciliation of earnings used for underlying EPS.

### Net cash






Net cash is considered to be a non-GAAP measure as it is not defined in IFRS. The most directly comparable IFRS measure is the aggregate of loans and other borrowings (current and non-current) and cash and cash equivalents. This same calculation is used by the Group to measure net cash, excluding lease liabilities.

### Amanda Larnder

Chief Executive Officer and Chief Financial Officer  
3 March 2025



# Our commitment to stakeholders as **long-term partners** is key to sustainable growth and returns

	Why this stakeholder group is important	What is important to this stakeholder group
<b>Our People</b> 	They are our strength and the foundation of our success; we are committed to their health, safety, and well-being.	Recognition and appreciation. A work-life balance with importance being placed on their well-being.
<b>Our Partners</b> 	They enable us to create and deliver tailored customer solutions and enable the development of our technology programme.	The needs of their customers and the opportunities to deliver maximum operational benefit.
<b>Our Customers</b> 	They are at the heart of everything we do. We are driven by a deep understanding of our customers' needs and the challenges they must solve. By working in close partnership with them, we gain insights into their businesses and proactively anticipate their needs, ensuring we deliver solutions that truly make a difference.	The delivery of solutions, which are at the forefront of technology, that will enable them to operate in the most efficient and effective way to provide peace of mind and not let them down when it matters most.
<b>Our Investors</b> 	They are vital for the future success of our business providing funds which aid business growth and the generation of sustainable returns.	The accessibility and transparency of the Board, the articulation of the Group's strategic drivers, as well as maintaining regular dialogue and being kept up to date with all developments at the Company.
<b>Our Communities</b> 	They form the environment in which we operate. Supporting and engaging with communities allows us to create meaningful connections, contribute to local development and build a sustainable future together.	Connections, support, and opportunities to thrive.

The Directors acknowledge their duty under Section 172(1) of the Companies Act 2006 and have acted in a way they consider, in good faith, has promoted the success of the Company for the benefit of its members as a whole.

In making decisions throughout the year ended 30 November 2024, they have duly considered all the stakeholders and matters outlined in Section 172(1) (a-f).

The Company's values, together with internal policies and procedures, enable Synectics to uphold high standards of business conduct. Our commitment to the relationships with all stakeholders as true long-term partners is fundamental to the way we achieve sustainable growth and financial returns. Our engagement with them sets the context for the strategy set out on pages 6 and 7.

We consider our key stakeholders to be our people, partners, customers, investors and the communities we operate in. Ongoing engagement with all our stakeholders is important in any strategic decision making, with formal and informal feedback from stakeholders being shared at Board meetings and used to inform and influence key matters and decisions made by the Board during 2024, as set out on pages 52 and 53.

## Our engagement with this stakeholder group during 2024

- A management development training programme (which included mental health awareness) was introduced, with over half of managers being trained. This led to improved engagement with employees and a better understanding of their well-being.
  - A global training and development platform was launched, enabling all employees to develop their skills, learning, and development.
  - A digital performance management process was introduced to align employees' personal objectives with Group goals.
  - An annual review of global salary and benefits was conducted, demonstrating continual recognition and appreciation.
- 
- The Partner Program was launched, strengthening relationships with our partners and giving recognition to their collaboration with us.
  - The amount of information shared with partners was increased and delivered on a more consistent basis, resulting in greater engagement from existing partners and generating new interest from potential partners in the content and materials shared.
  - Exclusive webinars were held for partners, and regular contact was maintained to update them on developments and 'What's New' on the Partner Portal.
- 
- Regular Synergy webinars were hosted, providing valuable insights and updates. These sessions fostered direct customer interaction, promoting collaboration and feedback to enhance our solutions.
  - Monthly newsletters saw a 19% increase in open rates, demonstrating growing engagement with communications. Additionally, the library of 'How-To' videos was expanded, making it easier for customers to maximise the value of Synergy.
  - A CPD Programme was launched to further support industry knowledge and professional development. This initiative delivered four accredited presentations covering AI, healthcare, rail and public space, ensuring customers stayed informed about industry advancements.
  - Regular customer Technology Days were facilitated throughout the year to introduce new technology and the latest Synergy features, ensuring customers made the most of their Synergy solutions.
- 
- The Board maintained a regular dialogue with a broad cross-section of investors throughout the year, attending investor roadshows for the year-end and interim results, as well as other proactive engagements outside these key financial calendar events.
  - Forums, via an interactive webcast, were held twice during the year, with the presentation materials, regulatory announcements, and Company news also being posted on the Company's website [www.synecticsplc.com](http://www.synecticsplc.com) to engage existing investors and to broaden interest from the wider shareholder base.
  - The Annual General Meeting gave all investors the opportunity to hear from the Board directly, ask questions, and participate in key decisions.
  - The Board welcomed the opportunity to engage existing and potential investors at all the above events and ensured that all feedback from investors was reviewed and considered.
- 
- Donations from employees of chocolate eggs at Easter and toys at Christmas were given to local charities working to alleviate the impact of poverty and deprivation on children, young people, and families in the community.
  - Employees participated in a walking challenge in May, achieving a total of 38,652,731 steps (18,301 miles), with the most improved stepper donating their winnings from the Company to a local charity promoting children's fitness.
  - Employees in Germany participated in Berlin's Stadtradeln, supporting Velo-Fit, a local workshop teaching bike repair to youths aged 10-16 and promoting cycling, climate protection and community well-being.
  - The Company donated £1,500 to the charity Worldwide Cancer Research following a continued high response rate by employees to the Company's Employee Opinion Survey.



# We continue to progress our approach to sustainability

We understand our environmental, social and governance ('ESG') responsibilities and are committed to ensuring the responsible operation of Synectics across the globe.

We reported in 2023 that, with the assistance of specialist external advisers, we identified our key ESG topics through a materiality assessment process that involved discussions with internal and external stakeholders, completing phase 1: Understand, of our four-phase plan:

- Phase 1: Understand
- Phase 2: Develop
- Phase 3: Implement
- Phase 4: Measure and Report

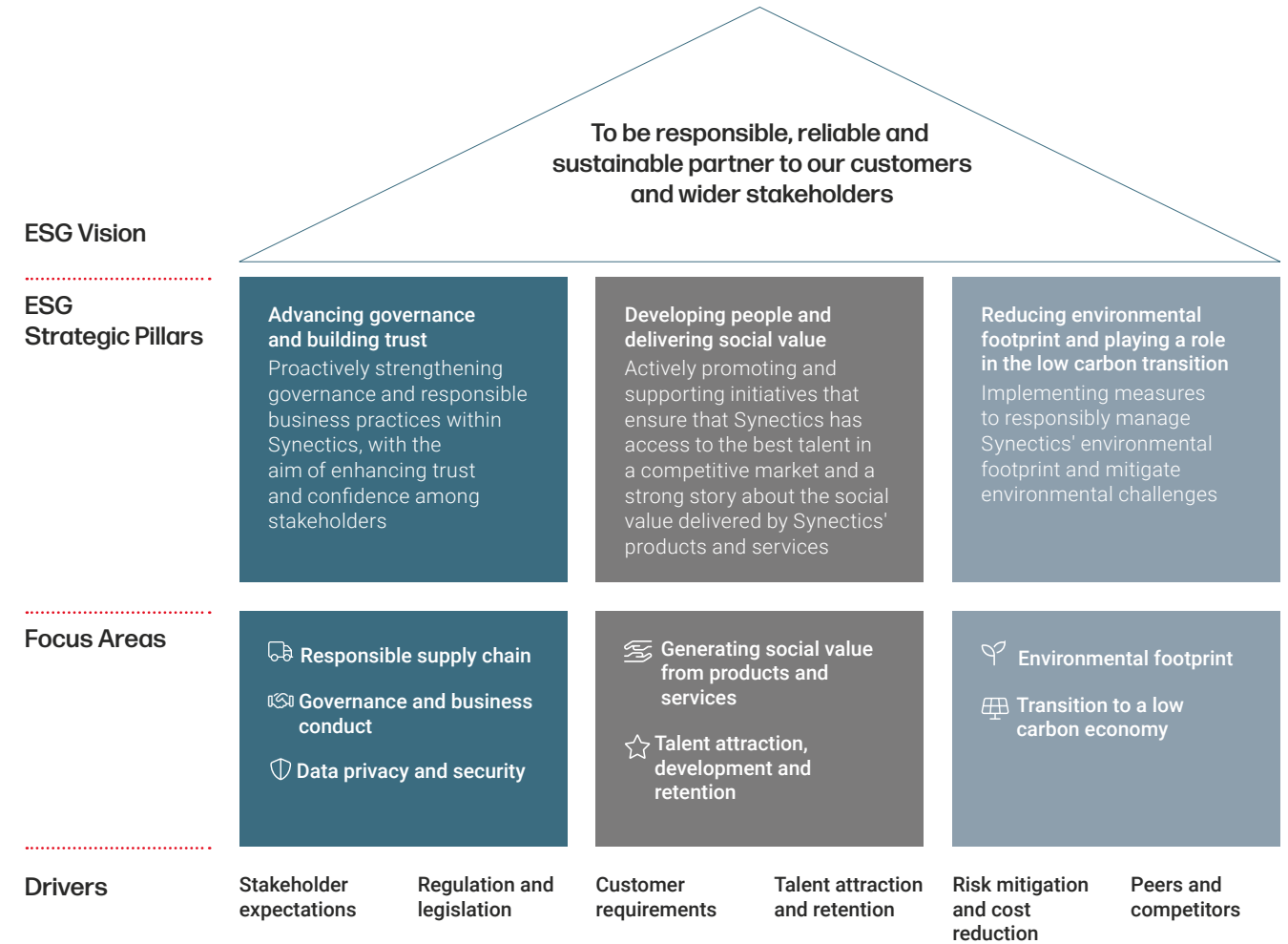
During 2024, we continued to make progress and completed phase 2: Develop, by analysing the materiality assessment results and creating an ESG Framework. We have continued to build on this momentum and have begun work on our ESG Roadmap which we plan to finalise and implement during 2025 (phase 3).

### Develop - ESG Framework

To make further progress on our ESG review, we felt it was important to develop the materiality analysis performed in 2023. Materiality analysis lies at the core of key sustainability frameworks and provides the most relevant information about our strategy, performance, value creation and risk mitigation to our stakeholders. We prioritised the material issues identified in 2023 and established seven focus areas which we mapped against key sustainability frameworks (ESRS and ISSB) and aligned with our risks and strategy to create our ESG Framework.

<p><input checked="" type="checkbox"/> <b>Phase 1: Understand</b> Materiality assessment completed. Results analysed and condensed into our key ESG topics.</p> <p><input checked="" type="checkbox"/> <b>Phase 2 (i): Assess</b> Begin a stocktake of our current ESG processes, policies and practices.</p>	<p><input checked="" type="checkbox"/> <b>Phase 2 (ii): Develop</b> Prepare an ESG framework which ensures compliance with regulations, procurement requirements and adherence to best practice.</p> <p><input type="checkbox"/> <b>Phase 3 (i): Implement</b> Develop the ESG roadmap and begin its implementation, integrating sustainability into the Group's governance, risk management and operations.</p>	<p><input type="checkbox"/> <b>Phase 3 (ii): Targets</b> Identify sustainability priorities and KPIs and set appropriate targets to report against going forward.</p> <p><input type="checkbox"/> <b>Phase 4: Measure and Report</b> Establish a process for data collection and constructive reporting.</p>
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## ESG Framework



### Develop - ESG Roadmap

This ESG Framework is being used to plan our ESG Roadmap, reflecting upcoming regulatory reporting requirements, best practice guidance and important stakeholder requirements for Synectics. The ESG Roadmap will be used to further integrate sustainability into our operations and to measure and report progress in the following areas:

- Alignment of materiality, risks, strategy and KPIs.
- Conducting audits and reviews across Synectics and the wider value chain to set ESG targets.
- Compliance/alignment with relevant sustainability standards and frameworks.
- Development of policies and other sustainability initiatives (including training, processes for data collection, assurance, etc).

### Assessment of Existing Processes

We have assessed our existing processes and policies in conjunction with our ESG Framework. Our existing ISO certifications: ISO 14001 for environmental management, ISO 9001 for quality management, ISO 27001 for information security, and ISO 45001 for health and safety, provide a strong foundation for our commitment to governance.

Our internal Ethics, Whistleblower, Modern Slavery and Anti-Bribery and Corruption policies promote the importance of good governance within Synectics. Our developments in diversity and inclusion, health and safety, together with initiatives supporting employee development and health and well-being, demonstrate our commitment to the importance of our employees.

These certifications and policies provide us with a solid platform from which to plan our ESG roadmap and progress our sustainability journey.

### Next Steps - Further Implementation, Measure and Report

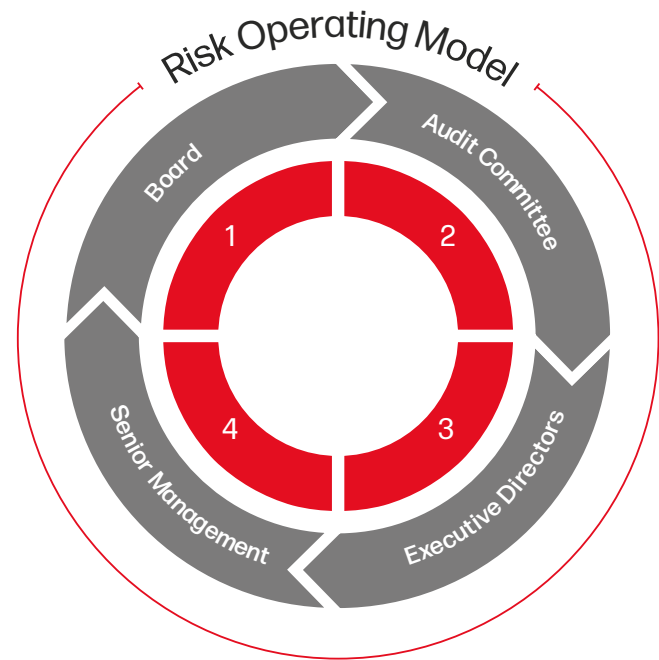
Further work will be performed in 2025 to finalise the ESG Roadmap and begin its implementation, integrating sustainability into the Group's governance, risk management and operations. Further details of progress and the Group's sustainability strategy and targets will be set out in the 2025 Annual Report to allow stakeholders to further monitor and track our ESG journey.



# We seek to understand and manage the various risks that arise from our operations

The Board has overall responsibility for ensuring there is a robust and effective framework in place for the Group's risk management activities. Assisted by the Audit Committee, the Board monitors the principal risks and uncertainties facing the Group as well as the actions taken to mitigate those risks.

Through an established risk management approach, our capability to assess risks is continually improving, such that our strategic, significant and emerging risks are identified and managed effectively.



### 1. Board

Delegation of responsibility for the review of the adequacy of the effectiveness of the internal control framework.

### 2. Audit Committee

Authorised to review the effectiveness of the Group's internal control mechanisms, financial reporting, internal audit and risk management processes.

### 3. Executive Directors

Responsible for the day-to-day operational and commercial activity across the Group and are, therefore responsible for the management of risk.

### 4. Senior Management

Responsible for implementing sound and effective systems of internal control to manage, rather than eliminate, the risk of failure to achieve business objectives and to only provide reasonable, but not absolute, assurance against material misstatement or loss.

Established organisational structure with clear operating procedures, lines of responsibility and delegated authority. There are clear procedures for capital investment appraisal and approval, contract risk appraisal and financial reporting within a comprehensive financial planning and accounting framework.

Key

- ↑ Increased
- = No change
- ↓ Decreased

## Risk

### Factors that may impact Synectics

#### Attract and retain talented people

Change in risk for 2024



The continued future growth of Synectics depends on its ability to attract, motivate and retain talented people.

Due to the technical specialism required by the Group, we are dependent on our employees with key engineering and technical skills.

Market competition for key leadership and specialist talent has become increasingly strong, in particular:

- wage inflation is increasing.
- there is a skills shortage in technical roles.
- the shift to remote and hybrid working has seen employees in lower paid geographical regions work remotely in higher paid areas such as London or even in other countries such as the USA.

#### Exposure to specific market sectors

Change in risk for 2024



One of the Group's key strengths is its expertise in delivering tailored solutions to customers in key sectors with critical security needs. The success of this strategy has resulted in revenues which are concentrated in a relatively small number of market segments. This results in a level of risk related to external market-specific impacts.

Similarly, external factors, including governmental policies, may impact the timing and scale of investment within our key markets.

#### Product failure

Change in risk for 2024



If the Group's product offering fails to meet agreed standards there is a risk that the Group will be exposed to replacement or rework costs as a result of this failure, and the associated reputational impact on its ability to secure new business.

## Mitigation

### What we are doing to minimise the risk

We have enhanced our recruitment and onboarding procedures, placing specific emphasis on attracting suitable candidates, nurturing talent from within the Group and incorporating succession planning to ensure long-term leadership continuity. Our efforts extend to offering competitive remuneration packages and incentive structures, as demonstrated by recent enhancements to our benefits programme. Additionally, we have launched a new apprenticeship scheme to cultivate essential skills that will shape the future of our business, alongside a dedicated Learning & Development platform to support career development for all employees.





To gauge employee engagement, we conduct an annual survey supplemented by regular 'pulse' checks, with feedback and recommended actions reviewed by the Board and integrated into our strategy. Succession planning is a key consideration in these discussions, ensuring we have a robust pipeline of talent for critical roles, supported by management training for our current and future leaders. Furthermore, we have prioritised the well-being of our employees by rolling out measures to support their health and well-being, reinforcing our commitment to a sustainable and thriving workforce.


The Group has two well-established businesses with distinct go to market models and growth objectives. These businesses enable us to attain a varied revenue stream from our targeted markets.

The Company is strategically targeting adjacent markets where our solutions seamlessly fit, thereby broadening and maximising opportunities in our existing markets, as well as identifying new opportunities in new markets. This, alongside our focus on developing our recurring revenue business model, mitigates the risk of dependency on any single markets, regions or customers. Concurrently, the Group has reinvigorated its focus on business development to deepen its presence in its end markets, enhancing its capacity for further scalability within key sectors.

Product quality is closely monitored and reviewed across the Group, with comprehensive product testing and customer support in place. We maintain rigorous quality standards in all our operations and expect the same standards of our supplier base. Where possible, product liability is mitigated through contractual arrangements within the supply chain.



Risk	Mitigation
Factors that may impact Synectics	What we are doing to minimise the risk
<b>Product delivery</b> Change in risk for 2024 	<p>The failure to deliver key projects in line with planned costs and timings could impact the future financial performance of the Group. Where the Group's service offering fails to meet agreed standards, specifications, or timescales there is a risk that the Group will be exposed to cost overruns and claims for contractual liabilities, which could have adverse financial and reputational consequences.</p> <p>All tenders that are submitted must comply with the Group's comprehensive risk assessment process. Large and/or higher risk project tenders are reviewed thoroughly by the Executive Directors and, where necessary, by the Board. The Group operates robust systems and procedures and maintains rigorous quality standards to ensure the monitoring and successful delivery of projects and service delivery.</p>
<b>Technology development</b> Change in risk for 2024 	<p>As the security and technology industries evolve, become more complex and transition to digital technology, there is a risk that the Group's product offering does not keep up with the market resulting in potential loss of customers and/or reduced revenues.</p> <p>The Group continues to invest significantly in research &amp; development, focusing on customer-led development to ensure that the most appropriate product development paths are followed. We are actively growing our team of in-house developers and engineers, ensuring we have the right skills for our future technology development within Synectics. We operate in niche markets and focus the development of our technology on the particular needs of customers within those markets. The Board regularly reviews the product development roadmap to gain assurance that we will continue to be able to meet the evolving needs of our customers.</p>
<b>Business systems resilience</b> Change in risk for 2024 	<p>Our IT infrastructure and business applications are key to the operational effectiveness of the business and any significant disruption to these could lead to a potential loss of operating capabilities and financial impacts.</p> <p>In alignment with our commitment to enhance the resilience of our on-premises systems, we are implementing a new technical strategy with a focus on delivering secure and highly available hybrid cloud hosting solutions to meet the evolving needs of our businesses. We continue to enhance our broader business continuity plan, aiming to further reduce downtime in the event of a disaster. Additionally, we are addressing ageing business applications approaching end-of-life, with planned upgrades scheduled throughout FY25 and FY26.</p>
<b>Cybersecurity</b> Change in risk for 2024 	<p>Unauthorised access to the Group's systems or to our customers' systems in relation to software supplied by the Group could result in material losses. In addition to the risk of financial theft or fraud, losses could result from an inability to run key internal processes affecting the ability of the business to operate. Security breaches could result in the loss of intellectual property or other confidential information which may also result in fines from regulatory bodies. Actual breaches or deficiencies within our cybersecurity procedures could impact the Group's external certifications which could affect our ability to do business within certain regulated environments.</p> <p>We manage cyber risk with 24/7 Cybersecurity as a Service, delivered by an award-winning team for real-time monitoring, rapid threat response and containment. As part of our IT strategy, we are investing in infrastructure enhancements, including refreshing all perimeter firewalls with next-generation firewalls and rolling out Zero Trust client solutions globally to secure access to applications and data. Our Zero Trust approach enforces strict identity verification and least-privilege access to reduce attack surfaces. Our ISO 27001 and Cyber Essentials Plus accreditations reflect our commitment to high security standards. We strengthen security with encryption, multi-factor authentication, regular audits and an incident response plan. Ongoing cyber awareness training helps staff stay vigilant and supports regulatory compliance.</p>

Risk	Mitigation
Factors that may impact Synectics	What we are doing to minimise the risk
<b>Macro-economic disruption</b> Change in risk for 2024 	<p>Volatility in economic factors such as interest rates, exchange rates, commodity prices and inflationary pressures, coupled with changes in taxation and complexities in cross-border trade, could reduce demand for our products, hinder the Group's ability to provide adequate service levels to our customers, and lead to short-term supply chain disruptions and higher operating costs. Additionally, the current geopolitical environment—characterised by increased tensions, trade uncertainties and regulatory changes - further exacerbates these risks, potentially impacting international operations and market access. The Group's exposure to fluctuating exchange rates is heightened by these geopolitical factors, which could affect financial performance.</p> <p>The Group has shown resilience during unprecedented times in recent years and has continued to deliver a strong performance. We maintain a vigilant approach towards monitoring and challenging our financial performance. Our focus remains on expanding our customer base and diversifying revenue streams across sectors, reducing reliance on any single market. To mitigate exchange rate risk, we proactively manage currency imbalances by aligning costs and revenues and, where necessary, utilise forward exchange contracts to hedge future cash flows.</p>
<b>Supply-chain and margin pressure</b> Change in risk for 2024 	<p>The Group sources key technology components from a broad international supplier base. In many cases, specialist components are tailored to the Group's requirements and it can involve significant time and effort to establish a new supplier. There is a risk that in the event of a supplier failing or not being able to deliver the required quantities or to agreed lead times, the Group's ability to service its customers will be adversely impacted. More recently, changing commercial behaviour by some suppliers and component shortages have increased the supply-chain risk and driven up prices of certain components, which puts pressure on the margins achieved by the Group.</p> <p>We conduct thorough assessments of all new suppliers and explore alternative sources for crucial components whenever feasible. We maintain regular communication with our suppliers to foster strong relationships and collaboratively address any potential concerns. We consistently monitor supplier performance in terms of delivery and quality. We implement stringent stock management practices, including comprehensive evaluations of future product demands to determine optimal stock levels. We provide twelve-month rolling forecasts to our key suppliers to minimise lead times and mitigate risks. Additionally, suppliers are required to maintain buffer stocks of critical components, and the Group holds safety stocks as necessary, with levels regularly reviewed.</p>

#### Strategic Report approval

The Strategic Report on pages 2-47 has been approved by the Board.

By order of the Board

**Claire Stewart**

Company Secretary  
3 March 2025



# We recognise the importance of good corporate governance

## Dear shareholder,

As the new Chair of Synectics plc, I am pleased to present this year's Corporate Governance statement. As Chair, it is my responsibility to ensure that these vital governance practices are integrated into both the overall objectives and day-to-day activities of the Board.

This year, the Board has gone through substantial change, with Steve Coggins stepping down as a Director after many years of involvement with Synectics, followed by the appointment of myself as Chair, and the subsequent appointment of Jon Kempster as Audit Committee Chair and Independent Non-Executive Director. In August, we were deeply saddened by the sudden passing of Paul Webb, Chief Executive Officer, who was instrumental in shaping the Company's strategic direction and driving its ongoing financial progress. Having stepped up to fill the role of Interim Chief Executive Officer whilst continuing on as Chief Financial Officer, Amanda Larnder was formally appointed Chief Executive Officer in November. Amanda will continue to oversee the Company's finance and administrative functions until her replacement as Chief Financial Officer is appointed, the search for which is well underway.

I am happy to confirm that the Board remains fully committed to ensuring that high standards of governance, values and behaviours are consistently applied across the Group, helping to ensure the integrity of our business, the successful delivery of our strategy, and the long-term success of the Group as a whole.

Following the introduction of the Quoted Companies Alliance Corporate Governance Code 2023 (the '2023 Code'), which applies to financial years beginning on or after 1 April 2024, the Board has decided to continue to adopt, and comply with, the 2018 Quoted Companies Alliance Corporate Governance Code (the '2018 Code') for the current year and will report against the 2023 Code in next year's Annual Report.

This Annual Report and the Corporate Governance section of our website at [www.synecticsplc.com](http://www.synecticsplc.com) outline the Company's approach to corporate governance and report how it complies with the ten principles of the 2018 Code.

Throughout the year, the Company actively engaged with shareholders and stakeholders regarding the ongoing business performance and future strategy. Further details on stakeholder engagement are available on pages 40 and 41 of this report. The primary channels for communicating the Group's corporate governance framework include the Annual Report, disclosures on the Company's website, and announcements to the London Stock Exchange. Additionally, the Company addresses any specific enquiries from private and institutional shareholders through direct engagement.

The Board and senior management consistently strive to demonstrate the Company's values, fostering a strong ethical culture across the Group. These values inform decision-making and behaviour at all levels and are supported by internal policies and practices that ensure no one is discriminated against and that we uphold our commitments to ethical practices in all aspects of the Company's operations.

**Bob Holt**  
Non-Executive Chair  
3 March 2025

## The Board

The Board comprises, in addition to the Chair, three Non-Executive Directors and an Executive Director. Membership of both the Audit Committee and Remuneration Committee is made up solely of the Independent Non-Executive Directors.



**Bob Holt OBE**  
Non-Executive Chair

Bob is a highly accomplished executive with over 35 years of experience in senior leadership roles across various sectors. He currently serves as the Executive Chair of EARNZ plc. Past roles include leadership positions at Revolution Beauty, Sureserve Group Plc, and Mears Group PLC, where he guided the company through its successful IPO on AIM and played a pivotal role in establishing Mears as a market leader in its sector. Bob was awarded an OBE for his significant contributions to charity, having founded both The Footprints Foundation to support vulnerable individuals, both locally and internationally, and The Holt Trust, which provides grants to disabled and able-bodied young people under 25, helping them overcome barriers to achieving their full potential in amateur sports.



**Amanda Larnder**  
Chief Executive Officer  
and Chief Financial Officer

Amanda is an experienced executive with over ten years' involvement in technology and manufacturing sectors. She was appointed as Chief Executive Officer in November 2024, having initially been appointed to the Board on 4 July 2022 as the Group's Chief Financial Officer. Amanda has gained significant knowledge of the Group and the sectors in which it operates through a number of years' experience in senior finance roles within the business. Prior to being appointed to the Board of Synectics, Amanda supported the board of directors of various companies through either a sale of the business or preparation for IPO. Amanda started her career with Ernst & Young and held senior management roles specialising in listed companies. She holds a degree in International Business and Modern Languages from Aston University and is a member of the Institute of Chartered Accountants of Scotland ('ICAS').



**Dr Alison Vincent CBE**  
Independent Non-Executive Director

Alison is an experienced IT industry leader with recent roles including Group Chief Information Security Officer at HSBC and Chief Technology Officer at Cisco. She is a Non-Executive Director for SEI Investments (Europe) Ltd and Connected Places Catapult, where she is also the Chair of The Digital Twin Hub. She is a lay member of council at Southampton University and is a technical adviser to Telesoft Technologies Ltd and Arqit Ltd. She is a Fellow of the Royal Academy of Engineering, the British Computer Society and the Institution of Technology and Engineering.



**Andrew Lockwood**  
Independent Non-Executive Director  
and Remuneration Committee Chair

Andrew has over 30 years' experience of reshaping and growing technology, managed services and healthcare businesses, most recently as Chief Executive Officer of KFM, a provider of healthcare support services. Prior to joining KFM, he was MD of Capita plc's international healthcare technology and services businesses, Commercial Director for data solutions at Daisy Communications Plc, Interim Chief Executive Officer at Retalika Limited, a SaaS business, President and co-founder of Graphita Inc, and Executive Vice President and General Manager at Covad Communications in the US.

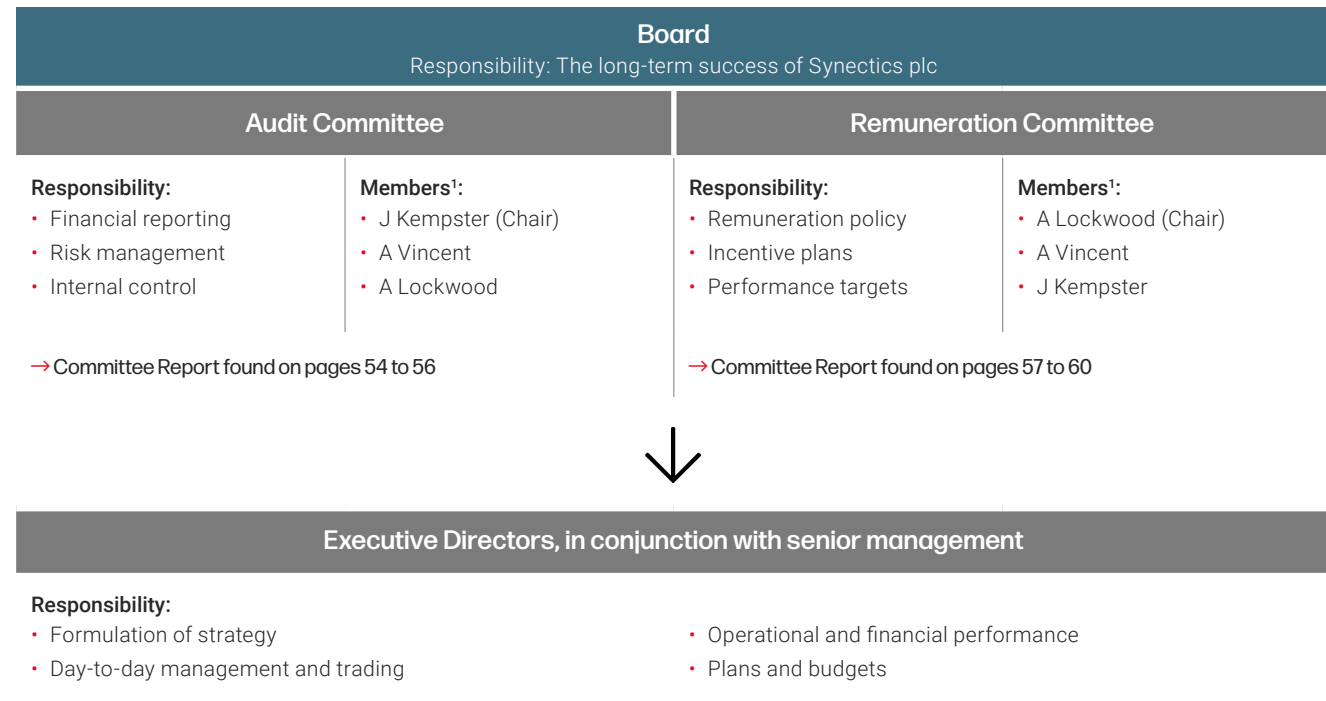


**Jon Kempster**  
Independent Non-Executive Director  
and Audit Committee Chair

Jon has more than 25 years' experience as a public company director. He is currently a Non-Executive Director of AIM quoted Norman Broadbent plc, Pennant International Group plc, Cambridge Cognition Holdings plc and a Director of Delta Pension Nominees Limited. Jon qualified as a chartered accountant with Price Waterhouse in 1990 and has held several board positions in both an executive and non-executive capacity, including at Wincanton plc, Frasers Group plc, Redcentric plc and more recently Ted Baker plc and DX (Group) plc.



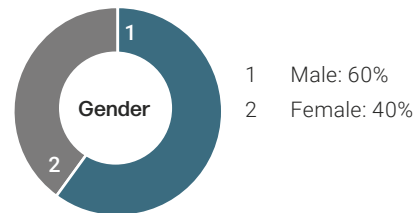
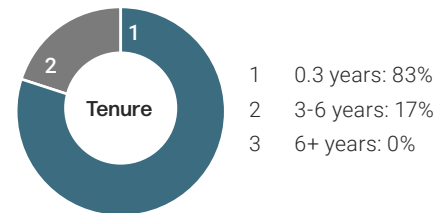
# Governance structure



1. All members of the Committee have no personal or financial interests in the matters considered by the Committee.

Due to the size of the Board, there is no Nomination Committee. Instead the function of a nomination committee is undertaken by the Board as a whole.

## Board make-up



## Board and Committee attendance

The table below shows the number of scheduled Board and Committee meetings attended during the year:

	Board	Audit Committee	Remuneration Committee
B Holt <sup>2</sup>	5 of 5	–	–
A Larnder	7 of 7	–	–
A Vincent	7 of 7	3 of 3	3 of 3
A Lockwood	7 of 7	3 of 3	3 of 3
J Kempster <sup>3</sup>	3 of 3	2 of 2	1 of 1
S Coggins <sup>4</sup>	2 of 2	1 of 1	1 of 1
P Webb <sup>5</sup>	5 of 5	–	–

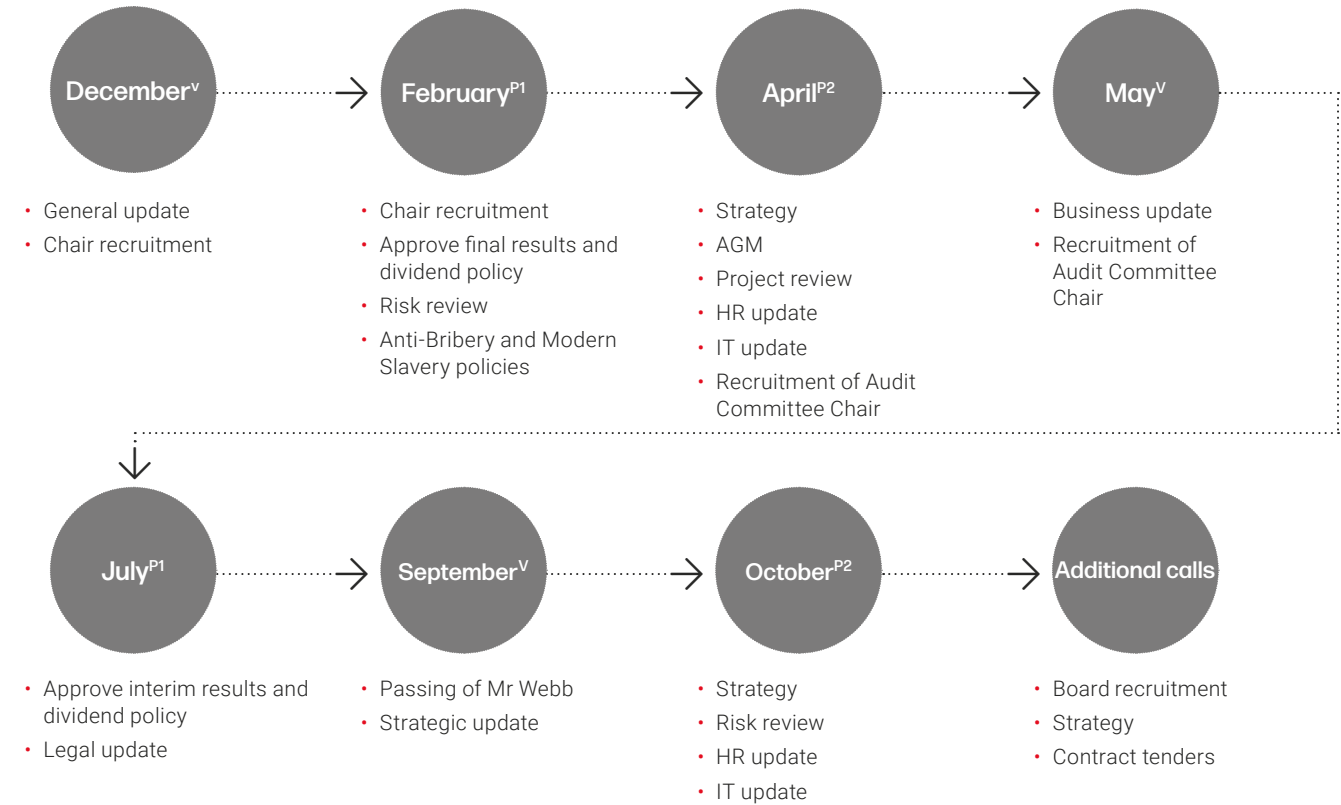
These scheduled meetings were supplemented by additional calls where required.

At each Board meeting a high-level update on the Group is delivered. In addition, the Board receives departmental reports, reviews business and financial performance and considers key initiatives, health and safety, risks and governance. Throughout the year, senior management and other employees are also invited by the Board and Committees to deliver presentations on proposed initiatives and progress on projects.

2. Appointed to the Board on 24 April 2024  
 3. Appointed to the Board on 1 July 2024  
 4. Resigned from the Board on 24 April 2024  
 5. Passed away on 25 August 2024

## Key activities and matters dealt with by the Board in 2024

Board and Committee meetings are held regularly throughout the year. Prior to the start of each financial year, a schedule of dates for that year is compiled to allow an appropriate spread of meetings across the year, in line with the Company's half-year and full-year results and to ensure full attendance of Board members where possible. During the year, the Board met seven times and, in addition, participated in two sessions on the Group's strategy and five-year plan.



## Key activities and matters dealt with by the Committees in 2024

### Audit Committee: met three times during the year

February <sup>P1</sup>	July <sup>P1</sup>	October <sup>P2</sup>
<ul style="list-style-type: none"> <li>Review of final results with external auditor</li> <li>Approve Committee Report</li> <li>Risk review</li> </ul>	<ul style="list-style-type: none"> <li>External auditor assessment</li> <li>Review of interim results and dividend policy</li> <li>Internal audit update</li> <li>Internal assessment</li> <li>Whistleblowing and non-auditor services policies</li> <li>Terms of reference</li> </ul>	<ul style="list-style-type: none"> <li>Audit plan and fees</li> <li>Risk review</li> <li>Internal audit update</li> <li>Business continuity update</li> </ul>

### Remuneration Committee: met three times during the year

February <sup>P1</sup>	April <sup>P2</sup>	July <sup>P1</sup>	Additional calls <sup>V</sup>
<ul style="list-style-type: none"> <li>Chair remuneration</li> <li>Executive Directors' remuneration</li> <li>Approve 2023 Executive bonus</li> <li>Set 2024 Executive bonus plan</li> <li>Approve Committee Report</li> <li>PSP vesting and awards</li> </ul>	<ul style="list-style-type: none"> <li>Chair share award</li> <li>PSP vesting, awards and amendment to rules</li> </ul>	<ul style="list-style-type: none"> <li>Performance-based salary review</li> <li>Share dealing policy</li> <li>Terms of reference</li> </ul>	<ul style="list-style-type: none"> <li>Vesting of Mr Webb's outstanding PSP awards</li> <li>Interim Chief Executive Officer remuneration</li> <li>Chief Executive Officer remuneration and benefits</li> <li>Chief Executive Officer share award</li> </ul>

P1. Physical 1-day meeting  
 V. Virtual meeting  
 P2. Physical 2-day meeting (including strategy session)



Following the introduction of the Quoted Companies Alliance Corporate Governance Code 2023 (the '2023 Code') which applies to financial years beginning on or after 1 April 2024, the Board has decided to continue to adopt, and comply with, the 2018 Quoted Companies Alliance Corporate Governance Code (the '2018 Code') for the current year and will report against the 2023 Code in next year's Annual Report.

#### 2018 Code principles

1. Establish a strategy and business model which promote long-term value for shareholders.
2. Seek to understand and meet shareholder needs and expectations.
3. Take into account wider stakeholder and social responsibilities and their implications for long-term success.
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation.
5. Maintain the Board as a well-functioning, balanced team led by the Chair.
6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities.
7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.
8. Promote a corporate culture that is based on ethical values and behaviours.
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.
10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

The 2018 Code requires us to apply the principles as set out above and to publish certain related disclosures in our Annual Report, on our website, or a combination of the two. We have followed the 2018 Code's recommendations and have therefore provided disclosure relating to Principles 2, 3 and 9, as well as those aspects of Principles 8 and 10 recommended to be disclosed on a website at [www.synecticsplc.com](http://www.synecticsplc.com) and cover the remaining Principles in this Annual Report.

#### Principle 1: Strategy and business model

Synectics is a leader in advanced security and surveillance systems. The Group's strategy and business model are described in the Strategic Report on pages 2 to 47.

#### Principle 4: Effective risk management

The Group embeds risk management throughout the Group and further information can be found in the Audit Committee Report on pages 54 to 56 and the Risks and Risk Management section on pages 44 to 47.

#### Principle 5: A balanced Board

During the year, there have been substantial changes to the Board, with Steve Coggins stepping down as Interim Chair and Audit Committee Chair after many years of involvement with Synectics. This resulted in the appointment of Bob Holt as Chair, and the subsequent appointment of Jon Kempster as Audit Committee Chair and Independent Non-Executive Director. In August, following the sudden passing of Paul Webb, Chief Executive Officer, Amanda Larnder stepped up to fill the role of Interim Chief Executive Officer, whilst continuing on in her role as Chief Financial Officer at the same time. Amanda was formally appointed Chief Executive Officer in November and continues to oversee the Company's finance and administrative functions until her replacement as Chief Financial Officer is appointed, the search for which is well underway. The Board changes during the year have improved the size and composition of the Board, and the Directors now believe that it is an appropriate size and is sufficiently independent, balanced and contains a breadth of experience to provide effective oversight of the Group's strategy, performance, resources, and standards of conduct.

The 2018 Code recommends that an AIM company should have at least two independent Non-Executive Directors, but clarifies that independence is a Board judgement. All three of the Company's Non-Executive Directors: Alison Vincent, Andrew Lockwood and Jon Kempster are considered independent and form an effective team with a blend of skill sets which meet the needs of the Company and are fully committed to working for the benefit of all shareholders and stakeholders.

The Group recognises the benefits of having a diverse Board, senior management team and workforce in general and seeks to recruit and develop the best-qualified candidates to support and achieve the Group's long-term strategic and business objectives. The Group monitors and encourages diversity across the whole workforce in terms of gender, skills, culture, disability and ethnicity and believes such diversity contributes to the success of the Group.

#### Key matters dealt with by the Board in the year included:

- Group budgets and five-year plan;
- reviewing and monitoring the Group strategy and progress against business objectives;
- operational and financial performance of the Group;
- monitoring progress of projects being undertaken by the Group;
- the approval of the Financial Statements and dividend policy;
- considering the risk registers and the outcome of the risk review, as reviewed in detail by the Audit Committee;
- the approval of the half-year and full-year financial results, upon the recommendation of the Audit Committee;
- the re-appointment of RSM UK Audit LLP as external auditor, upon the recommendation of the Audit Committee;
- reviewing and approving the annual update to the Group's approach to meeting the requirements of the Modern Slavery Act 2015;
- reviewing and approving the Group's Anti-Bribery and Corruption Policy;
- approval of large contracts and bids;
- approval of large capital expenditure projects;
- Chair recruitment;
- Chief Executive Officer passing and succession;
- Board and senior management succession planning and general recruitment and retention;
- Committee reports and recommendations;
- review of corporate governance reporting and the Group's policies and procedures;
- reviewing the IT strategy;
- reviewing the HR strategy;
- reviewing the findings of the 2024 Employee Opinion Survey;
- reviewing the findings of the 2024 Customer Opinion Survey; and
- reviewing the Group's product development roadmap and technological developments in the industry.

#### Principle 6: Board experience, skills and capabilities

Details of the Directors' biographies can be found on page 49.

The Board considers that it benefits from a range of highly experienced individuals, with sector specialist skills and personal qualities and capabilities that can deliver the strategy of the Company. It is satisfied that between its members it has an effective and appropriate balance of skills and knowledge including experience in the areas of technology, engineering, finance, international trading, innovation, sales and marketing. The Executive and Non-Executive Directors' skill sets are complementary, and together provide a blend of commercial, operational and financial expertise. The skill set is suitably broad and sufficiently high calibre such that all decision making at Board level is robust and mindful of the fiduciary responsibilities that need to be discharged to all shareholders.

Each Board member takes responsibility for maintaining their individual skill set, which includes roles and experience with other boards and organisations. They are also aware of the importance of keeping informed of the various activities and developments in the markets in which they operate and attend conferences and training events throughout the year to keep their skills, contacts and knowledge current. Formal training requirements for all Board members are reviewed annually and arranged where appropriate.

All Directors are able to take independent professional advice in the furtherance of their duties, if necessary. Details of the Company's advisers can be found on page 114 and on the Company's website [www.synecticsplc.com](http://www.synecticsplc.com).

#### Principle 7: Board evaluation

Due to significant changes in the Board during the year (Chair, Chief Executive Officer and Audit Committee Chair) and to give the Board time to develop and allow new members the opportunity to settle in, the next formal Board evaluation will be completed during 2026.

#### Principle 8: Culture based on ethical values and behaviours

The Group's Anti-Bribery and Corruption Policy is reviewed annually and communicated throughout the Group to prevent bribery from taking place. Any known non-compliance with the policy is reported to the Board as part of the Company Secretary's governance report, with no reports received during the year.

The Company opposes modern slavery in all its forms and will try to prevent it by any means that it can. Anyone who has any suspicions of modern slavery within the Group or our supply chain is encouraged to raise their concerns without delay. The Group maintains relationships with many different organisations in its supply chain, as well as directly employing over 290 people worldwide. Each year the Board reviews internal measures to ensure the Group is doing what it can to prevent slavery and human trafficking. The Company's modern slavery statement can be found at [www.synecticsplc.com](http://www.synecticsplc.com).





**Jon Kempster**  
Chair of the Audit Committee  
3 March 2025

On behalf of the Audit Committee (the 'Committee'), I am pleased to present the Committee's report for the year ended 30 November 2024, which has been approved by the Board.

During the year, the Committee has considered the integrity of the Group's financial reporting and provided advice to the Board that the 2024 Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the Company's shareholders with the necessary information to assess the Company's position, performance, business model and strategy. The activities of the Committee are kept under review in line with regulatory and market developments.

### Role and operation of the Committee

The Committee is responsible for ensuring that the Company maintains a strong control environment. It provides effective governance over the Group's financial reporting, including oversight and review of the systems of internal control and risk management and the performance of internal and external audit functions.

The Committee's formal terms of reference, which are reviewed and approved annually, set out its duties delegated by the Board. A copy of the terms of reference can be found on the Governance section of our website at [www.synecticsplc.com](http://www.synecticsplc.com).

Neither the Chief Executive Officer nor the Chair attend meetings of the Committee other than by invitation. The Committee invites the external auditor to attend certain meetings. The Committee is authorised by the Board to obtain external professional advice at the Group's expense to perform its duties.

### Summary of the Committee's responsibilities

- Reviewing the half-year and annual financial statements and formal announcements relating to financial performance and advising the Board on whether they are fair, balanced and understandable;
- Reviewing the external auditors' independence and considering the nature, scope, and results of the audit and reviewing the policy on any non-audit services that are provided by the external auditors and making recommendations to the Board on their appointment and remuneration;
- Reviewing compliance with legal requirements, accounting standards and the AIM Rules;
- Ensuring that effective systems of internal financial and non-financial controls (including for the management of risk and whistleblowing) are maintained;
- Reviewing and agreeing the scope and work of the Group's internal audit activities and considering findings of internal investigations and management's response to these, and
- Reviewing the Committee's performance, constitution and terms of reference to ensure it operates effectively and recommending any changes to the Board for approval.

### Key areas of Committee focus during the year

- The suitability of the Group's accounting policies and practices;
- The half-year and annual financial results, including the adoption of the outcomes of the assessments of goodwill impairment, and going concern and recommending to the Board that it is appropriate to adopt those assumptions (see further information below);
- The full-year report and audit findings of the external auditor including the actions arising from the findings and progress made against each;
- The reappointment, remuneration, performance evaluation and independence of the external auditor;
- Review and approval of the external auditor's plan for 2024, which detailed the proposed audit scope and risk and assessment;
- Internal audit work and progress during the year, including work on tax compliance across the Group;
- Review of Group risk registers and risk management, and
- Monitoring progress of the internal ERP upgrade and discussing the expected benefits and implications across the Group.

During the year, the Committee reviewed and recommended approval of the half-year and annual financial statements. As part of its review, the Committee interrogated the key judgements and accounting policies applied and considered the basis for estimates and assumptions underlying the Financial Statements.

The Committee recognises the importance of understanding changes in accounting policies and practice, and receives regular updates from both the external auditor and the finance team on key changes in this area.

During the year, the Committee, management, and the external auditor considered and concluded on a number of matters in relation to the Financial Statements.

Those matters and what the Committee did to ensure that they had been appropriately addressed in the Financial Statements are set out below:

### Financial reporting

Area of focus	How the matter was addressed by the Committee
<b>Revenue recognition and contract accounting</b>	The Committee continued to review the Group's revenue recognition principles and financial statements disclosures in line with the requirements of IFRS 15. In addition, the Committee reviewed the controls in place to ensure the appropriateness of the estimates used in assessing contract stage of completion, anticipated profitability and the amounts recognised in the Financial Statements. The Committee agreed with the conclusions reached.
<b>Goodwill and investment impairment review</b>	The Committee reviewed management's report outlining the approach taken on impairment testing and the key assumptions and sensitivities supporting the conclusions. The Committee agreed with the conclusions reached on impairment.
<b>Going concern</b>	The Committee reviewed management's report outlining the assessment of going concern, giving consideration to the Group's forecast cash flows, liquidity requirements and borrowing facilities. Following this review the Committee agreed that the going concern basis of accounting continues to be appropriate.
<b>Non-underlying items</b>	The Committee considered the presentation of the Consolidated Financial Statements and the appropriateness of the presentation of non-underlying items. The Committee reviewed the nature, timing and significance of the non-underlying items identified and concurred with management that the treatment was appropriate and consistently applied across years. See note 5 to the Consolidated Financial Statements for an analysis of non-underlying items.

### Risk management and internal control

The Committee also has responsibility for reporting to the Board on whether the Group's key control policies and procedures remain appropriate and that it is operating a robust and effective control environment.

#### Risk management

The Committee, on behalf of the Board, ensures that the Group's principal risks and uncertainties have been appropriately identified and assessed. It reviews those key risks and the quality of the assurance on the effectiveness of the controls that mitigate those risks, allowing it to conclude on the principal risks for disclosure in the Annual Report.

#### Effective internal control

Operating policies, procedures and controls are in place across the Group and have been in place throughout the year under review. These policies ensure the accuracy and reliability of financial reporting and the preparation of financial statements including the consolidation process.

The controls relating to financial reporting include:

- an appropriately qualified management structure, with clear lines of responsibility;
- a comprehensive annual budgeting process, which is approved by the Board;
- close management of the day-to-day activities of the Group by the Chief Executive Officer and Chief Financial Officer;
- detailed monthly reporting of performance, against budget and forecast; and
- central control over key areas such as contract risk assessment, capital expenditure authorisation and banking facilities.

The Committee, having considered the controls in place during 2024, have concluded the risk management and related control systems in place are effective. Details of the system of internal control, the principal risks facing the Group, and the strategies put in place to mitigate them are set out in the Risks and Risk Management section on pages 44 to 47.

#### External audit

The Committee has responsibility to ensure that there is a sufficiently robust and effective external audit through considering the independence of the external auditor, the appointment and reappointment of the external auditor and all reports from the external auditor.

#### Re-appointment of the external auditor

The Committee reviews and evaluates the performance of the external auditor and makes recommendations regarding their re-appointment to the Board. In making this recommendation, the Committee considers auditor effectiveness and independence, and any other factors which may impact upon the external auditor's re-appointment. After careful consideration, the Committee recommends the re-appointment of RSM UK Audit LLP as external auditor of the Group, subject to approval by shareholders at the 2025 Annual General Meeting.

### Audit independence

The Committee and the Board place great emphasis on the objectivity of the external auditor in its reporting to shareholders. When required, the external audit partner is present at Committee meetings to ensure full communication of matters relating to the audit. The overall performance of the external auditor is reviewed annually by the Committee, considering the views of management, and feedback is provided when necessary to senior members of the audit firm unrelated to the audit. The Committee also has discussions with the external auditor, without management being present, on the adequacy of controls and on any judgemental areas. The scope of the forthcoming year's external audit is discussed in advance by the Committee. Audit fees are approved by the Committee.

Assignments of non-audit work have been, and are subject to, controls by management that have been agreed by the Committee so that audit independence is not compromised.

Other than the external audit, the Committee is required to give prior approval of work carried out by the auditor and its associates with a value more than £50,000. Part of this review is to determine that other potential providers of the services have been adequately considered. These controls provide the Committee with confidence in the independence of the auditor in its reporting on the audit of the Group.

### Non-audit services

The independence and objectivity of the non-audit services provided by RSM to the Group are safeguarded by the Group's non-audit services policy. The policy on engaging the external auditor for non-audit services has always been designed to ensure that such engagements do not result in the creation of a mutuality of interest between the auditor and the Group, that a transparent process and reporting structure is established to enable the Committee to monitor policy compliance and that unnecessary restrictions on the engagement of the auditor for non-audit services are avoided where the provision of advice is commercially sensible and is more cost effective than other providers.

RSM occasionally provides non-audit services to the Group which are governed by the Group's non-audit services policy. Compliance with the policy is actively managed and an analysis of non-audit services is reviewed throughout the year. During the year ended 30 November 2024, no services provided to the Group were non-audit services (2023: £3,551).



**Andrew Lockwood**  
Chair of the Remuneration Committee  
3 March 2025

**On behalf of the Remuneration Committee (the 'Committee'), I am pleased to present my report as Chair of the Committee for the year ended 30 November 2024, which has been approved by the Board.**

This report is divided into two sections:

1. an unaudited section which sets out the Company's remuneration policy for Executive Directors and Non-Executive Directors; and
2. an audited section, the Remuneration Report, which details the remuneration paid to Directors in the year ended 30 November 2024.

As an AIM-listed company, the information provided is disclosed to fulfil the requirements of AIM Rule 19. The Company is not required to comply with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. This information is unaudited, except where stated.

### Role and operation of the Committee

The Committee operates within the remit delegated by the Board, which is set out in formal terms of reference. The remuneration of Non-Executive Directors is a matter for the Chair of the Board and the Executive Directors. No Director or manager is involved in any decision regarding their own remuneration. A copy of the terms of reference can be obtained from the Governance section of our website at [www.synecticsplc.com](http://www.synecticsplc.com).

Neither the Chief Executive Officer nor the Chair of the Board attend meetings of the Committee other than by invitation and are not present at any discussion of their own remuneration.

As Committee Chair, I formally report to the Board on the Committee's proceedings, ensure that an annual report of the Group's remuneration policy and practices is published in the Group's Annual Report and Accounts, and ensure that each year the Remuneration Committee Report, which contains the Directors' remuneration, is put to shareholders for approval at the AGM.

The Committee is authorised by the Board to seek any information it requires from any employee of the Group in order to perform its duties and to obtain external professional advice at the Group's expense.

### Summary of the Committee's responsibilities

- Making recommendations to the Board for approval of overall Group remuneration policies, and the specific remuneration each year for all Directors and the senior management team, including bonuses, incentive payments and share options and awards;
- Ensuring Executive Directors and the senior management team are provided with appropriate incentives to encourage enhanced performance in a fair and reasonable manner;
- Reviewing the design of share incentive plans for approval by the Board and determining the policy on annual awards to Executive Directors and senior management and reviewing progress made against performance targets and agreeing incentive awards;
- Reviewing the Committee's performance, constitution and terms of reference to ensure it operates effectively and to recommend any changes to the Board for approval.



**Key areas of Committee focus during the year**

- Ongoing review of long-term incentive plans, amendment of rules and approval of an award of options under the PSP for the Executive Directors and senior leadership team;
- Approval of the 2023 bonus scheme payments to the Executive Directors and senior management;
- Review and approval of the Executive Director's 2024 bonus scheme;
- Review and approval of the remuneration of the Chair;
- Approval of the Executive Growth Plan and subsequent awards to the Chair and new Chief Executive Officer;
- Review and approval of Executive Directors' salary for 2024 and remuneration for 2025;
- Approval of early vesting of PSP awards following the passing of Mr Webb.

**Remuneration policy for Executive Directors**

The principal elements of the Executive Directors' remuneration packages are as follows:

<b>Basic salary</b>	The Group aims to pay competitive market salaries and to recognise individual development and progression through the annual salary and personal review processes. Salaries are reviewed annually.
<b>Annual performance-related bonuses</b>	In line with the scheme covering other senior members of staff, performance-related bonuses for the Executive Directors are based on the achievement of specific financial targets for the Group and agreed personal objectives.
<b>Pension arrangements</b>	The Group makes contributions into money purchase schemes on behalf of the Executive Directors. Pension payments are based only on basic salary.
<b>Other benefits</b>	These principally comprise car benefits, life assurance and membership of the Group's healthcare scheme.
<b>Long-term incentive arrangements</b>	The Group operates various share plans in which the Executive Directors participate or have a prior interest in. Details of the share plans are given in note 22 to the Consolidated Financial Statements. Directors' interests in the shares of the Group are detailed in the shareholdings disclosure on page 62.

Executive Directors are not automatically entitled to compensation payments for loss of office, other than payment in lieu of their contractual notice period, if legally required. They do not hold directorships in other companies unrelated to the Group and, accordingly, no remuneration is due to the Group.

**Remuneration policy for Non-Executive Directors**

Non-Executive Directors are independent of the Group and are expected to spend an average of approximately two days a month on the Group's business. They are not restricted from undertaking additional directorships, subject to avoiding any conflicts of interest.

After considering recommendations from the Chair, the Board determines the remuneration of the Non-Executive Directors excluding the Chair. The remuneration of the Chair is determined by the Committee.

Executive Directors are employed by the Group and are required to devote substantially the whole of their time to its affairs. The policy of the Board is to provide competitive packages reflective of the industry in which it operates to attract, retain, and motivate high-calibre individuals as Executive Directors and to ensure that their remuneration packages (consisting of basic salary, performance-related bonuses, pension arrangements and other benefits including interests in share schemes) reflect their responsibilities, performance and experience, and encourage and reward superior performance. The policy also seeks to ensure that Executive Directors are rewarded fairly for their individual contributions to the Group's performance and to encourage appropriate behaviours in line with the Group's attitude to risk.

Non-Executive Directors receive fees which are reviewed annually in light of their responsibilities, experience and contribution to the Group's affairs, as well as market rates. Non-Executive Directors do not receive any performance-related pay or rewards, and the Group does not deduct for, or contribute to, a pension.

Details of the Directors' emoluments are given below.

**Remuneration (audited information)**

	2024	2023	2024	2023
	Total (excl. pension)	Total (excl. pension)	Pension allowance <sup>2</sup>	Pension allowance <sup>2</sup>
	£000	£000	£000	£000
<b>Chairs</b>				
B Holt <sup>3</sup>	42	–	–	–
S Coggins <sup>4</sup>	37 <sup>5</sup>	–	–	–
C Wilson <sup>6</sup>	–	–	85 <sup>7</sup>	–
D Coghlan <sup>8</sup>	–	–	–	56
<b>Executive Directors</b>				
A Larnder <sup>9</sup>	206	54	–	12
P Webb <sup>10</sup>	215	139	6	32
<b>Non-Executive Directors</b>				
A Vincent	32	–	–	–
A Lockwood	35	–	–	–
J Kempster <sup>11</sup>	15	–	–	–
<b>Total</b>	<b>582</b>	<b>193</b>	<b>6</b>	<b>44</b>

1. Bonuses are paid or accrued based on the achievement of agreed personal objectives and corporate performance metrics
2. Pension allowance includes the Company contribution for the Director to the Group's defined contribution pension scheme
3. Appointed as Chair on 24 April 2024
4. Appointed Interim Chair on 20 October 2023 and resigned as Interim Chair on 24 April 2024
5. Includes £8,750 PILON
6. Appointed as Chair on 16 February 2023 and resigned as Chair on 20 October 2023
7. Includes £17,499 PILON
8. Retired as Chair on 16 February 2023
9. Appointed as Interim Chief Executive Officer on 26 August 2024 and Chief Executive Officer on 18 November 2024
10. Passed away on 25 August 2024
11. Appointed as Independent Non-Executive Director on 1 July 2024

**Share schemes (audited information)**

The Directors' interests in the Company's share schemes are presented below.

**Performance Share Plan ('PSP')**

The following Director held an interest in the Company's shares at 30 November 2024 through awards made under the PSP, which was established on 9 October 2012. Further information about the PSP is set out in note 22 to the Consolidated Financial Statements.

	1 August 2022	25 March 2024
	Number of shares	Number of shares
A Larnder	124,000	40,000

**Executive Growth Plan ('EGP')**

The following Director held interests in the Company's shares at 30 November 2024 through participation in the EGP, which was created by the Committee during the year to help drive long-term sustainable growth and build shareholder value. Further information about the EGP is set out in note 22 to the Consolidated Financial Statements.

	18 November 2024
	Number of shares
A Larnder	1,000,000

**Chair's Award**

The Chair held interests in the Company's shares at 30 November 2024 through a one-off award made to him upon appointment during the year. Further information, including performance conditions, is set out in note 22 to the Consolidated Financial Statements.

	24 April 2024
	Number of shares
B Holt	350,000

**Paul Webb's share interests**

Before his passing, Paul Webb held the following interests in the shares of the Company:

Shares	Employee Share Acquisition Plan ('ESAP')	Executive Share Option Plan ('ExSOP')	Vested Performance Share Plan ('Vested PSP')	Awarded Performance Share Plan ('Awarded PSP')
57,115	16,138	200,000	18,126*	321,406

\* In March, the Committee formally approved the vesting of 18.1% of one-third of the 300,000 options awarded in 2020 resulting in 18,126 options vesting and becoming exercisable. In accordance with the terms of the award, 61,406 options (75% of unvested Year 3 award shares) were carried forward to Year 4. The remaining shares (20,468) lapsed.

The Shares and ESAP shares were held beneficially by Mr Webb and so have transferred in full to his personal representatives.

The ExSOP and Vested PSP shares had already vested at the time of Mr Webb's passing and can be exercised in full by his personal representatives.

The 321,406 Awarded PSP shares had not vested at the time of Mr Webb's passing and so the Committee, using its powers of discretion under the rules of the PSP, approved the vesting of 110,345 shares which are exercisable by Mr Webb's personal representatives within twelve months of the date of his death. The remaining shares (211,061) lapsed.

The mid-market prices of the Company's shares at the beginning and end of the financial year were as follows:

	Ordinary shares of 20p each
At 1 December 2023	105.0p
At 30 November 2024	305.0p

The maximum and minimum share prices during the financial year were as follows:

	Ordinary shares of 20p each
Maximum	328.0p
Minimum	100.2p

**Service contracts**

There are no Directors' service contracts with notice periods more than one year. The notice periods under the service agreements for Executive Directors and letters of appointment for Non-Executive Directors are as follows:

	Notice period
B Holt	6 months
A Larnder	12 months
A Vincent	3 months
A Lockwood	3 months
J Kempster	3 months

The following matters are reported by the Directors in accordance with the Companies Act 2006 requirements in force at the date of this Annual Report and Accounts.

**Principal activities**

The principal activities of Synectics plc (the 'Company') and its global subsidiary companies (the 'Group') are set out within the Strategic Report on pages 2 to 47.

**Review of business and future developments**

The Consolidated Income Statement for the year ended 30 November 2024 is set out on page 70.

A review of the Group's business activities during the year and its prospects for the future can be found in the Strategic Report on the pages 2 to 47. The Strategic Report together with the Introduction to Governance, the Board of Directors, Governance at a Glance, the Corporate Governance Statement, the Audit Committee Report and the Remuneration Committee Report, are incorporated into this report by reference and should be read as part of this report.

**Key Performance Indicators**

The Directors measure the Group's performance principally using the following financial indicators (as reflected in this Annual Report):

- revenue;
- underlying operating profit;
- underlying EBITDA;
- underlying diluted earnings per share (based on underlying profit after tax);
- recurring revenue;
- free cash flow;
- dividend level, and
- technology spend.

**Principal risks and uncertainties**

Details of the principal risks and uncertainties considered by the Board to affect the Group, and the related risk mitigation actions, are given on pages 44 to 47.

**Group results and dividends**

The consolidated profit after tax for the year was £3,179,000 (2023: £2,163,000).

The Directors recommend the payment of a final dividend of 2.5p per share (2023: 3.0p), totalling around £430,000. Subject to approval, this is expected to be paid on 16 May 2025 to shareholders on the register as at the close of business on 25 April 2025. An interim dividend of 2.0p was paid during the year (2023: nil).

**Financial instruments**

Details of financial instruments to which the Group is a party and the Group's financial risk management and objectives and policies are shown in note 28 to the Consolidated Financial Statements.

**Fixed assets**

In the opinion of the Directors, there is no material difference between the book value and the current open market value of the Group's interest in land and buildings.

**Research & Development expenditure**

The Group has continued to invest in research & development of both software and hardware products for surveillance applications during the year incurring total costs of £3.7 million (2023: £3.2 million), of which £2.5 million (2023: £2.2 million) has been expensed to the Income Statement.

**Share capital**

The Company's issued ordinary share capital comprises a single class of ordinary shares of 20p each, with 17,794,439 shares in issue and listed on AIM of the London Stock Exchange as at 30 November 2024. No shares were held in treasury and 1,026,190 shares were held by the Company's employee share trusts. Details of movements in the issued share capital can be found in note 21 to the Consolidated Financial Statements.

Each share carries the right to one vote at general meetings of the Company. All issued shares are fully paid up and carry no additional obligations or special rights. There are no restrictions on transfers of shares in the Company, or on the exercise of voting rights attached to them, other than those which may from time to time be applicable under existing laws and regulations.

**Employee share plans**

During the year, the Company has remained within its headroom limits for the issue of new shares for share plans as set out in the rules of the plans. The Company uses an Employee Benefit Trust ('EBT') to acquire partnership shares (at the end of each accumulation period) and dividend shares in the market, when permitted. A total of 27,988 ordinary shares of 20p each in the Company were purchased by the EBT at a cost of £58,493.96 during the 2024 financial year.



## Directors' interests

Interests of the Directors and their connected persons in the issued share capital of the Company as at 30 November 2024 were as follows:

	2024	2024	2024	2023
	Number of shares held	Interests in share schemes	Total interests in shares	Total interests in shares
B Holt	–	350,000	350,000	–
A Larnder	4,326	1,164,000	1,168,326	128,326
A Vincent	–	–	–	–
A Lockwood	8,659	–	8,659	–
J Kempster	–	–	–	–
	12,985	1,514,000	1,526,985	128,326

There has been no change in the interests of the Directors and their connected persons in the issued share capital of the Company from those set out in the table above to 3 March 2025.

## Significant shareholdings

As at the close of the market on 3 March 2025, the Company was aware of the following holdings, excluding Directors' holdings, of 3% or more of the Company's total issued share capital:

	Number of shares	% of total voting rights
Whitehall Associated SA	4,577,500	25.72
Interactive Investor	1,414,099	7.95
Downing	1,284,291	7.22
Dowgate Capital	1,177,850	6.62
Hargreaves Lansdown	1,133,610	6.37
Quadnetics EBT	931,828	5.24
Barclays Smart Investor	819,231	4.60
AJ Bell	630,368	3.54
M McHale	585,000	3.29

## Board of Directors

Amanda Larnder, Alison Vincent and Andrew Lockwood were in office throughout the financial year ended 30 November 2024. On 24 April 2024, Steve Coggins resigned as Interim Chair and left the Board and Bob Holt was appointed as Chair. Jon Kempster was appointed as an Independent Non-Executive Director and Audit Committee Chair with effect from 1 July 2024. Paul Webb passed away on 25 August 2024 and Amanda Larnder took on the role of Interim Chief Executive Officer following his passing. She accepted the position of Chief Executive Officer with effect from 18 November 2024. All the Directors are standing for election or re-election at the next Annual General Meeting ('AGM') and their details and biographies can be found on page 49.

The powers of the Company's Directors and rules that apply to changes in the Directors are set out in the Company's Articles of Association (the 'Articles'). Any changes to the Articles require the consent of the Company's shareholders.

## Directors' indemnity

As permitted by the Articles, each of the Directors has the benefit of an indemnity which is a qualifying third-party indemnity as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and is currently in force.

## Conflicts of interest

The Articles permit the Board to consider and, if it sees fit, authorise situations where a Director has an interest that conflicts, or may possibly conflict, with the interests of the Group ('Situational Conflicts'). The Board operates an effective formal system for Directors to declare Situational Conflicts and for them to be authorised by the non-conflicted Directors if thought appropriate and subject to limits or conditions.

## Related party transactions

Internal controls are in place to ensure that any related party transactions involving Directors, or their connected persons are carried out on an arm's length basis and are properly recorded. Details of any related party transactions are given in note 25 to the Consolidated Financial Statements.

## Essential contracts or arrangements

The Group has several contractual agreements with suppliers in support of its business activities. Whilst the loss of certain of these arrangements may cause temporary disruption, there are none, for which mitigation plans have not been put in place, which are individually considered to be essential to the Group's business.

## Change of control provisions

There are no significant agreements which contain provisions entitling other parties to exercise termination or other rights in the event of a change of control of the Group, and no provisions in the Directors' service agreements or employees' contracts that provide for compensation for loss of office or employment occurring because of a takeover.

## Employee engagement

The Group employed an average of 292 people in 2024 (2023: 269).

The Group's employees are the strength and the foundation of its success, and regular engagement through various media email, focus groups, monthly bulletins, team briefings and an annual Employee Opinion Survey enables the Directors to take into account the interests of employees when making decisions throughout the year. Further information about how the Group engages with employees can be found on pages 20, 40 and 41.

The Group operates an HMRC-approved share incentive plan to encourage employees to take a greater interest in the Group's performance through share ownership. Details of the plan are set out in note 22 to the Consolidated Financial Statements.

## Policy on payment of suppliers

The Group's policy during the year was to pay suppliers in accordance with agreed terms. At 30 November 2024, the Group had 60 days' purchases outstanding in trade payables (2023: 61 days').

## Charitable donations and activity

The Group made donations amounting to £1,678 (2023: £3,259) to charitable causes during the year.

## Streamlined Energy and Carbon Reporting ('SECR')

The Directors have reviewed the obligations to report under the SECR requirements and have concluded that no individual entity within the Group would be obliged to report individually according to the thresholds. No data has therefore been included within this report. The Directors do, however, acknowledge their environmental responsibility and seek to minimise the impact that the Group makes wherever possible.

## Going concern

The Directors have considered the Group's current activities and future prospects, financial performance, liquidity position and risks and uncertainties affecting the business, which are set out in the Strategic Report, in assessing the appropriateness of the going concern assumption. The Directors continue to monitor the effects of global events on the business and will react accordingly if any material risks arise.

When assessing the going concern assumption, the Directors have reviewed the year-to-date actual results, as well as detailed financial forecasts and the Group's funding position for the period through to August 2026. This review includes in-depth scenario modelling and stress testing of budget and strategy planning.

Opportunities continue to emerge in the gaming sector, particularly in Asian and North American markets. Synectics' credentials are reinforced through high-profile wins in 2024, bolstered by the appointment of new, senior sales resources.

Oil & Gas remains highly active, generating very significant levels of pipeline opportunity. Our approach of leveraging existing relationships and developing new, cutting-edge digital solutions, alongside seeking procurement and cost engineering savings, will ensure we are a technological leader, whilst remaining price competitive.

Public Space, Transport & Infrastructure continues to be an active, competitive sector, with opportunities to grow our share in the On-Vehicle market through both new customers and new propositions, alongside ongoing activity in Utilities and contracts in aligned sectors such as Emergency Services, NHS and Universities.

Investment in both people and products in 2025, with a view to expanding our presence in existing and aligned sectors, reflects confidence in the external market opportunity and Synectics' ability to exploit this.

## Forecasting and stress testing

The Directors have undertaken a rigorous budgeting and forecasting process with management to understand the impact of the economic environment on the future of the Group. The assumptions used in the financial forecasts are based on recent financial performance, management's extensive industry experience and reflect expectations of future market conditions.

The base case shows a positive cash balance throughout the year with no requirement to utilise the £3 million overdraft facility. Sensitivity and stress testing has been performed on the base case model; various plausible but severe downside scenarios were applied which considered general downturns resulting in reductions in revenue and margins and the related impact on working capital. Under these downsides, the Directors have not considered any mitigating factors that would be applied. The scenario testing applied confirmed that, even with no mitigating factors, the overdraft facility would not need to be utilised and that there would be sufficient headroom within the facility throughout the outlook period. The base case was then reverse stress tested and the level of deterioration required for the Group to become close to the banking headroom was deemed to be highly unlikely.

## Cash and funding position

Positive cash balances were maintained throughout the year and ended the year at £9.6 million (2023: £4.6 million). Undrawn overdraft facilities of £3 million were held throughout the year. Despite the central forecast indicating that the Group should not need to draw upon the overdraft facilities for the foreseeable future, management is in the process of renewing, as a matter of prudence, the overdraft facility of £3 million with HSBC Bank until February 2026. Whilst the renewal process is still underway at the time of signing these accounts, the bank has indicated that the facilities are expected to renew as previously.

## Conclusion

Based on the analysis above, the Group has sufficient liquidity headroom throughout the forecast period and therefore the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the outlook period without material uncertainty. Accordingly, the Directors conclude it is appropriate to continue to adopt the going concern basis in preparing the Financial Statements.

## Annual General Meeting ('AGM')

The notice convening the AGM is distributed separately to shareholders at least 21 working days before the meeting. Separate resolutions are proposed on each substantially separate issue. The proxy results from the 2025 AGM will be made available on the Company's website after the meeting.

## Auditor

RSM UK Audit LLP has been reappointed by the Board as the Company's external auditor, upon the recommendation of the Audit Committee. Accordingly, a resolution for the reappointment of RSM UK Audit LLP as auditor of the Company is to be proposed at the forthcoming AGM.

### Strategic Report

The information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has, in respect of future developments and risks and uncertainties, together with a statement on engagement with suppliers, customers and others, been included in the Strategic Report in accordance with section 414C(11) of the Companies Act 2006 (Strategic and Directors' Reports) Regulations 2013.

### Disclosure of information to the auditor

Having made the required enquiries, so far as the Directors are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the Company's auditor is unaware and each Director has taken all steps that ought to have been taken to make himself aware of any relevant audit information and to ensure that the Company's auditor is aware of that information.

### Directors' responsibility statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare group and company financial statements for each financial year. The Directors have elected under company law and are required by the AIM Rules of the London Stock Exchange to prepare group financial statements in accordance with UK-adopted International Accounting Standards and have elected under company law to prepare the company financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law).

The group financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the Group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 group and the company and of the profit or loss of the Group for that period.

In preparing each of the Group and Company financial statements, the Directors are required to:

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

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Forward-looking statements

This report may contain certain statements about the future outlook for Synectics plc. Although the Directors believe their expectations are based on reasonable assumptions, any statements about future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.

The Directors' Report has been approved by the Board.

By order of the Board

### Claire Stewart

Company Secretary  
3 March 2025

### To the members of Synectics plc

#### Opinion

We have audited the financial statements of Synectics plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2024 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position, consolidated statement of changes in equity, consolidated cash flow statement, company statement of changes in equity, company statement of financial position and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 November 2024 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 group and the parent 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 as applied to listed entities 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.

### Summary of our audit approach

<b>Key audit matters</b>	<p><b>Group</b></p> <ul style="list-style-type: none"> <li>• Revenue recognition</li> <li>• Goodwill impairment</li> </ul>
<b>Materiality</b>	<p><b>Group</b></p> <ul style="list-style-type: none"> <li>• Overall materiality: £520,000 (2023: £465,000)</li> <li>• Performance materiality: £390,000 (2023: £348,000)</li> </ul> <p><b>Parent Company</b></p> <ul style="list-style-type: none"> <li>• Overall materiality: £494,000 (2023: £440,000)</li> <li>• Performance materiality: £370,000 (2023: £330,000)</li> </ul>
<b>Scope</b>	Our audit procedures covered 84% of revenue, 82% of total assets and 84% of profit before tax.

#### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group and parent company financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



## Revenue recognition

<b>Key audit matter description</b>	<p>The Group recognised revenue of £55.8m (2023: £49.1m), a substantial element of this revenue and profit is recognised from non-recurring contracts, which may span accounting periods. Contract accounting requires the assessment of the stage of completion of each contract and likely outcome of the contract to determine the revenue and profit to be recognised.</p> <p>Refer to Audit Committee Report (pages 54 to 56), accounting policies and critical accounting estimates and judgements (pages 74 to 82) and financial disclosures (note 3 – pages 84 and 85)</p> <p>There is a risk of misstatement resulting from inappropriate recognition bases being used and inaccurate estimates being made.</p>
<b>How the matter was addressed in the audit</b>	<p>Our procedures included but were not restricted to:</p> <ul style="list-style-type: none"> <li>• A review of the appropriateness of the revenue recognition and contract accounting policies and practices;</li> <li>• Evaluation of the controls in place to assess the accuracy of the stage of completion and likely outcome of the contracts;</li> <li>• Testing samples of contracts to agree details to supporting documentation and consider and challenge the contract accounting estimates;</li> <li>• Testing a sample of contract assets to supporting documentation, including sales invoices raised after the year-end, to assess whether they had been calculated correctly and were recoverable; and</li> <li>• A retrospective review of the outcome of contracts in progress at the prior year end to assess the validity of the estimates applied in the prior period.</li> </ul>

## Goodwill impairment

<b>Key audit matter description</b>	<p>The Group has a carrying value of goodwill of £19.6m (2023: £19.6m) – refer to Audit Committee Report (pages 54 to 56), accounting policies and critical accounting estimates and judgements (pages 74 to 82) and financial disclosures (note 14 – pages 91 to 92). The risk is that the goodwill is not recoverable and should be impaired.</p> <p>Impairment testing requires management to identify appropriate cash generating units (“CGU”), identify the carrying amount of each CGU, including its goodwill, and determine whether the higher of fair value less cost to sell and the value in use for the CGU, based on the net present value of the forecast earnings of the CGU, exceeds the carrying amount. Impairment testing involves a significant degree of estimation in forecasting future performance and setting appropriate assumptions such as growth rates and working capital movements and judgement in the selection of discount rates.</p>
<b>How the matter was addressed in the audit</b>	<p>Our procedures included but were not restricted to:</p> <ul style="list-style-type: none"> <li>• Considering whether the CGU reflect the IAS 36 requirement that they represent the smallest identifiable group of assets that generate cash flows that are largely independent;</li> <li>• Agreeing the forecast future performance to the most recently approved business plan;</li> <li>• A critical assessment of the key assumptions made in determining the recoverable amounts of each CGU;</li> <li>• Considering the forecasts in the context of historical forecasting accuracy and our understanding of the markets in which the Group operates;</li> <li>• Considering the appropriateness of the judgements used in the selection of the discount rates used by engaging with an internal valuation specialist;</li> <li>• Undertaking our own sensitivity analyses; and</li> <li>• Assessing the appropriateness of the Group’s disclosures about the sensitivity of their impairment assessment.</li> </ul>

## Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
<b>Overall materiality</b>	£520,000 (2023: £465,000)	£494,000 (2023: £440,000)
<b>Basis for determining overall materiality</b>	0.7% of revenue	95% of group overall materiality and 1.1% of net assets
<b>Rationale for benchmark applied</b>	Revenue has been chosen as revenue levels are considered the key driver for the business given a largely fixed cost base.	Net assets chosen as the parent company is a holding company. As a non-revenue generating entity, shareholder focus is on the value of assets held.
<b>Performance materiality</b>	£390,000 (2023: £348,000)	£370,000 (2023: £330,000)
<b>Basis for determining performance materiality</b>	75% of overall materiality	75% of overall materiality
<b>Reporting of misstatements to the Audit Committee</b>	Misstatements in excess of £26,000 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.	Misstatements in excess of £24,700 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

## An overview of the scope of our audit

The group consists of 7 components, located in the following countries; UK, Singapore, USA, Germany and Macau.

The coverage achieved by our audit procedures was:



Full scope audits were performed for 4 components and analytical procedures at group level for the remaining 3 components.

All of the above work was undertaken by the group audit team.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- Testing the arithmetic integrity of the cash flow forecasts;
- Assessing the cash flow forecasts, which cover a period to November 2026, together with expected headroom over the facilities in place and challenged the assumptions used by management;
- Considering management's sensitivities against recent trading performance and the resulting potential impact on headroom within agreed facilities;
- Considering the performance of the various sectors in which the group operates and the relative risks to revenues from those sectors, and whether these have been included in sensitivities used by management;
- Comparing the actual cash flows since the year-end to the forecasts to determine whether they were consistent; and
- Reviewing the group's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with reporting standards.

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 group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

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

#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

#### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 64, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

The most significant laws and regulations were determined as follows:

Legislation/Regulation	Additional audit procedures performed by the Group audit engagement team included:
IFRS, FRS101, Companies Act 2006 and AIM Rule 19	Review of the financial statement disclosures and testing to supporting documentation; Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	Inspection of advice received from external tax advisors Input from an internal tax specialist was obtained regarding the tax accounting and disclosures.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the Group audit engagement team:
Revenue recognition	See key audit matters above.
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Graham Bond FCA (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
14th Floor  
20 Chapel Street  
Liverpool  
L3 9AG  
3 March 2025



## Consolidated Income Statement

For the year ended 30 November 2024

	2024			2023		
	Note	Underlying	Non-underlying items	Underlying	Non-underlying items	Total
		£000	(note 5) £000		£000	
<b>Revenue</b>	2,3	55,809	–	49,128	–	49,128
Cost of sales		(31,866)	–	(29,121)	–	(29,121)
<b>Gross profit</b>		23,943	–	20,007	–	20,007
Operating expenses		(19,151)	(531)	(16,951)	(302)	(17,253)
<b>Operating profit</b>		4,792	(531)	3,056	(302)	2,754
Finance income	8	25	–	–	–	–
Finance costs	9	(112)	–	(101)	–	(101)
<b>Profit before tax</b>		4,705	(531)	2,955	(302)	2,653
Income tax (charge)/credit	10	(1,049)	54	(559)	69	(490)
<b>Profit for the year</b>		3,656	(477)	2,396	(233)	2,163
<b>Earnings per share</b>	12					
Basic			18.8p			12.8p
Diluted			18.3p			12.8p

## Consolidated Statement of Comprehensive Income

For the year ended 30 November 2024

	2024	2023
	£000	£000
<b>Profit for the year</b>	3,179	2,163
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Exchange differences on translation of foreign operations	83	(28)
Losses on net investment in a foreign operation taken to equity	(119)	–
	(36)	(28)
Tax on items that may be reclassified	30	–
<b>Total comprehensive income for the year</b>	3,173	2,135
<b>Total comprehensive income for the year attributable to equity holders of the Parent</b>	3,173	2,135

## Consolidated Statement of Financial Position

As at 30 November 2024

	2024	2023
	£000	£000
<b>Non-current assets</b>		
Property, plant and equipment	13	3,801
Intangible assets	14	22,248
Deferred tax assets	10	1,488
	27,537	27,129
<b>Current assets</b>		
Inventories	15	9,244
Trade and other receivables	16	14,124
Contract assets	3	5,378
Cash and cash equivalents	17	9,559
	38,305	30,495
<b>Total assets</b>	65,842	57,624
<b>Current liabilities</b>		
Trade and other payables	18	(13,665)
Contract liabilities	3	(6,428)
Lease liabilities	19	(701)
Tax liabilities		(268)
Current provisions	20	(556)
	(21,618)	(15,572)
<b>Non-current liabilities</b>		
Non-current provisions	20	(741)
Lease liabilities	19	(1,189)
Deferred tax liabilities	10	(963)
	(2,893)	(3,175)
<b>Total liabilities</b>	(24,511)	(18,747)
<b>Net assets</b>	41,331	38,877
<b>Equity attributable to equity holders of the Parent Company</b>		
Called up share capital	21	3,559
Share premium account		16,043
Merger reserve		9,971
Other reserves		(1,417)
Currency translation reserve		906
Retained earnings		12,269
<b>Total equity</b>	41,331	38,877

The Financial Statements on pages 70 to 105 were approved and authorised for issue by the Board of Directors on 3 March 2025 and were signed on its behalf by:

**Amanda Larnder**  
Chief Executive Officer and Chief Financial Officer  
Company number: 01740011

## Consolidated Statement of Changes in Equity

For the year ended 30 November 2024

	Called up share capital	Share premium account	Merger reserve	Other reserves	Currency translation reserve	Retained earnings	Total
	£000	£000	£000	£000	£000	£000	£000
At 1 December 2022	3,559	16,043	9,971	(1,436)	940	7,925	37,002
Profit for the year	-	-	-	-	-	2,163	2,163
<b>Other comprehensive income</b>							
Currency translation adjustment	-	-	-	-	(28)	-	(28)
<b>Total other comprehensive income</b>	-	-	-	-	(28)	-	(28)
<b>Total comprehensive income for the year</b>	-	-	-	-	(28)	2,163	2,135
<b>Transactions with owners in their capacity as owners</b>							
Dividends paid	-	-	-	-	-	(338)	(338)
Share scheme interests realised in the year	-	-	-	-	-	-	-
Credit in relation to share-based payments (note 23)	-	-	-	-	-	78	78
At 30 November 2023	3,559	16,043	9,971	(1,436)	912	9,828	38,877
Profit for the year	-	-	-	-	-	3,179	3,179
<b>Other comprehensive income</b>							
Currency translation adjustment	-	-	-	-	(36)	-	(36)
Tax relating to components of other comprehensive income	-	-	-	-	30	-	30
<b>Total other comprehensive income</b>	-	-	-	-	(6)	-	(6)
<b>Total comprehensive income for the year</b>	-	-	-	-	(6)	3,179	3,173
<b>Transactions with owners in their capacity as owners</b>							
Dividends paid	-	-	-	-	-	(845)	(845)
Share scheme interests realised in the year	-	-	-	19	-	-	19
Credit in relation to share-based payments (note 23)	-	-	-	-	-	107	107
<b>At 30 November 2024</b>	<b>3,559</b>	<b>16,043</b>	<b>9,971</b>	<b>(1,417)</b>	<b>906</b>	<b>12,269</b>	<b>41,331</b>

## Consolidated Cash Flow Statement

For the year ended 30 November 2024

	2024 £000	2023 £000
<b>Cash flows from operating activities</b>		
Profit for the year	3,179	2,163
Income tax charge	995	490
Finance income	(25)	-
Finance costs	112	101
Depreciation and amortisation charge	1,360	1,779
Net foreign exchange differences	191	318
Non-underlying items	531	302
Inventory write down	-	316
Cash flow relating to non-underlying items incurred in current or previous years	(366)	(539)
Movement in provisions and other non-cash movement	3	41
Share-based payment charge	107	78
<b>Operating cash inflow before movement in working capital</b>	<b>6,087</b>	<b>5,049</b>
Increase in inventories	(4,292)	(1,166)
Decrease / (increase) in receivables and contract assets	1,132	(5,686)
Increase in payables and contract liabilities	5,636	4,403
<b>Cash generated from operations</b>	<b>8,563</b>	<b>2,600</b>
Tax (paid) / received	(47)	434
<b>Net cash generated from operating activities</b>	<b>8,516</b>	<b>3,034</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(407)	(273)
Capitalised development costs	(1,193)	(950)
Purchased software	(326)	(171)
<b>Net cash used in investing activities</b>	<b>(1,926)</b>	<b>(1,394)</b>
<b>Cash flows from financing activities</b>		
Lease payments	(754)	(835)
Interest received	25	-
Other interest paid	(33)	(13)
Dividends paid to equity holders of the parent	(845)	(338)
<b>Net cash used in financing activities</b>	<b>(1,607)</b>	<b>(1,186)</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,983</b>	<b>454</b>
<b>Effect of exchange rates on cash and cash equivalents</b>	<b>(28)</b>	<b>(106)</b>
Cash and cash equivalents at the beginning of the year	4,604	4,256
<b>Cash and cash equivalents at the end of the year</b>	<b>9,559</b>	<b>4,604</b>



# Notes to the Consolidated Financial Statements

For the year ended 30 November 2024

## 1 Principal accounting policies

### General information

Synectics plc (the 'Company') is a public limited company incorporated in England and Wales and domiciled in the UK and is listed on AIM. The Company's registered address is at Synectics House, 3-4 Broadfield Close, Sheffield S8 0XN. The main activities of the Company and its subsidiaries (the 'Group') are the provision of specialist video based electronic surveillance systems and technology, for use in high security applications, extreme or hazardous environments, and integrated transport applications.

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been applied consistently to all the periods presented unless otherwise stated.

### Basis of preparation

These financial statements have been prepared in accordance with UK-adopted International Accounting Standards ('IAS') in conformity with the requirements of the Companies Act 2006. The Company has elected to prepare its Parent Company financial statements in accordance with Financial Reporting Standard ('FRS') 101 'Reduced Disclosure Framework'; these are presented on pages 106 to 113. The Consolidated Financial Statements of the Group as at and for the year ended 30 November 2024 comprise the Company and its subsidiaries.

These financial statements have been prepared using the historical cost convention except where the measurement of balances at fair value is required as set out below. The following policies are those that the Group considers to be its principal accounting policies in respect of its consolidated results. The Consolidated Financial Statements are presented in GBP, which is the functional currency of the Group, and the Financial Statements are rounded to the nearest thousand (£000).

The following new standards became applicable to the Group for the current reporting period and the Group changed its accounting policies and where applicable, made retrospective adjustments as a result of adopting:

- amendments to IAS 12: 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction';
- amendments to IAS 8: 'Definition of Accounting Estimates'; and
- amendments to IAS 1 and IFRS Practice Statement 2: 'Disclosure of Accounting Policies';

The amendments above did not have a material impact on the Financial Statements.

### New standards and interpretations not yet adopted

Accounting standards that have recently been issued or amended but are not yet mandatory have not been early adopted by the Group for the annual reporting period ended 30 November 2024.

The following standards and interpretations are relevant and applicable in future periods but are not expected to have a significant impact on the Consolidated Financial Statements:

- amendments to IAS 1: 'Classification of Liabilities as Current or Non-Current';
- amendments to IAS 21: 'Lack of Exchangeability';
- amendments to IFRS 16: 'Leases – Lease Liability in a Sale and Leaseback';
- amendments to IFRS 9 and IFRS 7: 'Amendments to classification and Measurement of Financial Instruments';
- amendments to IFRS 19: 'Subsidiaries without Public Accountability';
- amendments to IFRS 18: 'Presentation and Disclosure in Financial Statements';
- Disclosures: 'Supplier Finance Arrangements'; and
- Annual improvements to IFRS Accounting Standards – Volume 11

### Basis of consolidation

The Consolidated Financial Statements incorporate the assets and liabilities of all subsidiaries of Synectics Plc as at 30 November 2024 and the results of all its subsidiaries for the year then ended. Synectics Plc and its subsidiaries together are referred to in these financial statements as the 'consolidated entity' or 'the Group'.

### Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The Financial Statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases.

### Change in subsidiary ownership and loss of control

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Where the Group loses control of a subsidiary, the assets and liabilities are derecognised along with any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

### Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

### Foreign currency

The individual financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the Consolidated Financial Statements, the results and financial position of each Group entity are expressed in sterling (£), which is the presentation currency for the Consolidated Financial Statements.

In preparing the Financial Statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each Statement of Financial Position date, monetary items denominated in foreign currencies are retranslated at the prevailing rates. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in the Consolidated Income Statement in the period in which they arise.

Exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the translation reserve, to the extent that the hedge is effective, with any non-effective element being recognised in the profit or loss account. When the hedged part of a net investment is disposed of, the associated cumulative amount in equity is recycled to profit or loss as an adjustment to the profit or loss on disposal.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in sterling using exchange rates prevailing at the Statement of Financial Position date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified as equity and recognised in the Group's foreign currency translation reserve. Such exchange differences are recognised in the Consolidated Income Statement in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are held in the functional currency of those operations, are treated as assets and liabilities of the foreign operation and translated at the rates prevailing at the Statement of Financial Position date.

### Going concern

The Directors have considered the Group's current activities and future prospects, financial performance, liquidity position and risks and uncertainties affecting the business, which are set out in the Strategic Report, in assessing the appropriateness of the going concern assumption. The Directors continue to monitor the effects of global events on the business and will react accordingly if any material risks arise.

When assessing the going concern assumption, the Directors have reviewed the year-to-date actual results, as well as detailed financial forecasts and the Group's funding position for the period through to August 2026. This review includes in-depth scenario modelling and stress testing of budget and strategy planning.

Opportunities continue to emerge in the gaming sector, particularly in Asian and North American markets. Synectics' credentials are reinforced through high profile wins in 2024, bolstered by the appointment of a new, senior sales resource.

Oil & Gas remains highly active, generating very significant levels of pipeline opportunity. Our approach of leveraging existing relationships and developing new, cutting-edge digital solutions, alongside seeking procurement and cost engineering savings, will ensure we are a technological leader, whilst remaining price competitive.

Public Space, Transport & Infrastructure continues to be an active, competitive sector, with opportunities to grow our share in the On-Vehicle market through both new customers and new propositions, alongside ongoing activity in Utilities and contracts in aligned sectors such as Emergency Services, NHS and Universities.

Investment in both people and products in 2025, with a view to expanding our presence in existing and aligned sectors, reflects confidence in the external market opportunity and Synectics' ability to exploit this.

### Forecasting and stress testing

The Directors have undertaken a rigorous budgeting and forecasting process with management to understand the impact of the economic environment on the future of the Group. The assumptions used in the financial forecasts are based on recent financial performance, management's extensive industry experience and reflect expectations of future market conditions.

The base case shows a positive cash balance throughout the year with no requirement to utilise the £3 million overdraft facility. Sensitivity and stress testing has been performed on the base case model; various plausible but severe downside scenarios were applied which considered general downturns resulting in reductions in revenue and margins and the related impact on working capital. Under these downsides, the Directors have not considered any mitigating factors that would be applied. The scenario testing applied confirmed that, even with no mitigating factors, the overdraft facility would not need to be utilised and that there would be sufficient headroom within the facility throughout the outlook period. The base case was then reverse stress tested and the level of deterioration required for the Group to become close to the banking headroom was deemed to be highly unlikely.

# Notes to the Consolidated Financial Statements

For the year ended 30 November 2024

## Cash and funding position

Positive cash balances were maintained throughout the year and ended the year at £9.6 million (2023: £4.6 million). Undrawn overdraft facilities of £3 million were held throughout the year. Despite the central forecast indicating that the Group should not need to draw upon the overdraft facilities for the foreseeable future, management is in the process of renewing, as a matter of prudence, the overdraft facility of £3 million with HSBC Bank until February 2026. Whilst the renewal process is still underway at the time of signing these accounts, the bank has indicated that the facilities are expected to renew as previously.

## Conclusion

Based on the analysis above, the Group has sufficient liquidity headroom throughout the forecast period and therefore the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the outlook period without material uncertainty. Accordingly, the Directors conclude it is appropriate to continue to adopt the going concern basis in preparing the Financial Statements.

## Goodwill

Goodwill is recorded at cost, being the excess of the cost of acquisition over the fair value at the date of acquisition of the Group's share of identifiable assets, liabilities and contingent liabilities, less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units ('CGUs') expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill would not be reversed in a subsequent period.

## Revenue

Revenue represents income derived from contracts for the provision of goods and services, over time or at a point in time, by the Group, to customers in exchange for consideration in the ordinary course of the Group's activities.

## Performance obligations

Upon approval by the parties to a contract, the contract is assessed to identify each promise to transfer either a distinct good or service. Goods and services are distinct and accounted for as separate performance obligations in the contract if the customer can benefit from them either on their own or together with other resources that are readily available to the customer and they are separately identifiable in the contract.

The Group has determined that most of its contracts (both installation and maintenance) include a single performance obligation as the promises within the contracts are generally not separately identifiable within the contract.

The Group provides warranties to its customers to give them assurance that its products will function in line with agreed-upon specifications. Warranties only represent separate performance obligations where they are deemed to be service-type warranties.

## Transaction price

At the start of the contract, the total transaction price is estimated as the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods and services to the customer, excluding sales taxes. Variable consideration, such as discounts, liquidated damages or penalties, is included based on the expected value or most likely amount only to the extent that it is highly probable that there will not be a reversal in the amount of cumulative revenue recognised. The transaction price does not include estimates of consideration resulting from contract modifications, such as change orders, until they have been approved by the parties to the contract. The total transaction price is allocated to the performance obligations identified in the contract in proportion to their relative stand-alone selling prices.

## Revenue and profit recognition

Revenue is recognised as performance obligations are satisfied as control of the goods and services is transferred to the customer.

For each performance obligation within a contract, the Group determines whether it is satisfied over time or at a point in time. Performance obligations are satisfied over time if one of the following criteria is satisfied:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as it performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and it has an enforceable right to payment for performance completed to date.

The Group has determined that most of its contracts satisfy the over time criteria, either because the customer simultaneously receives and consumes the benefits provided by the Group's performance as it performs (typically support or maintenance contracts) or the Group's performance does not create an asset with an alternative use to the Group and it has an enforceable right to payment for performance completed to date (typically installation contracts).

For each performance method to be recognised over time, the Group recognises revenue using an input method, based on costs incurred or as a proportion of estimated total contract costs or physical proportion of contract work completed in relation to the total. Revenue and attributable margin are calculated by reference to reliable estimates of transaction price and total expected costs and are therefore recognised progressively as costs are incurred or work is completed.

If the over time criteria for revenue recognition are not met, revenue is recognised at the point in time that control is transferred to the customer, which is usually when legal title passes to the customer and the business has the right to payment.

If it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense.

## Software licences

The Group has determined that sales of software licences are not distinct within the context of the contract and are not the predominant component of the combined performance obligation. Therefore, revenue in relation to software licences is recognised as part of the single performance obligation.

## Contract modifications

The Group's contracts can be amended for changes in customers' requirements and specifications. A contract modification exists when the parties to the contract approve a modification that either changes existing or creates new enforceable rights and obligations. The effect of a contract modification on the transaction price and the Group's measure of progress towards the satisfaction of the performance obligation to which it relates is recognised in one of the following ways:

1. prospectively, as an additional, separate contract;
2. prospectively, as a termination of the existing contract and creation of a new contract; or
3. as part of the original contract using a cumulative catch-up.

The majority of the Group's contract modifications are treated in line with point 3 above (for example, a change in the specification of the distinct goods or services for a partially completed contract), although the facts and circumstances of any contract modification are considered individually as the types of modifications will vary contract by contract and may result in different accounting outcomes.

## Warranty arrangements

The Group provides both assurance and service-type warranties. Assurance-type warranties are accounted for in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'; an estimate of costs is expensed as a provision. Revenue in relation to service-type warranties is deferred over the term of the warranty and no cost provision is made.

## Costs of obtaining a contract

The incremental costs of obtaining a contract with a customer are recognised as an asset if the Group expects to recover them. The Group incurs costs such as bid cost, legal fees and sales commission when it enters into a new contract.

Judgement is applied by the Group when determining what costs qualify to be capitalised in particular when considering whether these costs are incremental and whether they are expected to be recoverable. For example, the Group considers which type of sales commissions are incremental to the cost of obtaining specific contracts and the point in time when the costs will be capitalised.

The Group applies the practical expedient within IFRS 15 not to capitalise costs on contracts that are less than one year in length.

Costs incurred prior to winning a contract are not capitalised, but expensed as incurred.

## Contract balances

An unconditional right to consideration is disclosed as a receivable and a conditional right to consideration is disclosed separately as a contract asset. In addition, any obligation of the Group to transfer goods or services to a customer for which consideration has already been received is disclosed separately as a contract liability.

## Retirement benefit costs

Group employees are members of various pension schemes, all of which operate on a money purchase basis. Contributions to these schemes are charged to the Consolidated Income Statement as an expense when employees have rendered service entitling them to the contributions.

## Share-based payments

In accordance with IFRS 2, equity-settled share-based payments are measured at fair value at the date of grant. The fair value is recognised as an employee expense on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest. The fair value of the options granted is calculated using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted, with an adjustment, based on a Monte Carlo simulation, to reflect the percentage reduction necessary as a result of the market-based performance conditions.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction.



# Notes to the Consolidated Financial Statements

For the year ended 30 November 2024

Transactions of the Company-sponsored Executive Shared Ownership Plan are treated as being those of the Company and are therefore reflected in the Company and Consolidated Financial Statements. In particular, the scheme's purchases of shares in the Company are debited directly to equity, within 'Other reserves'.

## Taxation

The income tax credit/expense is the sum of current tax and deferred tax.

### Current tax

The tax currently payable is based on taxable profit/(loss) for the year. Taxable profit/(loss) differs from profit/(loss) as reported in the Consolidated Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

### Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the Statement of Financial Position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Statement of Financial Position date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to income taxes levied by the same taxation authority, and the Group intends to settle its tax assets and liabilities on a net basis.

### Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in the Consolidated Income Statement, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

### Non-underlying items

The Group discloses certain financial information both including and excluding non-underlying items. The presentation of information excluding non-underlying items allows a better understanding of the underlying trading performance of the Group and provides consistency with the Group's internal management reporting. Non-underlying items are identified by virtue of their size, nature or incidence and the Directors consider that these items should be separately identified so as to facilitate comparison with prior periods and to assess the underlying trends in the financial performance of the Group.

### Current and non-current classification

Assets and liabilities are presented in the Consolidated Statement of Financial Position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

## Dividends

Dividends proposed by the Directors and unpaid at the end of the year are not recognised in the financial statements until they have been approved by shareholders at a general meeting of the Company. Interim dividends are recognised when they are paid.

## Property, plant and equipment

All property, plant and equipment (including right of use assets) are stated at cost less accumulated depreciation

Depreciation is calculated so as to write off the cost of property, plant and equipment, other than freehold land which is not depreciated, less their estimated residual values, on a straight-line basis over the estimated useful life, commencing on the first day of the month after being brought into use. The principal annual rates used for this purpose are:

- Freehold buildings – 2%
- Leasehold property and right of use assets – the shorter of the term of the lease or the useful economic life of the asset
- Plant, machinery and equipment – 10% to 33%

Residual values, remaining useful lives and depreciation methods are reviewed annually and adjusted if appropriate.

Gains or losses on disposal are included in the Consolidated Income Statement.

## Research & development costs

Research costs are expensed as incurred in the Consolidated Income Statement.

Development costs are capitalised and held as 'Intangible assets' in the Consolidated Statement of Financial Position when the costs relate to a clearly defined project; the costs are separately identifiable; the outcome of such a project has been assessed with reasonable certainty as to its technical feasibility and its ultimate commercial viability; the aggregate of the deferred costs plus all future expected costs in bringing the product to market is exceeded by the future expected sales revenue; and adequate resources are expected to exist to enable the project to be completed. Amortisation is charged to operating expenses over the useful life of the product, from the commencement of commercial sales, which is usually over a period of three to five years.

Amortisation periods and methods are reviewed annually and adjusted if appropriate.

This policy includes judgements regarding the initial recognition of the asset based upon market research and expected future net revenues. It also includes estimations regarding the period of amortisation.

Development costs that do not meet these criteria are expensed to the Consolidated Income Statement as incurred.

## Other intangible assets

Other intangible assets, such as purchased computer software and acquired intangibles, are shown at historical cost less accumulated amortisation and impairment losses.

Amortisation is charged to operating expenses in the Consolidated Income Statement on a straight-line basis from the date the assets are available for use over the estimated useful lives of the intangible asset. The useful life of purchased software is three to five years.

Amortisation periods and methods are reviewed annually and adjusted if appropriate.

## Impairment of tangible and intangible assets

At each Statement of Financial Position date, the Group reviews the carrying amounts of its tangible and intangible assets, other than goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the Cash Generating Unit ('CGU') to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

The future cash flows used in the value-in-use calculations are based on the latest five-year financial plans approved by the Board. Expectations about future growth reflect the expectations of growth in the markets in which the CGU operates. The discount rate is derived from the Group's post-tax weighted average cost of capital, which is assessed each year. The discount rate used in each CGU is adjusted for the risk specific to that CGU. The Directors perform sensitivity analysis to determine whether any reasonably possible change in the key assumptions on which the recoverable amounts are based would cause the CGUs' carrying amounts to exceed the recoverable amounts.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised immediately in income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in income. Goodwill is assessed for impairment on an annual basis.

# Notes to the Consolidated Financial Statements

For the year ended 30 November 2024

## Inventories

Inventories are valued at the lower of cost and net realisable value on a first in first out basis. In the case of finished goods, cost includes all direct expenditure and production overheads based on the normal level of activity. Where necessary, an appropriate allowance is made for obsolete, slow-moving and defective inventories.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## Provisions

Provisions are recognised in the Consolidated Statement of Financial Position when there is a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the Statement of Financial Position date, taking into account the risks and uncertainties surrounding the obligation.

## Warranty provisions

The Group provides both assurance and service-type warranties. Assurance-type warranties are accounted for in accordance with IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'; an estimate of costs is expensed as a provision. Revenue in relation to service-type warranties is deferred over the term of the warranty and no cost provision is made.

## Dilapidations provisions

Dilapidations are recognised where there is a present obligation to repair and restore leased properties to their pre-occupancy state at the end of the lease term. The provision is based on best estimates for individual properties, with reference to previous experience and size of leased property. The term is measured in accordance with the outstanding length of leases or the expected timing of specific obligations.

## Financial instruments

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Hedge accounting is undertaken by the Group in respect of a balance sheet hedge of a net investment in a foreign subsidiary.

## Financial assets

### Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits and bank current accounts.

### Trade and other receivables and contract assets

Trade receivables and contract assets are initially recognised at fair value; they are subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. The carrying amount of these balances approximates to fair value due to the short maturity of amounts receivable.

Trade and other receivables and contract assets are assessed for impairment using an expected credit loss ('ECL') model. The Group applies a simplified approach in calculating ECLs; therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs, at initial recognition and at each subsequent reporting date. The Group has established a provision matrix that is based on its historical experience over a period of 24 months before 30 November 2024, adjusted for forward-looking factors such as the economy and particular market issues. All reasonable and supportable information that is relevant and available without undue cost or effort is considered. The provision rates are based on days past due for groupings of various customer segments (i.e. by geography and business activities). Once recognised, trade receivables and contract assets are continuously monitored and updated.

### Forward contracts

The Group enters into forward contracts from time to time in order to mitigate the Group's exposure to the risk arising from fluctuation in currency exchange rates. Open forward contracts are measured at fair value through profit and loss. There were no forward contracts at in place during the current or prior year.

## Financial liabilities

### Trade and other payables and lease liabilities

Trade and other payables and lease liabilities are initially recognised at fair value. Subsequent to initial recognition, they are measured at amortised cost. The carrying amount of these balances approximates to fair value due to the short maturity of amounts payable.

### Loans and borrowings

Loans and borrowings comprise bank overdrafts.

## Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously. To meet these criteria, the right of set-off must not be contingent on a future event and must be legally enforceable in all of the following circumstances: the normal course of business, the event of default and the event of insolvency or bankruptcy of the Group and all of the counterparties.

## Leases

The Group considers whether a contract is (or contains) a lease, defined as "a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration". In applying this definition the Group assesses whether the contract meets three key evaluations, which are whether: (a) the contract contains an identified asset either explicitly identified in the contract or implicitly by being identified at the time the asset is made available for use; (b) the Group obtains substantially all economic benefits throughout the period of use; and (c) the Group has the right to direct the use of the asset.

Upon lease commencement, the Group recognises a right of use ('ROU') asset and a lease liability. The ROU asset is recognised at cost, consisting of the initial measurement of the lease liability, any direct costs incurred in arranging the lease and any net payments made in advance of commencement. The Group depreciates the ROU asset on a straight-line basis from commencement to the earlier of the end of its useful life or the end of the lease term. The Group assesses the ROU asset for impairment when any indicators are present. At commencement, the Group measures the lease liability as the present value of future lease payments, discounted at the interest rate implicit in the lease (if readily available) or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability consist of fixed payments and amounts arising from options that are reasonably certain to be exercised. Service payments are recognised in the Consolidated Income Statement in line with their usage. Subsequent to initial measurement, the liability will be reduced by the value of payments made and increased by accrued interest.

The Group has used the election not to apply IFRS 16 to short-term leases or leases of low-value assets. Payments in relation to these are expensed on a straight-line basis over the lease term.

The Group has elected to apply the practical expedient in IFRS 16 paragraph 15 not to separate non-lease components such as service charges from lease rental charges.

## Critical accounting estimates and judgements

The preparation of the financial statements in conformity with IFRS, requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements, estimates and associated assumptions based on historical experience and on other various factors, including expectations of future events that management believes to be reasonable under the circumstances. As the use of estimates is inherent in financial reporting, actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if both current and future periods are affected.

Management has discussed its significant estimates and associated disclosures with the Audit Committee. The judgements, estimates and assumptions that have significant risk of causing a material adjustment to the financial statements or are areas involving a higher degree of judgement or complexity are described below:

## Estimates

### Revenue recognition

The ultimate profitability of contracts is based on estimates of revenue and costs which are reliant on the knowledge and experience of the Group's project managers and finance and commercial professionals. Material changes in these estimates could affect the timing of profitability of individual contracts. Revenue and cost estimates are reviewed and updated monthly.

### Impairment of goodwill

Goodwill recognised in a business combination does not generate cash flows independently of other assets or groups of assets. As a result, the recoverable amount, being the value in use, is determined at a CGU level. The determination of the CGU is judgemental and for goodwill impairment purposes represents the lowest level within the business at which the goodwill is monitored for internal management purposes and cannot be larger than an operating segment. The relevant CGUs are deemed to be Synectic Systems and Ocular which are no larger than the segments identified in the Group's segmental reporting.

Determining whether goodwill is impaired requires an estimation of the value in use of the CGUs to which goodwill is allocated. The value-in-use calculation includes estimates about future financial performance and long-term growth rates and requires management to select a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used in the impairment review and sensitivity analysis are disclosed in note 14 to the Consolidated Financial Statements.



# Notes to the Consolidated Financial Statements

For the year ended 30 November 2024

## Judgements

### Revenue recognition

The Group determined that the promises within its contracts are not distinct within the context of the contract. The Group is providing a significant integration service which results in additional or combined functionality. In addition, the promises are highly inter-related. Consequently, the Group has determined that most of its contracts include a single performance obligation.

### Provisions

Judgement is required in assessing the level of provisions required against assets, including slow-moving and potentially obsolete inventory, and for liabilities including onerous property obligations and warranties. The Directors use information available at the balance sheet date to determine the level of provisions required and consider whether further information received after the balance sheet date impacts these provisions.

### Non-underlying items

Judgement is required in determining which items, by virtue of their size, nature or incidence, should be separately identified and disclosed as non-underlying items. The Directors assess which items of a non-recurring nature detailed in the Group's internal management reporting are of sufficient significance as to warrant separate presentation to provide a better understanding of the trading performance of the Group.

### Share-based payments

In determining the fair value of equity-settled share-based payments and the related charge to the Consolidated Statement of Comprehensive Income, the Group makes assumptions about future events and market conditions. Judgement must be made as to the likely number of shares that will vest and the fair value of each award granted. The fair value is determined using the Black Scholes valuation model. At each year end, the Group revises its estimate of the number of options that are expected to become exercisable. It recognises the impact of the revision of the original estimates, if any, in the Consolidated Statement of Comprehensive Income with a corresponding adjustment to equity.

### Recognition of deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

### Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

## 2 Segmental analysis

For management purposes, the Group is organised into business units as follows:

- Synectic Systems (previously Systems), which develops and delivers its proprietary, technology-led solutions to specialist markets globally – including oil & gas, gaming, transport, critical infrastructure and public space – through local systems integrators and channel partners. Capabilities centre around a proprietary software platform, Synergy, that is tailored to the unique requirements of each client; and specialist hardware for oil & gas markets.
- Ocular (previously Security), which delivers integrated solutions, service and support directly to end-users in the UK and Ireland – principally within public space, transport, and national infrastructure – utilising a combination of proprietary technology and third-party products.

The operating segment reporting format reflects the differing economic characteristics and nature of the services provided by the Group and is the basis on which strategic and operating decisions are made by the Chief Operating Decision Maker ('CODM').

The Executive Directors are the CODM as they monitor the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the Consolidated Financial Statements. Intersegment transactions were made at market rate and relate to the sale of equipment and licences by Synectic Systems to Ocular and are eliminated on consolidation.

	2024				2023			
	Synectic Systems	Ocular	Central	Total	Synectic Systems	Ocular	Central	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Revenue</b>								
External customers	35,881	21,349	–	57,230	32,015	18,261	–	50,276
Intra-Group	(1,421)	–	–	(1,421)	(1,148)	–	–	(1,148)
	<b>34,460</b>	<b>21,349</b>	<b>–</b>	<b>55,809</b>	<b>30,867</b>	<b>18,261</b>	<b>–</b>	<b>49,128</b>
<b>Expenses</b>								
Cost of inventories recognised as an expense	(12,114)	(10,850)	(81)	(23,045)	(11,896)	(9,144)	(1)	(21,041)
Employee benefit expenses	(11,416)	(5,650)	(2,007)	(19,073)	(9,739)	(5,231)	(1,678)	(16,648)
Amortisation of intangible assets	(380)	(2)	(9)	(391)	(707)	(1)	(7)	(715)
Depreciation of tangible assets – owned	(199)	(42)	(39)	(280)	(244)	(30)	(31)	(305)
Depreciation of tangible assets – right of use	(443)	(246)	–	(689)	(575)	(184)	–	(759)
Net foreign exchange losses	(171)	11	(40)	(200)	(327)	(1)	4	(324)
Movement in inventories provision recognised as an expense	(290)	(40)	–	(330)	(213)	(103)	–	(316)
Rental income received	–	46	–	46	–	50	–	50
Payroll support	242	–	–	242	–	–	–	–
Other	(3,621)	(2,987)	(689)	(7,297)	(3,115)	(2,317)	(582)	(6,014)
<b>Underlying operating profit</b>	<b>6,068</b>	<b>1,589</b>	<b>(2,865)</b>	<b>4,792</b>	<b>4,051</b>	<b>1,300</b>	<b>(2,295)</b>	<b>3,056</b>
<b>Non-underlying items</b>								
Legal costs	–	–	–	–	(156)	–	(51)	(207)
Write-off of deferred consideration	–	(100)	–	(100)	–	–	–	–
Pension buy-out costs	–	–	(21)	(21)	–	–	(81)	(81)
Restructuring and transformation costs	(250)	(103)	(57)	(410)	(10)	–	(4)	(14)
<b>Total operating profit</b>	<b>5,818</b>	<b>1,386</b>	<b>(2,943)</b>	<b>4,261</b>	<b>3,885</b>	<b>1,300</b>	<b>(2,431)</b>	<b>2,754</b>
Total assets	24,912	10,455	–	35,367	24,031	9,019	–	33,050
Total liabilities	(17,132)	(6,131)	–	(23,263)	(12,814)	(5,744)	–	(18,558)
Total segmental net assets	7,780	4,324	–	12,104	11,217	3,275	–	14,492
Goodwill	–	–	19,645	19,645	–	–	19,653	19,653
Cash and borrowings	–	–	9,559	9,559	–	–	4,604	4,604
Unallocated	–	–	23	23	–	–	128	128
<b>Total net assets</b>	<b>7,780</b>	<b>4,324</b>	<b>29,227</b>	<b>41,331</b>	<b>11,217</b>	<b>3,275</b>	<b>24,385</b>	<b>38,877</b>

Payroll support is a Covid related employee retention credit received in the US

No single customer contributed 10% or more to the Group's revenues in either year.

Net assets attributed to each business segment represent the net external operating assets of the respective businesses excluding goodwill, bank balances and debt which are shown as unallocated amounts, together with Central assets and liabilities.

# Notes to the Consolidated Financial Statements

For the year ended 30 November 2024

	2024			2023		
	Revenue	Total non-current assets	Capital additions	Revenue	Total non-current assets	Capital additions
By geographical segment	£000	£000	£000	£000	£000	£000
UK and Europe	31,072	25,671	2,445	27,140	24,403	1,327
North America	7,141	99	33	5,001	113	120
Middle East & Africa	7,214	–	–	4,988	–	–
Asia-Pacific	10,382	279	81	11,999	351	406
	<b>55,809</b>	<b>26,049</b>	<b>2,559</b>	<b>49,128</b>	<b>24,867</b>	<b>1,853</b>

### 3 Revenue from contracts with customers

#### Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Revenue by contract location 2024	Synectic Systems	Ocular	2024
	£000	£000	£000
UK and Europe	9,781	21,291	31,072
North America	7,141	–	7,141
Middle East & Africa	7,165	49	7,214
Asia-Pacific	10,373	9	10,382
	<b>34,460</b>	<b>21,349</b>	<b>55,809</b>

Revenue by contract location 2023	Synectic Systems	Ocular	2023
	£000	£000	£000
UK and Europe	9,127	18,013	27,140
North America	5,001	–	5,001
Middle East & Africa	4,750	238	4,988
Asia-Pacific	11,989	10	11,999
	<b>30,867</b>	<b>18,261</b>	<b>49,128</b>

Set out below is a reconciliation of the timing of revenue showing goods transferred at a point in time and services transferred over time:

Timing of revenue recognition 2024	Synectic Systems	Ocular	2024
	£000	£000	£000
Revenue transferred at a point in time	6,886	10,321	17,207
Revenue transferred over time	27,574	11,028	38,602
Intra-Group	1,421	–	1,421
	<b>35,881</b>	<b>21,349</b>	<b>57,230</b>

Timing of revenue recognition 2023	Synectic Systems	Ocular	2023
	£000	£000	£000
Revenue transferred at a point in time	8,067	7,198	15,265
Revenue transferred over time	22,800	11,063	33,863
Intra-Group	1,148	–	1,148
	<b>32,015</b>	<b>18,261</b>	<b>50,276</b>

### Contract balances

	2024	2023
	£000	£000
Contract assets	5,378	6,954
Contract liabilities	(6,428)	(3,033)

Contract assets relate to revenue earned from ongoing contracts not yet invoiced. Contract liabilities relate to payments in advance of revenue recognition in relation to ongoing projects and multi-year service and maintenance contracts. As such, the balance on these accounts varies and depends on: (i) the number of ongoing projects at the year-end; and (ii) the timing of payments under the terms of each individual contract, with payment sometimes before and sometimes after satisfaction of the corresponding performance obligation.

The decrease of £1.6m in contract assets is mainly driven by the reduction in projects ongoing at the year-end within Ocular.

The £3.4m increase in contract liabilities is mainly driven by advanced invoicing on a large project within Synectic Systems.

No expected credit loss has been recognised in relation to the contract assets as the Group's historical and forward-looking experience shows that no credit losses have been incurred.

£2.2 million (2023: £1.6 million) of the contract liabilities balance at 1 December 2023 was recognised as revenue during the year. No revenue was recognised in the current year in relation to performance obligations satisfied, or partially satisfied in previous years.

#### Performance obligations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 November 2024 that are expected to be recognised over more than one year is £3.5 million (2023: £5.9 million). These performance obligations relate predominantly to the provision of service and maintenance contracts and are as follows:

	2024	2023
	£000	£000
Less than two years	1,786	3,326
Two to five years	1,660	2,043
More than five years	55	569

The Group has taken advantage of the practical expedient within IFRS 15 not to disclose the amount of the remaining performance obligations for contracts with original expected duration of less than one year.

### 4 Net operating expenses

	2024	2023
	£000	£000
Distribution costs	343	293
Administrative expenses (before non-underlying items)	18,808	16,658
Non-underlying items (note 5)	531	302
Total administrative expenses	19,339	16,960
	<b>19,682</b>	<b>17,253</b>

Net operating expenses and net operating profit are after charging £2,501,000 (2023: £2,224,000) in relation to research and development costs.



# Notes to the Consolidated Financial Statements

For the year ended 30 November 2024

## 5 Non-underlying items

	2024	2023
	£000	£000
Costs associated with legal matters	–	207
Costs associated with restructuring and transformation	410	14
Write-off of deferred consideration	100	–
Costs associated with the buy-out of the defined benefit pension scheme	21	81
	<b>531</b>	<b>302</b>

Costs associated with legal matters in 2023 relate to a confidential legal matter in the US which has now been settled.

Costs associated with restructuring and transformation relate to team restructures and third party transformational support aimed at enhancing operational efficiency and positioning the company for the future.

As at 30 November 2022, a deferred consideration asset was recognised in relation to the contingent consideration payable on the sale of SSS Management Services Ltd ('SSS'). The consideration was contingent on certain performance criteria of SSS in the twelve months following the sale, which have not been met. Therefore, the consideration will no longer be received, and the asset has been written off.

Costs associated with the buy-out of the defined benefit pension scheme represent costs incurred by the Group in relation to winding up the scheme, which has now been fully wound up.

## 6 Auditor's remuneration

	2024	2023
	£000	£000
Fees payable to the Company's auditor for the audit of the Company's annual accounts	106	70
Fees payable to the Company's auditor for other services to the Group:		
– the audit of the Company's subsidiaries pursuant to legislation	158	155
Non-audit services	–	4
	<b>264</b>	<b>229</b>

## 7 Staff costs and Directors' remuneration

The average number of persons (including Executive Directors) employed by the Group during the year was:

	2024	2023
	Number	Number
Reportable segment (see note 2)		
Synectic Systems	172	153
Ocular	96	94
Central	24	22
	<b>292</b>	<b>269</b>

	2024	2023
	£000	£000
Staff costs		
Wages and salaries	16,670	14,530
Social security costs	1,628	1,432
Pension costs	668	608
Share-based payment charge (note 23)	107	78
	<b>19,073</b>	<b>16,648</b>

The Directors consider that the key management personnel of the business comprises its Board of Directors, whose remuneration is shown in the Remuneration Committee Report on pages 57 to 60. Details of the remuneration for key management personnel are set out in note 25.

## 8 Finance income

	2024	2023
	£000	£000
Other interest	4	–
Bank interest	21	–
	<b>25</b>	<b>–</b>

## 9 Finance costs

	2024	2023
	£000	£000
Other interest payable	33	13
Interest payable on lease liabilities	79	88
	<b>112</b>	<b>101</b>

## 10 Taxation

	2024	2023
	£000	£000
Tax charge		
<b>Current income tax</b>		
UK tax	–	–
Overseas tax	346	91
Adjustments in respect of prior periods	(96)	–
<b>Total current tax charge</b>	<b>250</b>	<b>91</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	727	431
Adjustments in respect of prior periods	18	(32)
<b>Total deferred tax charge</b>	<b>745</b>	<b>399</b>
<b>Income tax charge reported in the consolidated income statement</b>	<b>995</b>	<b>490</b>

Further analysed as tax relating to:

Underlying profit	1,049	559
Non-underlying items	(54)	(69)

# Notes to the Consolidated Financial Statements

For the year ended 30 November 2024

## Reconciliation of tax charge for the year

The corporation tax assessed for the year differs from the standard rate of corporation tax in the UK of 25% (2023: 23%). The differences are explained below:

	2024	2023
	£000	£000
Profit before tax	4,174	2,653
Tax on profit on ordinary activities before tax at standard rate of 25% (2023: 23%)	1,044	610
Effects of:		
Differences in overseas tax rates	(172)	(98)
Tax losses not recognised	84	125
Utilisation of previously unrecognised tax losses	(2)	(94)
Research and development	(99)	(83)
Other differences	–	(15)
Effect of changes in tax rates and tax laws	39	33
Expenses not deductible for tax purposes	179	44
Adjustment in respect of prior periods	(78)	(32)
<b>Total tax charge for the year</b>	<b>995</b>	<b>490</b>

The Group's tax rate is sensitive to a geographic mix of profits and reflects a combination of higher rates in the UK and US and lower rates in Singapore and Macau along with R&D tax relief in the UK. The Group's effective tax rate has increased in 2024 as unrecognised tax losses in Singapore were fully utilised in 2023.

## Deferred tax

The deferred tax in the Consolidated Statement of Financial Position relates to the following:

	Property, plant and equipment	Other temporary differences	Losses	Total
	£000	£000	£000	£000
Deferred tax (liability)/asset				
At 1 December 2022	(566)	(76)	2,311	1,669
Credited/(charged) to the Income Statement	19	(92)	(326)	(399)
Currency translation adjustment	–	(2)	(22)	(24)
At 30 November 2023	(547)	(170)	1,963	1,246
(Charged)/credited to the Income Statement	(169)	18	(594)	(745)
Credited to the Statement of Comprehensive Income	–	30	–	30
Currency translation adjustment	–	–	(6)	(6)
<b>At 30 November 2024</b>	<b>(716)</b>	<b>(122)</b>	<b>1,363</b>	<b>525</b>
Deferred tax asset	–	125	1,363	1,488
Deferred tax liability	(716)	(247)	–	(963)
	<b>(716)</b>	<b>(122)</b>	<b>1,363</b>	<b>525</b>

During the prior year an increase in the main rate of corporation tax in the UK to 25% was substantially enacted, taking effect from 1 April 2023.

## Factors that may affect future tax charges

Deferred tax assets of £1.4 million (2023: £2.0 million) have been recognised in relation to legal entities which suffered a tax loss in the current or preceding periods. The assets are recognised based upon future taxable profit forecasts for the entities concerned.

The Group has further losses which may be available to be carried forward for offset against the future taxable profits of certain Group companies amounting to approximately £3.9 million (2023: £3.8 million). No deferred tax asset (2023: £nil) in respect of these losses has been recognised at the year end as the Group does not currently anticipate being able to offset these against future profits.

In addition to the above, the Group has capital losses of approximately £17.8 million (2023: £17.8 million) available for offset against future taxable gains. No deferred tax asset in respect of these losses has been recognised in these financial statements as there is insufficient certainty that the asset will be recovered against future capital gains.

## 11 Dividends

The following dividends were paid by the Company during the year:

	2024		2023	
	Pence per share	£000	Pence per share	£000
Final dividend paid in respect of prior year but not recognised as a liability in that year	3.0	516	2.0	344
Interim dividend paid in respect of current year	2.0	344	–	–
	<b>5.0</b>	<b>860</b>	2.0	344
Total dividend paid, net of shares held by the share trust	<b>5.0</b>	<b>845</b>	2.0	338
Proposed final dividend for the year ended 30 November	<b>2.5</b>	<b>430</b>	3.0	515

Subject to shareholders' approval at the Company's forthcoming Annual General Meeting, which is to be held on 7 May 2025, the Directors recommend the payment of a final dividend of 2.5p per share (2023: 3.0p per share) to be paid on 16 May 2025 to shareholders on the register as at the close of business on 25 April 2025 (the shares being marked ex-dividend on 24 April 2025). The Company paid an interim dividend of 2.0p during the year 2024 (2023: £nil) and therefore the proposed FY24 total dividend is 4.5p per share (2023: 3.0p per share).

## 12 Earnings per share

	2024	2023
	Pence per share	Pence per share
Basic earnings per share	<b>18.8</b>	12.8
Diluted earnings per share	<b>18.3</b>	12.8
Underlying basic earnings per share	<b>21.6</b>	14.2
Underlying diluted earnings per share	<b>21.1</b>	14.2

Profit per share has been calculated by dividing the profit attributable to equity holders of the Parent after taxation for each financial year by the weighted average number of ordinary shares in issue and ranking for dividend during the year.

The calculations of basic and underlying earnings per share are based upon:

	2024	2023
	£000	£000
Earnings for basic and diluted earnings per share	<b>3,179</b>	2,163
Non-underlying items	<b>531</b>	302
Impact of non-underlying items on tax credit for the year	<b>(54)</b>	(69)
Earnings for underlying basic and underlying diluted earnings per share	<b>3,656</b>	2,396
	<b>2024</b>	2023
	<b>£000</b>	<b>£000</b>
Weighted average number of ordinary shares – basic calculation	<b>16,891</b>	16,889
Dilutive potential ordinary shares arising from share options	<b>471</b>	1
Weighted average number of ordinary shares – diluted calculation	<b>17,362</b>	16,890



# Notes to the Consolidated Financial Statements

For the year ended 30 November 2024

## 13 Property, plant and equipment

	Freehold land and buildings	Short leasehold improvements	Plant, machinery and equipment	Right of use assets	Total
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 December 2022	1,834	1,083	2,126	5,194	10,237
Lease modifications	–	–	–	(781)	(781)
Additions	–	55	218	459	732
Disposals	–	(201)	(54)	(807)	(1,062)
Currency translation adjustment	–	(15)	(40)	(38)	(93)
At 30 November 2023	1,834	922	2,250	4,027	9,033
Additions	–	113	294	633	1,040
Disposals	–	–	(5)	–	(5)
Currency translation adjustment	–	1	(16)	(26)	(41)
<b>At 30 November 2024</b>	<b>1,834</b>	<b>1,036</b>	<b>2,523</b>	<b>4,634</b>	<b>10,027</b>
<b>Depreciation and impairment</b>					
At 1 December 2022	305	871	1,919	2,544	5,639
Lease modifications	–	–	–	(272)	(272)
Charge for the year	37	120	148	759	1,064
Disposals	–	(201)	(52)	(807)	(1,060)
Currency translation adjustment	–	(12)	(38)	(27)	(77)
At 30 November 2023	342	778	1,977	2,197	5,294
Charge for the year	35	73	172	689	969
Disposals	–	–	(5)	–	(5)
Currency translation adjustment	–	(1)	(16)	(15)	(32)
<b>At 30 November 2024</b>	<b>377</b>	<b>850</b>	<b>2,128</b>	<b>2,871</b>	<b>6,226</b>
<b>Net book value</b>					
<b>At 30 November 2024</b>	<b>1,457</b>	<b>186</b>	<b>395</b>	<b>1,763</b>	<b>3,801</b>
At 30 November 2023	1,492	144	273	1,830	3,739

The net book value of right-of-use assets at 30 November 2024 relates to leasehold property £1,173,000 (2023: £1,733,000), vehicles £453,000 (2023: £97,000) and other lease asset £137,000 (2023: Nil).

## 14 Intangible assets

	Goodwill	Acquired intangibles	Capitalised development costs	Purchased software	Total
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 December 2022	24,361	759	5,623	916	31,659
Additions	–	–	950	171	1,121
Currency translation adjustment	(157)	–	–	(1)	(158)
At 30 November 2023	24,204	759	6,573	1,086	32,622
Additions	–	–	1,193	326	1,519
Disposals	–	–	–	–	–
Currency translation adjustment	(29)	–	(14)	(2)	(45)
<b>At 30 November 2024</b>	<b>24,175</b>	<b>759</b>	<b>7,752</b>	<b>1,410</b>	<b>34,096</b>
<b>Amortisation and impairment</b>					
At 1 December 2022	4,654	759	4,623	847	10,883
Charge for the year	–	–	675	40	715
Currency translation adjustment	(103)	–	–	(1)	(104)
At 30 November 2023	4,551	759	5,298	886	11,494
Charge for the year	–	–	352	39	391
Disposals	–	–	–	–	–
Currency translation adjustment	(21)	–	(14)	(2)	(37)
<b>At 30 November 2024</b>	<b>4,530</b>	<b>759</b>	<b>5,636</b>	<b>923</b>	<b>11,848</b>
<b>Net book value</b>					
<b>At 30 November 2024</b>	<b>19,645</b>	<b>–</b>	<b>2,116</b>	<b>487</b>	<b>22,248</b>
At 30 November 2023	19,653	–	1,275	200	21,128

The amortisation charge is recognised within operating expenses on the Consolidated Income Statement.

# Notes to the Consolidated Financial Statements

For the year ended 30 November 2024

## Annual test for impairment of goodwill

The carrying value of goodwill is tested annually for impairment by comparing it to the value in use of the cash-generating units ('CGUs') to which it relates. Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination.

Each of the Group's two business units, Synectic Systems and Ocular, has been identified as the smallest identifiable group of assets that generate cash flows and are therefore assessed as CGUs. Each of these CGUs represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The carrying amount of goodwill was allocated to the CGUs as follows:

	2024	2023
	£000	£000
Synectic Systems	10,833	10,841
Ocular	8,812	8,812
	<b>19,645</b>	<b>19,653</b>

The recoverable amount of the CGUs is determined based on a value-in-use calculation which uses cash flow projections for five years. These are based on financial budgets and business plans approved by the Directors covering a five-year period. The average annual revenue growth rate for the five-year period is 10% (2023: 9%). Cash flows beyond that period have been extrapolated into perpetuity using a steady 1.6% per annum growth rate (2023: 2.0%), which the Directors consider to be specific to the business and does not exceed the UK long-term average growth rate and is therefore considered appropriate to apply to each CGU.

The other key assumption used in the cash flow projections is the pre-tax discount rate:

	2024	2023
	%	%
Synectic Systems	13.3	13.2
Ocular	13.3	13.2

The pre-tax discount rates used are based on the Group's weighted average cost of capital and include an adjustment to reflect the Group's small market capitalisation.

Other assumptions have been assigned values by management using estimates based on past experience and expectations of the future performance of the CGUs.

Sensitivity analysis has been performed on the pre-tax discount rates, which shows that a pre-tax discount rate of 80.72% (Synectic Systems) or 22.2% (Ocular) would be required in order to eliminate the headroom which exists in these CGUs. The Directors consider that the discount rates used, which are already risk adjusted, represent a balanced view.

The breakeven analysis performed by management identified that the Synectic Systems business unit would need to achieve less than 26% of forecast and Ocular less than 64% in all years of the model to result in an impairment. These results would be significantly lower than previously achieved by the Group before the pandemic and therefore are an unlikely situation.

The Directors believe that, based on the sensitivity analysis and stress testing performed, any reasonably possible change in the key assumptions on which the recoverable amounts are based would not cause the carrying amounts to exceed the recoverable amounts.

The value in use for the Group exceeds the carrying value of the assets by £59 million (2023: £27 million).

There is no impairment to goodwill in either CGU in the period (2023: no impairment).

## 15 Inventories

	2024	2023
	£000	£000
Raw materials and consumables	3,752	1,810
Work in progress	792	1,277
Finished goods for resale	4,700	1,982
	<b>9,244</b>	<b>5,069</b>

The cost of inventories recognised as an expense during the year was £23.3 million (2023: £21.4 million) in relation to continuing operations.

The cost of inventories recognised as an expense includes £330,000 (2023: £316,000) in respect of increase in inventory provision.

## 16 Trade and other receivables

	2024	2023
	£000	£000
Trade receivables	12,004	12,197
Allowance for expected credit losses	(102)	(157)
	<b>11,902</b>	<b>12,040</b>
Other receivables	950	1,074
Prepayments	1,272	754
	<b>14,124</b>	<b>13,868</b>

Trade receivables are non-interest bearing and generally have 30 to 90-day terms. At 30 November 2024, the Group had 68 days' sales outstanding in trade receivables (2023: 78 days).

Due to their short maturities, the fair value of trade and other receivables approximates to their book value.

## Movement in allowance for lifetime expected credit losses

	2024	2023
	£000	£000
At 1 December	157	137
Provided for in the year	28	104
Amounts utilised in the year	(15)	–
Amounts released in the year	(68)	(84)
At 30 November	<b>102</b>	<b>157</b>

## Ageing of trade receivables

	2024	2023
	£000	£000
Not due	7,507	6,538
Up to three months past due	3,981	4,627
Three to six months past due	258	188
Over six months past due	258	844
	<b>12,004</b>	<b>12,197</b>



# Notes to the Consolidated Financial Statements

For the year ended 30 November 2024

## 17 Cash and cash equivalents

	2024	2023
	£000	£000
Cash at bank and in hand	9,559	4,604

Balances are held with large international banking groups with 'A' credit ratings.

	2024	2023
	£000	£000
Currency		
GBP	5,728	3,381
USD	3,302	901
HKD	189	2
SGD	146	51
EUR	119	212
AED	46	47
Other	29	10
	<b>9,559</b>	<b>4,604</b>

The fair value of cash and cash equivalents approximates to their book value.

Cash at bank earns interest at the daily bank base rate.

At 30 November 2024, the Group had undrawn overdraft facilities of up to £3.0 million (2023: £3.0 million), on which interest would be payable at the rate of Bank of England base rate plus 2% (2023: Bank of England base rate plus 2.5%).

## 18 Trade and other payables

	2024	2023
	£000	£000
Trade payables	5,910	5,552
Other taxation and social security	1,035	642
Other payables	175	124
Accruals	6,545	4,952
	<b>13,665</b>	<b>11,270</b>

Due to their short maturities, the fair value of trade and other payables and accruals approximates to their book value.

At 30 November 2024, £2.1 million (2023: £2.0 million) of the accruals balance relates to cost accruals for projects ongoing at the year end.

## 19 Lease liabilities

For details of the right of use assets, see note 13. The carrying amount of lease liabilities and the movements during the year are as follows:

	Vehicle	Property	Other	Total
	£000	£000	£000	£000
At 1 December 2022	181	2,639	–	2,820
Additions	–	459	–	459
Accretion of interest	4	84	–	88
Payments	(85)	(750)	–	(835)
Lease modifications	–	(571)	–	(571)
Currency translation adjustment	–	(23)	–	(23)
At 30 November 2023	100	1,838	–	1,938
Additions	443	–	195	638
Accretion of interest	7	66	6	79
Payments	(93)	(603)	(58)	(754)
Currency translation adjustment	–	(11)	–	(11)
<b>At 30 November 2024</b>	<b>457</b>	<b>1,290</b>	<b>143</b>	<b>1,890</b>

The property lease liability of £1,290,000 (FY23: £1,838,000) relates to seven (FY23: eight) properties across the Group with £621,000 (FY23: £786,000) relating to the Sheffield property occupied by part of the Synectics UK team and plc head office.

Lease liabilities are classified based on the amounts that are expected to be settled within the next twelve months and after more than twelve months from the reporting date as follows:

	2024	2023
	£000	£000
Current liabilities	701	573
Non-current liabilities	1,189	1,365
<b>Total liabilities</b>	<b>1,890</b>	<b>1,938</b>

Contractual maturity of lease liabilities:

	2024	2023
	£000	£000
Up to 1 year	701	573
Between 1 year and 5 years	1,189	1,291
More than 5 years	–	74
	<b>1,890</b>	<b>1,938</b>

# Notes to the Consolidated Financial Statements

For the year ended 30 November 2024

Amounts reported in the Consolidated Income Statement include the following in relation to leases (see notes 2 and 9):

	2024	2023
	£000	£000
Depreciation charge of right of use assets		
Leasehold property	550	676
Vehicles	86	85
Other	53	–
	<b>689</b>	761
Interest on lease liabilities (included in finance cost)	79	88
Expense relating to short-term and low value leases (included in operating expenses)	57	75
Income from subletting of right of use asset	(46)	(50)

The weighted average incremental borrowing rates applied to the lease liabilities recognised ranged from 3% to 3.3% (2023: 3% to 3.1%).

The Group leases office equipment under agreements of less than two years. These leases are either short-term or low value and so have been expensed as incurred and not capitalised as right of use assets.

## 20 Provisions

	Legal	Warranty	Property	Total
	£000	£000	£000	£000
At 1 December 2022	250	1,035	257	1,542
Utilised in the year	(237)	(629)	(30)	(896)
Charged to the Income Statement	–	685	82	767
Currency translation adjustment	(13)	–	–	(13)
At 30 November 2023	–	1,091	309	1,400
Utilised in the year	–	(453)	(107)	(560)
Charged to the Income Statement	–	447	11	458
Currency translation adjustment	–	–	(1)	(1)
<b>At 30 November 2024</b>	<b>–</b>	<b>1,085</b>	<b>212</b>	<b>1,297</b>

Provisions have been analysed between current and non-current as follows:

	2024	2023
	£000	£000
Current	556	606
Non-current	741	794
	<b>1,297</b>	1,400

Costs of warranty include the cost of labour, material and related overhead necessary to repair a product during the warranty period. The standard warranty periods are usually one to three years. The Group accrues for the estimated cost of the warranty on its products shipped in the provision for warranty, upon recognition of the sale of the product. The costs are estimated based on actual historical expenses incurred and on estimated future expenses related to current sales and are updated periodically. Actual warranty costs are charged against the provision for warranty.

The Group has certain properties where the Directors believe that dilapidation costs may be incurred; therefore, appropriate cost provisions have been made. During the year, £107,000 of the property cost provision brought forward at 1 December 2023 was utilised in relation to one of the Sheffield offices.

## 21 Called up share capital and reserves

The number of authorised, allotted, called up and fully paid shares is as follows:

	2024		2023	
	Number	£000	Number	£000
<b>Ordinary shares of 20p each</b>				
Authorised	25,000,000	5,000	25,000,000	5,000
Allotted, called up and fully paid	17,794,439	3,559	17,794,439	3,559

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings. No shares were held in treasury; however, 892,329 shares (2023: 905,329) were held by the Group's Employee Benefit Trust ('EBT') at 30 November 2024 and are therefore excluded from the basic earnings per share calculation.

The merger reserve has been created in accordance with sections 612 and 613 of the Companies Act 2006 whereby the premium on ordinary shares in the Company issued to acquire shares has been credited to the merger reserve rather than the share premium account.

Other reserves relate to the cost of shares held within the EBT of £2,135,000 (2023: £2,154,000) and the capital redemption reserve of £718,000 (2023: £718,000). The nominal value of the shares held in the EBT is £178,466 (2023: £181,066).

The currency translation reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to GBP. It is also used to recognise gains and losses on the hedges of the net investments in foreign operations.

## 22 Synectics plc share schemes

The Group operated four employee share schemes in the year: the Synectics Employees' Share Acquisition Plan ('ESAP'), the Quadnetics Executive Shared Ownership Plan ('ExSOP'), the Synectics Performance Share Plan ('PSP') and the Executive Growth Plan ('EGP'). A one-off award of share options was also made to the Chair upon his appointment during the year.

### ESAP

The ESAP was adopted on 23 April 2010. Eligible employees can elect to join the scheme and can contribute up to £150 a month from their salary. These deductions are then used by the ESAP trustee to buy partnership shares in Synectics plc at the end of each six-month accumulation period. The ESAP trustee also uses any dividend income paid on shares in the ESAP to buy further shares to be held in the ESAP as dividend shares.

Partnership shares can be withdrawn from the ESAP by the employee at any time, but withdrawals before the fifth anniversary after purchase are subject to income tax; withdrawals after the fifth anniversary of their purchase date can be made in full and are not subject to income tax. Dividend shares are required to be held in trust for a period of three years following the purchase date. Employees who leave the Group are required to withdraw all of their shares in the ESAP and are subject to the same rules.

At 30 November 2024, there were 132,093 (2023: 118,727) ordinary shares in the ESAP with a market value of £402,884 (2023: £124,663).

Movements during the year were as follows:

	Number of shares
Shares held at 1 December 2023	118,727
Shares acquired during the year	27,988
Withdrawals from the scheme during the year	(14,622)
<b>Shares held at 30 November 2024</b>	<b>132,093</b>



# Notes to the Consolidated Financial Statements

For the year ended 30 November 2024

## ExSOP

The ExSOP was formed in July 2009. Under the provisions of the ExSOP, shares ('ExSOP shares') are jointly owned by nominated senior employees and by an employees' share trust on terms, similar to a share option scheme, whereby the value of appreciation in the Company's share price over a minimum three-year period accrues to the relevant employee, provided the Company meets certain performance thresholds.

The performance targets which are applicable to the ExSOP shares were met in full at the end of the applicable performance periods and accordingly all of the ExSOP shares are fully vested and can be exercised.

ExSOP shares outstanding at 30 November 2024 are exercisable as follows:

Date awarded	Exercise dates	Relevant share price at date of award	2024	2023
			Number of shares	Number of shares
7 July 2009	8 July 2012 onwards	147.5p	193,243	197,243
7 March 2011	8 March 2014 onwards	178.0p	100,000	108,000
Balance of shares in respect of leavers			599,086	600,086
			<b>892,329</b>	905,329

Movements during the year were as follows:

	Number of shares
Shares held at 1 December 2023	905,329
Vested shares sold or transferred in the year	(13,000)
<b>Shares held at 30 November 2024</b>	<b>892,329</b>

Dividends have been waived in respect of the 599,086 (2023: 600,086) shares not specifically allocated to employees.

## PSP

The PSP was formed on 9 October 2012. Under the PSP, selected employees are entitled to exercise an option to receive a certain number of Synectics plc shares at any time after a vesting period, at no cost to themselves. The number of shares that are awarded at the end of the vesting period is dependent on the achievement of certain performance criteria.

It is intended that if the performance criteria are met in full or part, the appropriate number of shares will be transferred to the employees from unallocated Synectics plc shares already held within the EBT established for the ExSOP.

### 2020 - 2021 awards and related 2022 modifications

In August 2020, a one-off award ('Executive option') was made to the Executive Directors vesting over a three to five-year period up to the end of the Company's financial year ending 30 November 2025. In August 2020 and March 2021, similar awards were made to include Persons Discharging Managerial Responsibilities ('PDMRs').

These options are divided into three equal tranches, vesting after the next three, four and five full financial years respectively, depending on the achievement of the performance criteria at each measurement date, and are exercisable at nil cost. All options must be exercised within ten years of the date of award.

In May 2022, the performance criteria of the Executive option was varied and are now measured according to the average of the compound annual growth rate ('CAGR') of the total shareholder return ('TSR') and the CAGR of adjusted underlying diluted earnings per share ('EPS') achieved by the end of each of the Company's three relevant financial years, being three, four and five financial years respectively. If this average is 20% (previously 25%) or more, 100% of that tranche of options will vest. If this average is above 10% (previously 15%) and below, 20% (previously 25%), between 0% and 100% of the options will vest (on a straight-line basis). 75% of any options not vesting at the three-year and four-year vesting points may be carried forward to the following financial year. Any options not vesting at the end of the five-year period will lapse.

In August 2022, the performance criteria of the awards made to PDMRs in August 2020 and March 2021 were also varied (in line with the Executive option) and are now measured according to the average of the CAGR of the TSR and the CAGR of EPS achieved following the announcement of the Company's audited final results for the financial year ending 30 November 2023. If this average is 20% (previously 25%) or more, 100% of the existing PDMR Options will vest. If this average is above 10% (previously 15%) and below 20% (previously 25%), between 0% and 100% of the existing PDMR Options will vest (on a straight-line basis).

The baseline for calculating the CAGR of TSR remains at £1.35 per share, and the baseline for calculating the CAGR of EPS remains at 11.87 pence per share (being the actual equivalent of the Company's EPS in the financial year ended 30 November 2019). Although the total vesting periods for the options remain unchanged, the periods over which the relevant CAGRs will be calculated will now commence from 30 November 2021, instead of from 7 August 2020 or 7 March 2021 as provided in the original grants, to allow for the impact of the COVID-19 hiatus affecting a substantial part of the Company's customer base. The baseline for calculating the CAGR of TSR is £1.35 per share, and the baseline for calculating the CAGR of EPS is 11.87 pence per share (being the equivalent of the Company's EPS in the financial year ended 30 November 2019).

### 2022 awards

To achieve alignment with the conditions attached to the Executive option granted in 2020, a one-off award was made in August 2022 to the Chief Financial Officer. This one-off award vests over an approximately 3.6-year period up to the announcement of the Company's audited final results for the financial year ending 30 November 2025 and is measured on the similar performance criteria to the amended Executive option. The options are divided into two equal tranches, with vesting dependent, inter alia, on the achievement of performance criteria for each of the Company's financial years ending 30 November 2024 and 2025.

The performance criteria of the 2022 one-off award is measured according to the average of the CAGR of the TSR and the CAGR of EPS. If this average is 20% or more, 100% of the award will vest. If this average is above 10% and below 20%, between 0% and 100% of the award will vest (on a straight-line basis).

PSP awards were also made in August 2022 to PDMRs on the same performance criteria, although these all vest over an approximately 2.6-year period and are exercisable from 2 August 2005.

### 2023 - 2024 awards

Performance is measured according to the average of the CAGR of the TSR and the CAGR of Adjusted Underlying Diluted Earnings Per Share. If this average is 20% or more, 100% of the Award Shares will vest. If this average is above 10% and below 20%, between 0% and 100% of the Award Shares will vest (on a straight-line basis).

PSP shares outstanding at 30 November 2024 are exercisable as follows:

Date awarded	Exercise dates	Relevant share price at date of award	2024	2023
			Number of shares	Number of shares
30 March 2015	30 March 2018 onwards	125.0p	–	1,000
7 August 2020	February 2024 onwards	130.0p	18,126	120,000
7 August 2020	February 2025 onwards	130.0p	70,415	100,000
7 August 2020	February 2026 onwards	130.0p	35,807	100,000
3 March 2021	3 March 2024 onwards	137.5p	3,635	20,000
1 August 2022	1 August 2025 onwards	117.5p	122,000	142,000
1 August 2022	February 2026 onwards	117.5p	62,000	62,000
13 March 2023	13 March 2026 onwards	127.5p	60,000	80,000
25 March 2024	25 March 2027 onwards	190.0p	84,123	–
			<b>456,106</b>	625,000

During the year, 140,000 shares were awarded (2023: 80,000), 132,106 shares vested but were not exercised (2023: nil), 307,894 shares lapsed (2023: 40,000) and 1,000 shares were exercised (2023: nil).

Of the total number of shares outstanding at 30 November 2024, 132,106 (2023: 1,000) had vested but had not been exercised.

# Notes to the Consolidated Financial Statements

For the year ended 30 November 2024

## EGP

The EGP was created in the year by the Remuneration Committee for Executive Directors to help to drive long-term sustainable growth and build shareholder value.

Awards under the EGP are options which require the Executive Directors to subscribe for the nominal value of each share to exercise the award upon vesting. The performance criteria for the EGP awards is based on the Company's share price, with 0% vesting if the share price is 290p or below as at 30 November 2027 (the 'vesting date'), 100% vesting if the share price is 600p or above at the vesting date and if the share price is between 290p and 600p at the vesting date X% will vest where  $X = (\text{share price} - 290\text{p}) / 310$  expressed as a percentage.

EGP shares outstanding at 30 November 2024 were as follows:

Date awarded	Exercise date	Relevant share price at date of award	2024 Number of shares
18 November 2024	30 November 2027 onwards	315.0p	1,000,000
			<b>1,000,000</b>

## Chair's Award

A one-off share option award was made to the Chair upon appointment during the year. The award, which requires the Chair to subscribe for the nominal value of each share to exercise the award upon vesting, is also subject to similar performance conditions to the EGP as set out above. Shares outstanding at 30 November 2024 were as follows:

Date awarded	Exercise date	Relevant share price at date of award	2024 Number of shares
24 April 2024	30 November 2027 onwards	187.5p	350,000
			<b>350,000</b>

The weighted average expiry date of awards outstanding is 963 days (2023: 516 days) and the weighted average share price is 252.4p (2023: 128.8p).

## 23 Share-based payment charge

The fair value of services received in return for share options granted or awards made under the Group's share schemes is measured by reference to the fair value of the share options granted or share scheme shares awarded.

For the equity-settled share scheme awards, the estimate of the fair value of the services received for accounting purposes is measured based on a Black-Scholes option pricing model adjusted (based on a Monte Carlo simulation) to reflect the percentage reduction necessary as a result of the market-based performance conditions, using the following assumptions:

Share awards	Number of share options awarded	Exercise price	Share price on date of award	Expected volatility	Expected dividend yield	Risk-free interest rate	Vesting period (years)	Expected life of option (years)
August 2022								
4 yr awards	162,000	£nil	£1.175	50%	3.22%	2.07%	2.58	2.58
August 2022								
5 yr awards	62,000	£nil	£1.175	50%	3.86%	2.07%	3.58	3.58
March 2023								
3 yr awards	80,000	£nil	£1.275	50%	2.16%	2.07%	3.0	3.0
March 2024								
3 yr awards	140,000	£nil	£1.775	50%	3.57%	4.17%	2.93	3.0
April 2024								
4 yr awards	350,000	£0.20	£1.875	50%	3.38%	4.49%	2.93	3.93
November 2024 3 yr awards	1,000,000	£0.20	£3.050	40%	2.08%	4.63%	3.03	3.03
Modifications November 2024	350,000	£0.20	£3.050	40%	2.08%	4.63%	3.03	3.03

During the year, the August 2020 3 year, 4 year and 5 year awards and the March 2021 3 year awards vested or lapsed and there are no remaining shares outstanding in relation to these awards at 30 November 2024. Details of the assumptions relating to these awards can be found in the 2023 Annual Report and Accounts.

The weighted average fair value of options granted during 2024, at the date of grant, is £1.03 (2023: £0.42).

The expected volatility is based on historical volatility.

Share options and share scheme awards are granted under a service condition and also for grants to employees under the ExSOP and PSP, a performance measure based around the Company's share price relative to the Index.

The total charge recognised for the year arising from share-based payments is as follows:

	2024	2023
	£000	£000
Equity-settled share-based payments	107	78

## 24 Contingent liabilities

There were no material contingent liabilities at 30 November 2023 or 30 November 2024.



# Notes to the Consolidated Financial Statements

For the year ended 30 November 2024

## 25 Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The subsidiaries in the Group are listed in note 6 of the Company Financial Statements.

Transactions with key management personnel are as follows:

	2024	2023
	£000	£000
Salary and fees	582	688
Bonuses	193	80
Benefits	6	11
Total short-term remuneration	781	779
Post-employment benefits	39	44
Share-based payments	48	52
Social security costs	96	96
	964	971

Share options exercised by key management personnel during the year amounted to £nil (2023: £nil).

## 26 Capital commitments

At the year end, capital commitments not provided for amounted to £nil (2023: £541,000).

## 27 Pension commitments

The Group operates a closed defined benefit pension scheme and a number of defined contribution schemes.

### a) Defined benefit scheme

In 2020, the decision was taken before the year end by the Board of Trustees and approved by the plc Board of Directors to secure a 'buy-out' for all remaining liabilities by an insurance company and to wind up the pension scheme. During the year to 30 November 2021, an insurance company insured the pension liabilities which existed at 30 November 2020. The 'buy-out' process was completed and the pension scheme wound up in November 2023.

### b) Defined contribution schemes

There are a number of defined contribution pension schemes operated by various companies within the Group. The Group's total expense for continuing operations for these other schemes in the year was £668,000 (2023: £608,000).

## 28 Financial instruments

### Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders. The capital structure of the Group consists of cash held in current accounts (note 17), bank overdrafts (note 17) and equity attributable to equity holders of the Parent, comprising issued share capital (note 21), reserves and retained earnings. The Group is not subject to any externally imposed capital requirements. The Group's dividend policy depends on both the earnings profile and investment opportunities together with wider macro-economic factors.

## Foreign currency risk

The Group operates internationally, giving rise to exposure from changes in foreign exchange rates. The main foreign currencies in which the Group currently operates are the US dollar and the euro.

The Group's policy is to manage transaction exposure in respect of the Group's UK subsidiaries where appropriate through the use of forward exchange contracts, which are entered into in respect of forecast foreign currency transactions when the amount and timing of such forecast transactions becomes reasonably certain. At 30 November 2024 and 2023 the Group had no commitments in respect of forward exchange contracts.

Hedge accounting has not been applied.

At 30 November 2024, certain subsidiaries within the Group had the following forecast foreign currency transactions during the next two years which have not been hedged:

	2024		2023	
	€000	\$000	€000	\$000
Receipts	700	39,303	1,375	29,153
Payments	(6,553)	(32,471)	(7,836)	(35,827)

The Group is exposed to fluctuations in exchange rates on the translation of profits earned by its overseas subsidiaries. These profits are translated at average exchange rates for the year, which is an approximation to rates at the date of transaction. The Group's overseas subsidiaries account for approximately 7.4% (2023: 5.4%) of the Group's net assets as follows:

Functional currency of entity	2024	2023
	%	%
US dollars	2.9	0.7
Euros	4.5	4.7
<b>Total</b>	<b>7.4</b>	<b>5.4</b>

Translation exposure in respect of these assets is not hedged.

At 30 November 2024, the Group held foreign currency cash balances of \$4,206,000 (2023: \$1,139,000), €143,000 (2023: €230,000) and S\$250,000 (2023: S\$86,000).

The following table details the Group's sensitivity to a 10% fall in the relevant foreign currencies:

	USD impact		Euro impact	
	2024	2023	2024	2023
	£000	£000	£000	£000
Profit/(loss)	(32)	(5)	16	(73)
Other equity	(65)	(123)	551	461
<b>Total</b>	<b>(97)</b>	<b>(128)</b>	<b>567</b>	<b>388</b>

The maximum annual movement for both currencies between November 2020 and November 2024 is 10%.

The table below shows the extent to which the Group had significant monetary assets and liabilities in currencies other than the functional currency of the company in which they are recorded. Foreign exchange differences on the retranslation of these assets and liabilities are recognised in the Consolidated Income Statement.

	2024		2023	
	Sterling	USD	Sterling	USD
	£000	£000	£000	£000
Sterling	-	167	-	803
US dollars	(3,302)	-	(1,863)	-
Euros	(42)	-	(517)	-
Singapore dollars	-	(10)	-	243
<b>Total</b>	<b>(3,344)</b>	<b>157</b>	<b>(2,380)</b>	<b>1,046</b>

# Notes to the Consolidated Financial Statements

For the year ended 30 November 2024

## Credit risk

Credit risk refers to the risk that a customer or counterparty to a financial instrument fails to meet its contractual obligations, resulting in financial loss to the Group, and arises principally from the Group's receivables from customers. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit using information supplied by independent rating agencies where available. The Group also uses other publicly available information and its own trading records to rate major customers. The credit risk on current accounts is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

For some trade receivables the Group may obtain security in the form of guarantees or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

At the Statement of Financial Position date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Consolidated Statement of Financial Position.

## Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient cash to meet its financial obligations as they fall due. The Group ensures that sufficient cash and undrawn facilities are available to fund ongoing operations and to meet its medium-term capital and funding obligations, and to meet any unforeseen obligations and opportunities.

At the year end, the Group had net funds of:

	2024	2023
	£000	£000
Current accounts (note 17)	9,559	4,604

The level of the Group's bank overdraft facilities is reviewed annually, and at 30 November 2024 the Group had undrawn overdraft facilities of up to £3.0 million, on which interest would be payable at the rate of bank base rate plus 2%.

Financial liabilities of the Group principally comprise trade creditors falling due for payment within twelve months of the Statement of Financial Position date (2023: twelve months), an undrawn bank overdraft (2023: undrawn) repayable on demand and lease liabilities.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The maturity of the financial liabilities table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the Consolidated Statement of Financial Position.

	Note	Remaining contract cash flows			Carrying amount
		Within 1 year	2 to 5 years	Over 5 years	
30 November 2024		£000	£000	£000	£000
Trade and other payables	18	5,910	–	–	5,910
Lease liabilities	19	739	1,214	–	1,953
		6,649	1,214	–	7,863
					7,800

	Note	Remaining contract cash flows			Carrying amount
		Within 1 year	2 to 5 years	Over 5 years	
30 November 2023		£000	£000	£000	£000
Trade and other payables	18	5,552	–	–	5,552
Lease liabilities	19	684	1,331	37	2,052
		6,236	1,331	37	7,604
					7,490

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

## Interest risk

Individual overdrawn current accounts are charged interest at bank base rate plus 2% as set out in note 17.

The Group's funding position did not carry any significant interest rate risk at 30 November 2024 or 30 November 2023.

A 0.5% rise or fall in interest rates would not have a material impact on the results of the Group.

## 29 Subsidiaries

The Group consists of a Parent Company, Synectics plc, incorporated in the UK, and a number of subsidiaries held directly and indirectly by Synectics plc, which operate and are incorporated around the world. Note 6 to the Company's Financial Statements lists details of all subsidiaries.

Synectics EFX Limited has taken the entitlement to exemption from audit by parent company guarantee under section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 30 November 2024.

One subsidiary, Synectic Systems (Macau) Limited, has an accounting reference date of 31 December, which is different to that of the Consolidated Financial Statements of 30 November. This is to more closely align the accounting period with the tax reporting requirements in Macau and thereby reduce administrative costs.

## 30 Post-balance sheet events

There are no material post-balance sheet events known at the date of this report.



## Company Statement of Changes in Equity

For the year ended 30 November 2024

	Called up share capital	Share premium account	Merger reserve	Other reserves	Retained earnings	Total
	£000	£000	£000	£000	£000	£000
At 1 December 2022	3,559	16,043	9,971	(572)	8,907	37,908
Loss for the year	-	-	-	-	(923)	(923)
<b>Other comprehensive expense</b>						
<b>Total other comprehensive expense</b>	-	-	-	-	-	-
<b>Total comprehensive expense for the year</b>	-	-	-	-	(923)	(923)
<b>Transactions with owners in their capacity as owners</b>						
Dividends paid	-	-	-	-	(338)	(338)
Credit in relation to share-based payments	-	-	-	-	78	78
At 30 November 2023	3,559	16,043	9,971	(572)	7,724	36,725
Loss for the year	-	-	-	-	(305)	(305)
<b>Other comprehensive expense</b>						
<b>Total other comprehensive expense</b>	-	-	-	-	-	-
<b>Total comprehensive expense for the year</b>	-	-	-	-	(305)	(305)
<b>Transactions with owners in their capacity as owners</b>						
Dividends paid	-	-	-	-	(845)	(845)
Share awards exercised	-	-	-	3	(3)	-
Credit in relation to share-based payments	-	-	-	-	107	107
<b>At 30 November 2024</b>	<b>3,559</b>	<b>16,043</b>	<b>9,971</b>	<b>(569)</b>	<b>6,678</b>	<b>35,682</b>

## Company Statement of Financial Position

For the year ended 30 November 2024

	Note	2024 £000	2023 £000
<b>Non-current assets</b>			
Plant and equipment	4	77	106
Intangible assets	5	8	17
Deferred tax assets	10	1,218	1,323
Investments in subsidiary undertakings	6	35,895	35,872
		<b>37,198</b>	37,318
<b>Current assets</b>			
Other receivables	7	5,173	5,377
Cash at bank and in hand		1,024	277
Current tax		603	148
		<b>6,800</b>	5,802
<b>Total assets</b>		<b>43,998</b>	43,120
<b>Current liabilities</b>			
Trade and other payables	9	(8,284)	(6,333)
		<b>(8,284)</b>	(6,333)
<b>Non-current liabilities</b>			
Deferred tax liabilities	10	(32)	(62)
		<b>(32)</b>	(62)
<b>Total liabilities</b>		<b>(8,316)</b>	(6,395)
<b>Net assets</b>		<b>35,682</b>	36,725
<b>Equity</b>			
Called up share capital	11	3,559	3,559
Share premium account		16,043	16,043
Merger reserve		9,971	9,971
Other reserves		(569)	(572)
Retained earnings		6,678	7,724
<b>Total equity</b>		<b>35,682</b>	36,725

In accordance with section 408(3) of the Companies Act 2006, the Company is exempt from the requirement to present its own Income Statement. The loss for the year of the Company is £0.3 million (2023: loss £0.9 million).

The Financial Statements on pages 106 to 113 were approved and authorised for issue by the Board of Directors on 3 March 2025 and were signed on its behalf by:

**Amanda Larnder**  
Chief Executive Officer and Chief Financial Officer  
Company number: 01740011

# Notes to the Company Financial Statements

For the year ended 30 November 2024

## 1 Company accounting policies

### General information

Synectics plc (the 'Company') is a public limited company incorporated in England and Wales and domiciled in the UK. The main activities of the Company and its subsidiaries (the 'Group') are the provision of specialist video based electronic surveillance systems and technology, for use in high security applications, extreme or hazardous environments, and integrated transport applications.

### Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard ('FRS') 101 'Reduced Disclosure Framework'. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted International Accounting Standards), but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions. Figures in these financial statements have been rounded to the nearest thousand (£000).

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- paragraphs 45(b) and 46 to 52 of IFRS 2 'Share-based Payments' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined);
- IFRS 7 'Financial Instruments: Disclosures';
- paragraphs 91 to 99 of IFRS 13 'Fair Value Measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- The requirements of paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraphs 79(a)(iv), 73 and 118 (c) of IAS 1;
- 10(d),10(f),16, 38A, 38B-D, 40A-D,111 and 134-136 of IAS 1 'Presentation of Financial Statements';
- IAS 7 'Statement of Cash Flows';
- paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but not yet effective);
- paragraph 17 and 18A of IAS 24 'Related Party Disclosures' (key management compensation); and
- the requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

These financial statements have been prepared under the historical cost convention.

### Going concern

The Directors have assessed, in light of current and anticipated economic conditions, the Company's ability to continue as a going concern. The Directors confirm they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and, accordingly, they continue to adopt the going concern basis in preparing the Company Financial Statements. For further consideration of the going concern position of the Group see note 1 of the Consolidated Financial Statements.

### Significant accounting policies

The significant accounting policies applied in the preparation of these individual financial statements are set out below. These policies have been applied consistently to all years presented, unless otherwise stated.

### Investments in subsidiaries

Fixed asset investments in subsidiaries are stated at cost plus deemed capital contributions arising from share-based payment transactions less any provision for impairment. The Company records an increase in its investments in subsidiaries equal to the share-based payments charge recognised by its subsidiaries with a corresponding credit to equity. Details of the Group's share-based payment charge are set out in note 23 of the Consolidated Financial Statements.

### Employee share schemes

Transactions of the Company-sponsored ExSOP are treated as being those of the Company and are therefore reflected in the Company Financial Statements. In particular, the scheme's purchases of shares in the Company are debited directly to equity.

### Other significant accounting policies

Other significant accounting policies are consistent with the Group accounts and are disclosed in note 1 of the Consolidated Financial Statements.

## Critical accounting estimates and judgements

In the application of the Company's accounting policies the Directors are required to make estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management has discussed its significant estimates and associated disclosures with the Audit Committee. An area involving a higher degree of judgement or complexity is the recoverability of the Company's investment in subsidiaries. The Company assesses the carrying value of its investments in subsidiaries using the value-in-use model. The value-in-use calculation includes estimates about future financial performance and long-term growth rates and requires management to select a suitable discount rate in order to calculate the present value of those cash flows. Management used a pre-tax discount rate of 13.3% (see note 14 in the Consolidated Financial Statements). The future cash flows used in the value-in-use calculations are based on financial budgets and business plans approved by the Directors covering a five-year period. Cash flows beyond that period have been extrapolated into perpetuity using a 1.6% per annum growth rate (2023: 2.0%).

Another area involving a higher degree of judgement is the inter-group balances (note 7) and expected credit loss of these. Management assesses the inter-group balances annually and assess repayment ability of the group companies. Impairment is assessed using a 2-15% (2023: 2-15%) sensitivity for the margin of default expected. A provision of £1.3 million (2023: £1.3 million) is in place and this is deemed satisfactory by management.

## 2 Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company's annual accounts are £106,000 (2023: £70,000).

## 3 Directors and employees

Detailed information on the emoluments, pensions, option holdings and shareholdings for each Director is shown in the Remuneration Committee Report on pages 57 to 60. All the Directors included in the Remuneration Committee Report are also Directors of the Company.

The average number of persons (including Executive Directors) employed by the Company during the year was 24 (2023: 22).

## 4 Plant and equipment

	£000
<b>Cost</b>	
At 1 December 2023	354
Additions	11
<b>At 30 November 2024</b>	<b>365</b>
<b>Depreciation</b>	
At 1 December 2023	(248)
Charge for the year	(40)
<b>At 30 November 2024</b>	<b>(288)</b>
<b>Net book value</b>	
<b>At 30 November 2024</b>	<b>77</b>
At 30 November 2023	106



# Notes to the Company Financial Statements

For the year ended 30 November 2024

## 5 Intangible assets

	£000
<b>Cost</b>	
At 1 December 2023 and 30 November 2024	179
<b>Amortisation</b>	
At 1 December 2023	(162)
Charge for the year	(9)
<b>At 30 November 2024</b>	<b>(171)</b>
<b>Net book value</b>	
At 30 November 2024	<b>8</b>
At 30 November 2023	17

## 6 Investments in subsidiary undertakings

	2024	2023
	£000	£000
<b>Cost</b>		
At 1 December	44,387	44,361
Share-based payments capital contribution	23	26
At 30 November	44,410	44,387
<b>Provision for impairment</b>		
At 1 December and 30 November 2024	(8,515)	(8,515)
<b>Net book value</b>		
At 30 November	35,895	35,872

Details of the Company's subsidiaries at 30 November 2024 are as follows:

	Registered office (see footnote)	Country of incorporation	Class of share	Proportion of voting rights and shares held	Nature of business
<b>Directly held by Synectics plc</b>					
Synectic Systems Group Limited	1	UK	Ordinary shares	100%	Design and development of security and surveillance solutions
Ocular Integration Limited (formerly Synectics Security Limited)	2	UK	Ordinary shares	100%	Design, installation and maintenance of security and surveillance solutions
Synectic Systems, Inc.	3	USA	Common stock	100%	Design and supply of security and surveillance solutions
Synectics EFX Limited	1	UK	Ordinary shares	100%	Intermediate holding company
COEX Limited	1	UK	Ordinary shares	100%	Dormant
Flash No.1 Limited	1	UK	Ordinary shares	99.9%	Dormant
Flash No.2 Limited	1	UK	Ordinary shares	50%	Dormant
Flash No.3 Limited	1	UK	Ordinary shares	99.9%	Dormant
Fotovalue Limited	1	UK	Ordinary shares	100%	Dormant
Foxall & Chapman Limited	1	UK	Ordinary shares	99.9%	Dormant
Look CCTV Limited	1	UK	Ordinary shares	50%	Dormant
Look Closed Circuit TV Limited	1	UK	Ordinary shares	100%	Dormant
Midlands Video Systems Limited	1	UK	Ordinary shares	50%	Dormant
Monument Photographic Laboratories Limited	1	UK	Ordinary shares	100%	Dormant
MVS (Research) Limited	1	UK	Ordinary shares	99.9%	Dormant
Newco 3006 Limited	1	UK	Ordinary shares	99.9%	Dormant
Protec Limited	1	UK	Ordinary shares	100%	Dormant
QSG Limited	1	UK	Ordinary shares	99%	Dormant
Quadnetics Employees' Trustees Limited	1	UK	Ordinary shares	100%	Non-trading
Quadnetics Group Limited	1	UK	Ordinary shares	100%	Dormant
Quadnetics Limited	1	UK	Ordinary shares	99.9%	Dormant
Quadnetics SIP Trustees Limited	1	UK	Ordinary shares	100%	Non-trading
Synectics Managed Services Limited	1	UK	Ordinary shares	100%	Dormant
Quadrant Properties Limited	1	UK	Ordinary shares	99.9%	Dormant
Quadrant Research & Development Limited	1	UK	Ordinary shares	99.9%	Dormant
Quadrant Security Group Limited	1	UK	Ordinary shares	99%	Dormant
Quick Imaging Centre Limited	1	UK	Ordinary shares	99.9%	Dormant
S&M (Processing) Limited	1	UK	Ordinary shares	99.9%	Dormant
Sanpho Pension Trustees Limited	1	UK	Ordinary shares	50%	Dormant
Stanmore Systems Limited	1	UK	Ordinary shares	99.9%	Dormant
Synectics Group Limited	1	UK	Ordinary shares	100%	Dormant
Synectics High Security Limited	1	UK	Ordinary shares	50%	Dormant
Synectics Industrial Systems Limited	1	UK	Ordinary shares	100%	Dormant
Synectics Mobile Systems Limited	1	UK	Ordinary shares	100%	Dormant
Synectics Security Limited	1	UK	Ordinary shares	100%	Dormant
Synectics Security Networks Limited	1	UK	Ordinary shares	100%	Dormant
Synectic Systems Limited	1	UK	Ordinary shares	99.9%	Dormant
Synectics Surveillance Technology Limited	1	UK	Ordinary shares	100%	Dormant
Synectics Technology Centre Limited	1	UK	Ordinary shares	100%	Dormant
<b>Indirectly held by Synectics plc</b>					

# Notes to the Company Financial Statements

For the year ended 30 November 2024

	Registered office (see footnote)	Country of incorporation	Class of share	Proportion of voting rights and shares held	Nature of business
Indanet GmbH	4	Germany	Ordinary shares		Intermediate holding company
Synectic Systems GmbH	4	Germany	Ordinary shares		Design and supply of security and surveillance solutions
Synectic Systems (Asia) Pte Limited	5	Singapore	Ordinary shares		Design and supply of security and surveillance solutions
Synectic Systems (Macau) Limited	6	Macau	Ordinary shares		Design and supply of security and surveillance solutions
Synectics No. 2 Limited	1	UK	Ordinary shares		Dormant

1 Synectics House, 3 – 4 Broadfield Close, Sheffield S8 0XN, UK.

2 3 Attenborough Lane, Chilwell, Nottingham NG9 5JN, UK.

3 4885 Ward Road Suite 300, Wheat Ridge, CO 80033-1946, USA.

4 Wilhelmstraße 118, 10963 Berlin, Germany.

5 150 Kampong Ampat, #01-01/01-01 A, Singapore 368324.

6 Alameda Dr. Carlos D'Assumpcao, No. 411-417, Edf. Dynasty Plaza, 6 andar Q, NAPE.

## 7 Other receivables

	2024	2023
	£000	£000
Other receivables	99	58
Amounts due from subsidiaries	4,972	5,284
Prepayments	102	35
	<b>5,173</b>	<b>5,377</b>

Amounts due from subsidiaries are net of an expected credit loss provision of £1.3 million (2023: £1.3 million).

Amounts owed from subsidiaries are repayable on demand and attract an arm's length rate of interest dependent on the territory in which the subsidiary resides.

## 8 Loans and borrowings

Loans and borrowings comprise the Company's overdraft facilities. The fair value of financial liabilities is not substantially different from the carrying value. The terms and debt repayment details are as follows:

	Value drawn		Interest rate	Security
	£000	Maturity		
£3.0 million overdraft	–	On demand	Base +2%	Group assets

The bank overdraft facility is undrawn at the year end on a net basis and is part of a Group offset arrangement.

## 9 Trade and other payables

	2024	2023
	£000	£000
Trade payables	178	238
Amounts owed to subsidiaries	6,891	5,248
Accruals	1,215	847
	<b>8,284</b>	<b>6,333</b>

Amounts owed to subsidiaries are repayable on demand and attract an arm's length rate of interest dependent on the territory in which the subsidiary resides.

## 10 Tax

	Deferred tax asset	Deferred tax liability	Total
	£000	£000	£000
At 1 December 2023	(1,323)	62	(1,261)
Charged/(credited) to the Income Statement	105	(30)	75
<b>At 30 November 2024</b>	<b>(1,218)</b>	<b>32</b>	<b>(1,186)</b>

The net deferred tax position at 30 November 2024 is £1,186,000 (2023: £1,261,000) and is set out below:

	2024	2023
	£000	£000
Fixed asset timing differences	(14)	(12)
Other timing differences	(122)	(130)
Tax losses	(1,050)	(1,119)
	<b>(1,186)</b>	<b>(1,261)</b>

## 11 Called up share capital and reserves

The number of allotted, called up and fully paid shares is as follows:

	2024		2023	
	Number	£000	Number	£000
<b>Ordinary shares of 20p each</b>				
Allotted, called up and fully paid	<b>17,794,439</b>	<b>3,559</b>	17,794,439	3,559

## 12 Contingent liabilities

The Company has agreed, in some instances jointly with subsidiary companies, to guarantee performance bonds amounting to £nil at 30 November 2024 (2023: £nil).

## 13 Capital commitments

At 30 November 2024, capital commitments not provided for amounted to £nil (2023: £nil).

## 14 Pension commitments

The Company participates in all of the Group's pension schemes. Full disclosures relating to these schemes are given in note 27 to the Consolidated Financial Statements.

## Defined contribution schemes

The Company's total expense for defined contribution pension schemes during the year was £85,000 (2023: £83,000).

## 15 Post-balance sheet events

There are no material post-balance sheet events known at the date of this report.



## Principal subsidiaries

The principal subsidiaries within the Group during the year were as follows:

### Synectic Systems Group Limited

Design and development of advanced surveillance technology, operating through the following businesses:

#### synecticsglobal.com

Synectics House  
3-4 Broadfield Close  
Sheffield S8 0XN  
Tel: +44 (0) 114 255 2509

Moat Road  
Normanby Enterprise Park  
North Lincolnshire DN15 9BL  
Tel: +44 (0) 1652 688 908

### Synectic Systems, Inc.

Developer of integrated software solutions and products for complex security and surveillance networks

#### synecticsglobal.com

4885 Ward Road Suite 300  
Wheat Ridge  
CO 80033-1946  
USA  
Tel: +1 888 755 6255

### Synectic Systems GmbH

Provider of integrated surveillance and security management systems to the European transport industry

#### synecticsglobal.com

Wilhelmstraße 118  
10963 Berlin  
Germany  
Tel: +49 30 515655400

### Synectic Systems (Asia) Pte Limited

Provision of specialist video-based electronic systems and technology, for use in high security applications

#### synecticsglobal.com

150 Kampong Ampat  
#01-01/01-01A  
Singapore 368324  
Tel: +65 6749 6166

### Synectic Systems (Macau) Limited

Provision of specialist video-based electronic systems and technology, for use in high security applications

#### synecticsglobal.com

Alameda Dr. Carlos D'Assumpcao  
No. 411-417  
Edf. Dynasty Plaza, 6 andar Q, NAPE  
Macau  
Tel: +853 2855 5178

### Ocular Integration Limited

Design, installation, maintenance and management of advanced integrated CCTV and security systems

#### ocularintegration.co.uk

3 Attenborough Lane  
Chilwell  
Nottingham NG9 5JN  
Tel: +44 (0) 115 925 2521

## Advisers

### Secretary and registered office

**Claire Stewart**  
**Synectics plc**  
Synectics House  
3-4 Broadfield Close  
Sheffield S8 0XN  
Tel: +44 (0) 114 280 2828  
Email:  
legalandsecretarial@synecticsplc.com

### Bankers

**HSBC**  
1 Centenary Square  
Birmingham B1 1HQ

### Nominated Adviser

**Shore Capital & Corporate Limited**  
Cassini House  
57 St James's Street  
London SW1A 1LD

### Stockbrokers

**Shore Capital Stockbrokers Limited**  
Cassini House  
57 St James's Street  
London SW1A 1LD

### Auditor

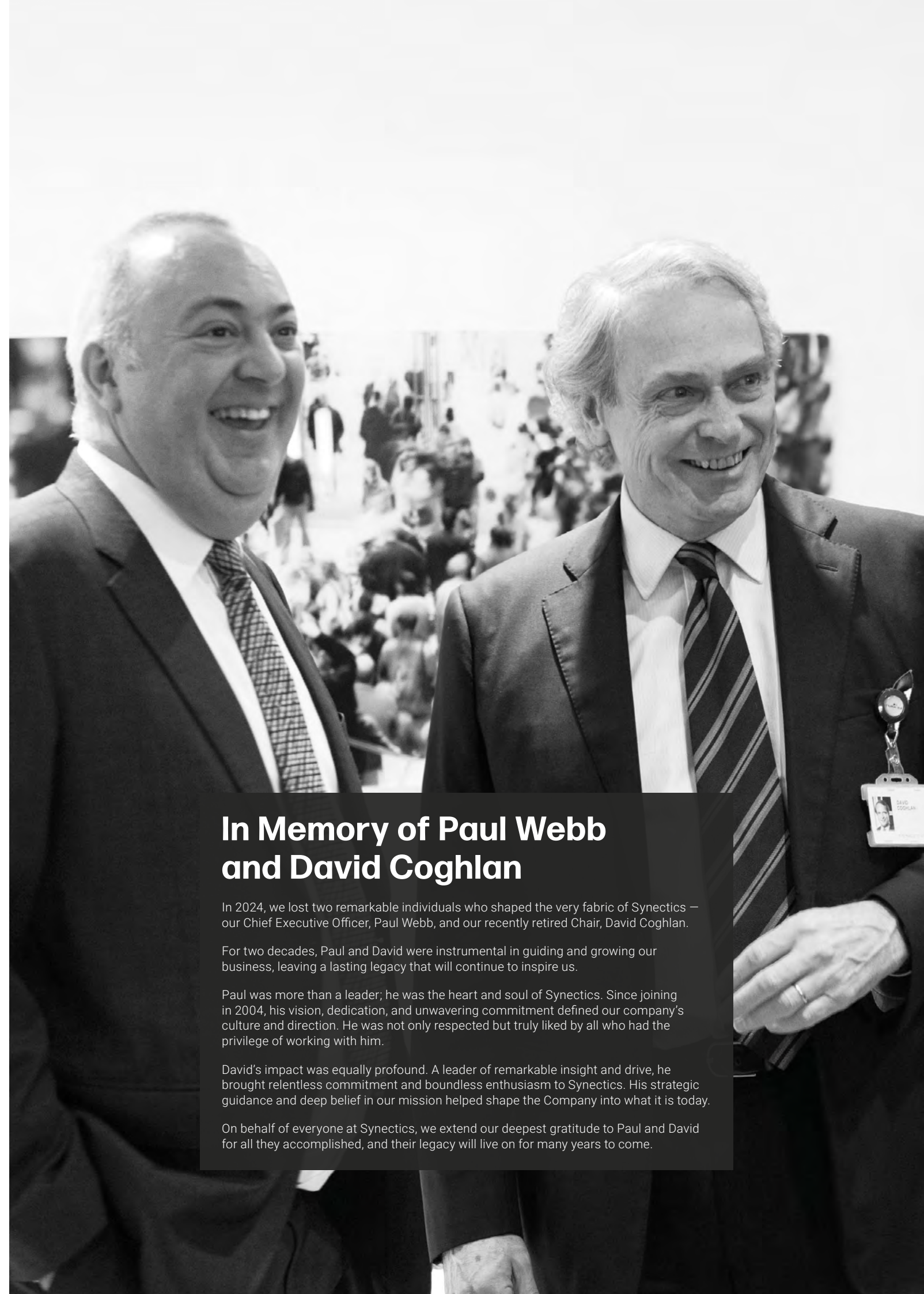
**RSM UK Audit LLP**  
14th Floor  
20 Chapel Street  
Liverpool L3 9AG

### Registrars and transfer office

**MUFG Pension & Market Services**  
Central Square  
29 Wellington Street  
Leeds LS1 4DL

### Investor Relations

**Vigo Consulting**  
78-79 New Bond Street  
London  
W1S 1RZ



## In Memory of Paul Webb and David Coghlan

In 2024, we lost two remarkable individuals who shaped the very fabric of Synectics – our Chief Executive Officer, Paul Webb, and our recently retired Chair, David Coghlan.

For two decades, Paul and David were instrumental in guiding and growing our business, leaving a lasting legacy that will continue to inspire us.

Paul was more than a leader; he was the heart and soul of Synectics. Since joining in 2004, his vision, dedication, and unwavering commitment defined our company's culture and direction. He was not only respected but truly liked by all who had the privilege of working with him.

David's impact was equally profound. A leader of remarkable insight and drive, he brought relentless commitment and boundless enthusiasm to Synectics. His strategic guidance and deep belief in our mission helped shape the Company into what it is today.

On behalf of everyone at Synectics, we extend our deepest gratitude to Paul and David for all they accomplished, and their legacy will live on for many years to come.



**Synectics plc**

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