

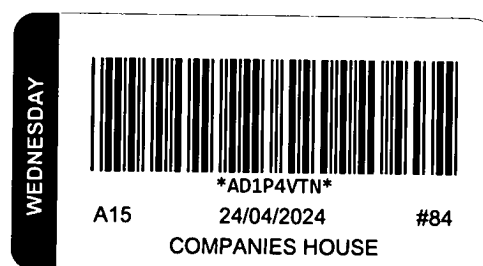
SelectScience Limited

Annual Report and Financial Statements

Year Ended

31 July 2023

Company Number 03597730



SelectScience Limited

Company Information

Directors

K Parker
H Hill
M Aly

Registered number

03597730

Registered office

Science House
Church Farm Business Park
Corston
Bath
BA2 9AP

Independent auditor

BDO LLP
Bridgewater House
Counterslip
Bristol
BS1 6BX

SelectScience Limited

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SelectScience Limited

Strategic Report For the Year Ended 31 July 2023

Introduction

The directors present the Strategic Report together with the audited financial statements for the year ended 31 July 2023.

Business review including future developments

The business is committed to delivering value and return on investment for its clients through effective content marketing to a high-quality audience of engaged purchasing scientists and healthcare professionals. The business is investing heavily in new technology with the objective of migrating from its legacy technology platforms to future-proofed, scalable and secure platforms. The business invested £0.7m in capital expenditure in the financial year to 31 July 2023 and is projecting to spend a significant amount in the following financial year. The new technology will be implemented over time.

Financial key performance indicators

The key indicators are revenue, profit and cash generation as well as various operational effectiveness and productivity indicators including the level of engagement with our audience base.

Despite difficult market conditions, the business grew revenues by 6.5% in the year to July 2023. Due to significant investment in people and technology, operating profits reduced from £4.6m to £3.6m.

The group remains cash generative and despite a £6.5m dividend payment, and significant capital expenditure, had £2.6m of cash at the bank at the year end.

Principal risks and uncertainties

The company continues to monitor the major risks areas that could impact the future success of the business. The principal risks and actions taken to mitigate those risks are summarised below:

Market, price and competitor risk: Being relevant for our clients and audience is critical. Rigorous strategic planning and market tracking is key to ensuring we are putting our external stakeholders at the heart of our thinking. We are increasingly tracking behavioural data to ensure that our content is relevant and engaging.

Credit, liquidity and cash flow risk: Like all businesses we are impacted by economic factors including cost inflation and the appetite of our clients to spend on marketing activity. Rigorous financial planning and forward forecasts and scenario planning are used to ensure we have sufficient cash headroom for unforeseen events. The company's holding company has also put in place long-term structured loan agreements to avoid any short-term credit risk. Because of our global reach, foreign exchange movements can also impact our cashflow and we continue to review our treasury and foreign exchange options.

People: Our people are critical to our success and attracting and retaining talent is key to delivering our strategic objectives. A progressive forward people and training plan is being developed.

Technology: We are a digital content marketing business and technology is key to how we deliver for our external stakeholders. We are investing to replace our legacy systems with secure, saleable modern new platforms. We are working with external partners and experts where relevant and robust project planning, procurement and testing is critical.

Data security: Data security is fast moving and we are working with external partners to ensure our systems are robust and our staff are well trained. Appropriate disaster recovery protocols have also been developed. We also have protocols and procedures to ensure that we respect and protect our stakeholders' data.

SelectScience Limited

Strategic Report (continued) For the Year Ended 31 July 2023

This report was approved by the board on 22 April 2024

and signed on its behalf.

DocuSigned by:

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K Parker
Director

SelectScience Limited

Directors' Report For the Year Ended 31 July 2023

The directors present their report together with the audited financial statements for the year ended 31 July 2023.

Principal activity

The principal activity of the company is digital and content marketing activities for the scientific community.

Results and dividends

The profit for the year, after taxation, amounted to £2,880,238 (2022 - £4,003,842).

The directors paid dividends of £6,500,000 for the year (2022 - £Nil). The directors do not recommend a further dividend (2022 - £Nil).

Directors

The directors who served during the year were:

K Parker
H Hill
M Aly
D Jotcham (resigned 3 April 2023)

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors which are made during the year and remain in force at the date of this report.

Matters covered in the Strategic Report

Matters included within the Strategic Report which should otherwise be included within the Directors' Report are financial risk management objectives and policies; information on exposure to price risk, credit risk, liquidity risk and cash flow risk; and future developments in the business of the company.

Research and development

During the year the company did not invest in research activities, but did invest in new bespoke technology solutions covered earlier in the Strategic Report and in the 'Intangible Assets' note to these financial statements.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

SelectScience Limited

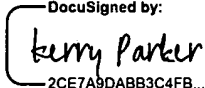
Directors' Report (continued) For the Year Ended 31 July 2023

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22 April 2024

and signed on its behalf.

DocuSigned by:

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K Parker
Director

SelectScience Limited

Directors' Responsibilities Statement For the Year Ended 31 July 2023

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 company will continue in business.

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

SelectScience Limited

Independent Auditor's Report to the Members of SelectScience Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2023 and of the company's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of SelectScience Limited ("the company") for the year ended 31 July 2023 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

SelectScience Limited

Independent Auditor's Report to the Members of SelectScience Limited (continued)

Other information

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

Other Companies Act 2006 reporting

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.

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

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

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

Responsibilities of directors

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

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

SelectScience Limited

Independent Auditor's Report to the Members of SelectScience Limited (continued)

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the company and the industry in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding of the company's policies and procedures regarding compliance with laws and regulations; and
- Obtaining an understanding of the legal and regulatory frameworks that are applicable to the company.

We considered the significant laws and regulations to be the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and the UK tax legislation.

The company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be GDPR regulations, VAT legislation and PAYE legislation.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence, if any, with tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

SelectScience Limited

Independent Auditor's Report to the Members of SelectScience Limited (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the company's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Our procedures in respect of the above included:

- Testing a sample of journal entries by agreeing to supporting documentation; and
- Incorporating an element of unpredictability as part of our response to the risk of management override of controls.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our Auditor's Report.

SelectScience Limited

Independent Auditor's Report to the Members of SelectScience Limited (continued)

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.

DocuSigned by:

James Eastell

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James Eastell (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Bristol

United Kingdom

Date: 22 April 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

SelectScience Limited

Statement of Comprehensive Income For the Year Ended 31 July 2023

	Note	2023 £	2022 £
Turnover	4	10,023,653	9,415,612
Cost of sales		(238,735)	(403,649)
Gross profit		9,784,918	9,011,963
Administrative expenses		(6,219,048)	(4,454,534)
Operating profit	5	3,565,870	4,557,429
Interest receivable and similar income	8	14,659	2,448
Interest payable and similar charges	9	-	(334)
Profit before tax		3,580,529	4,559,543
Tax on profit	10	(700,291)	(555,701)
Profit for the financial year		2,880,238	4,003,842

The results stated above are derived from continuing operations.

There was no other comprehensive income for 2023 (2022 - £Nil).

The notes on pages 14 to 27 form part of these financial statements.

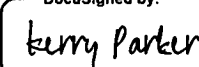
SelectScience Limited

Registered number: 03597730

**Balance Sheet
As at 31 July 2023**

	Note	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Intangible assets	12		682,783	-	
Tangible fixed assets	13		88,426	57,395	
			<u>771,209</u>	<u>57,395</u>	
Current assets					
Debtors: amounts falling due within one year	14	5,250,154		4,005,626	
Cash at bank and in hand		2,634,973		7,368,790	
		<u>7,885,127</u>		<u>11,374,416</u>	
Creditors: amounts falling due within one year	15	(5,538,370)		(4,701,446)	
Net current assets			<u>2,346,757</u>	<u>6,672,970</u>	
Total assets less current liabilities			<u>3,117,966</u>	<u>6,730,365</u>	
Provisions for liabilities					
Deferred tax	16		(12,995)	(5,632)	
Net assets			<u><u>3,104,971</u></u>	<u><u>6,724,733</u></u>	
Capital and reserves					
Called up share capital	17		1,025	1,025	
Share premium account	18		57,275	57,275	
Profit and loss account	18		3,046,671	6,666,433	
Total equity			<u><u>3,104,971</u></u>	<u><u>6,724,733</u></u>	

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 April 2024

DocuSigned by:

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K Parker
 Director

The notes on pages 14 to 27 form part of these financial statements.

SelectScience Limited

Statement of Changes in Equity For the Year Ended 31 July 2023

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 August 2022	1,025	57,275	6,666,433	6,724,733
Comprehensive income for the year				
Profit for the year	-	-	2,880,238	2,880,238
Total comprehensive income for the year	-	-	2,880,238	2,880,238
Contributions by and distributions to owners				
Dividends	-	-	(6,500,000)	(6,500,000)
Total transactions with owners	-	-	(6,500,000)	(6,500,000)
At 31 July 2023	1,025	57,275	3,046,671	3,104,971

Statement of Changes in Equity For the Year Ended 31 July 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 August 2021	1,025	57,275	2,662,591	2,720,891
Comprehensive income for the year				
Profit for the year	-	-	4,003,842	4,003,842
Total comprehensive income for the year	-	-	4,003,842	4,003,842
At 31 July 2022	1,025	57,275	6,666,433	6,724,733

The notes on pages 14 to 27 form part of these financial statements.

SelectScience Limited

Notes to the Financial Statements For the Year Ended 31 July 2023

1. General information

SelectScience Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act. The address of the registered office is given on the Company Information page and its principal activities are disclosed in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is Sterling. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Electant Capital Limited as at 31 July 2023 and these financial statements may be obtained from Companies House.

2.3 Change in accounting policy

During FY23 the directors reviewed the company's accounting treatment for costs incurred in the development of the company's technology platform. Previously these costs were expensed as incurred but moving forward these costs will be capitalised as an intangible fixed asset and amortised on a straight-line basis over three years. Amortisation will begin when the asset is ready for use. As required by the accounting framework, the directors have considered any impact arising from the retrospective application of this change in accounting policy on the prior year Statement of Comprehensive Income, the prior year Balance Sheet and prior year reported equity as at 1 August 2021. There are no prior year adjustments arising from this change in accounting policy.

SelectScience Limited

Notes to the Financial Statements For the Year Ended 31 July 2023

2. Accounting policies (continued)

2.4 Going concern

The directors have reviewed the detailed budgets and strategic plans for the forthcoming year and for a period of at least 12 months from the date of these financial statements and believe that the company has sufficient financial resources available to it to meet its obligations as they fall due. Business performance is reviewed continuously throughout the year with future forecasts prepared in detail and reviewed by the directors.

The directors believe that it is appropriate to prepare the financial statements on a going concern basis.

2.5 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses are presented in profit or loss within "Administrative expenses".

2.6 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

The company is engaged in the provision of digital marketing services. Turnover from a contract to provide services is recognised in the period in which the services are provided. The company typically enters into contracts to provide digital marketing services over a period of time and invoices in advance. Where invoicing occurs in advance of revenue recognition, amounts invoiced in advance are included in deferred income.

2.7 Operating leases: the company as lessee

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

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

SelectScience Limited

Notes to the Financial Statements For the Year Ended 31 July 2023

2. Accounting policies (continued)

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in "Other creditors" as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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

Development expenditure	-	3 years straight line
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In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised to profit or loss on a straight line basis over their expected useful economic lives. Amortisation begins when the intangible asset is available for use, i.e. when it is in the location and condition necessary for it to be usable in the manner intended by management.

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

SelectScience Limited

Notes to the Financial Statements For the Year Ended 31 July 2023

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Improvements to property	-	20% on cost
Fixtures and fittings	-	20% on cost
Computer equipment	-	20% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method.

2.16 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in the case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

SelectScience Limited

Notes to the Financial Statements For the Year Ended 31 July 2023

2. Accounting policies (continued)

2.16 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

2.18 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

SelectScience Limited

Notes to the Financial Statements For the Year Ended 31 July 2023

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgements:

- Determine whether there are indicators of impairment of the company's tangible and intangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

- Tangible and intangible fixed assets (see notes 12 and 13)

Tangible and intangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Turnover	<u>10,023,653</u>	<u>9,415,612</u>

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	1,848,039	1,577,737
Rest of Europe	2,452,603	2,134,688
United States	5,478,072	5,409,739
Rest of the world	244,939	293,448
	<u>10,023,653</u>	<u>9,415,612</u>

SelectScience Limited

Notes to the Financial Statements For the Year Ended 31 July 2023

5. Operating profit

The operating profit is stated after charging/(crediting):

	2023 £	2022 £
Depreciation of tangible fixed assets	27,408	20,676
Exchange differences	134,699	(151,176)
Fees payable to the company's auditor and its associates for the audit of company's annual financial statements	29,190	24,380
Bad debts (recovered)/recognised	(8,605)	9,366
Operating lease charges	88,253	72,984
	<u> </u>	<u> </u>

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2023 £	2022 £
Wages and salaries	3,341,094	2,935,524
Social security costs	288,551	305,948
Cost of defined contribution scheme	65,748	76,098
	<u> </u>	<u> </u>
	<u>3,695,393</u>	<u>3,317,570</u>

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

	2023 No.	2022 No.
Editorial	16	14
Client services	20	16
Sales	13	12
Other	19	10
	<u> </u>	<u> </u>
	<u>68</u>	<u>52</u>

SelectScience Limited

Notes to the Financial Statements For the Year Ended 31 July 2023

7. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	203,608	518,695
Company contributions to defined contribution pension schemes	10,983	17,875
	<u>214,591</u>	<u>536,570</u>

During the year retirement benefits were accruing to 4 directors (2022 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £145,370 (2022 - £187,977).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,012 (2022 - £7,330).

The directors are considered the key management personnel of the company.

8. Interest receivable and similar income

	2023 £	2022 £
Interest receivable	<u>14,659</u>	<u>2,448</u>

9. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	-	118
Other interest payable	-	216
	<u>-</u>	<u>334</u>

SelectScience Limited

Notes to the Financial Statements For the Year Ended 31 July 2023

10. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	695,350	631,586
Adjustments in respect of previous periods	(4,186)	(84,675)
Double taxation relief	(928)	(1,727)
	<u>690,236</u>	<u>545,184</u>
Foreign tax		
Foreign tax on income for the year	791	1,901
Foreign tax in respect of prior periods	1,901	1,274
	<u>692,928</u>	<u>548,359</u>
Total current tax		
Deferred tax		
Origination and reversal of timing differences	7,363	5,351
Adjustments in respect of previous periods	-	1,991
	<u>7,363</u>	<u>7,342</u>
Total deferred tax		
Taxation on profit on ordinary activities	<u><u>700,291</u></u>	<u><u>555,701</u></u>

SelectScience Limited

Notes to the Financial Statements For the Year Ended 31 July 2023

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022 - lower than) the standard rate of corporation tax in the UK of 21.01% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>3,580,529</u>	<u>4,559,543</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.01% (2022 - 19%)	752,269	866,313
Effects of:		
Expenses not deductible for tax purposes	9,645	5,627
Income not taxable for tax purposes	(680)	-
Fixed asset differences	(1,604)	(2,675)
Adjustments to tax charge in respect of previous periods - current tax	(2,285)	(84,675)
Adjustments to tax charge in respect of previous periods - deferred tax	-	1,991
Remeasurement of deferred tax for changes in tax rates	1,176	1,285
Group relief	(58,230)	(232,165)
Total tax charge for the year	<u><u>700,291</u></u>	<u><u>555,701</u></u>

Factors that may affect future tax charges

Increases in the UK Corporation tax rate from 19% to 25% (19% effective from 1 April 2017, and 25% effective from 1 April 2023) have been substantively enacted. This will impact the company's future tax charge accordingly. The value of the deferred tax liability at the Balance Sheet date has been calculated using the applicable rate when the liability is expected to be realised.

11. Dividends

	2023 £	2022 £
Final dividend paid of £6,500,000 (2022 - £Nil)	<u><u>6,500,000</u></u>	<u><u>-</u></u>

SelectScience Limited

Notes to the Financial Statements
For the Year Ended 31 July 2023

12. Intangible assets

	Development expenditure £
Cost	
At 1 August 2022	-
Additions	682,783
	<hr/>
At 31 July 2023	682,783
	<hr/>
Net book value	
At 31 July 2023	682,783
	<hr/> <hr/>
At 31 July 2022	-
	<hr/> <hr/>

All development expenditure is internally generated.

Included within development expenditure is a website being built on a modern CMS system; a customer management and communication tool; and a data warehouse. This was developed in 2023 and will continue to be developed in 2024. The carrying amount at 31 July 2023 is £682,783 (2022 - £Nil). Once complete, the asset will be amortised over 3 years on a straight-line basis.

SelectScience Limited

Notes to the Financial Statements For the Year Ended 31 July 2023

13. Tangible fixed assets

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 August 2022	43,303	22,408	107,085	172,796
Additions	-	572	57,867	58,439
At 31 July 2023	43,303	22,980	164,952	231,235
Depreciation				
At 1 August 2022	40,769	17,637	56,995	115,401
Charge for the year	563	1,307	25,538	27,408
At 31 July 2023	41,332	18,944	82,533	142,809
Net book value				
At 31 July 2023	1,971	4,036	82,419	88,426
At 31 July 2022	2,534	4,771	50,090	57,395

14. Debtors

	2023 £	2022 £
Trade debtors	1,299,260	1,108,276
Amounts owed by group undertakings	3,407,779	2,721,527
Other debtors	101,666	10,907
Prepayments	441,449	164,916
	5,250,154	4,005,626

Amounts owed by group undertakings are unsecured, repayable on demand and do not bear interest.

SelectScience Limited

Notes to the Financial Statements For the Year Ended 31 July 2023

15. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	187,431	139,401
Corporation tax	561,918	194,100
Other taxation and social security	79,140	99,925
Other creditors	17,994	13,520
Accruals and deferred income	4,691,887	4,254,500
	<u>5,538,370</u>	<u>4,701,446</u>

16. Deferred taxation

	2023 £
At beginning of year	(5,632)
Charged to the Statement of Comprehensive Income	(7,363)
At end of year	<u>(12,995)</u>

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	<u>(12,995)</u>	<u>(5,632)</u>

17. Called up share capital

	2023 £	2022 £
Allotted, called up and fully paid		
1,025 (2022 - 1,025) Ordinary shares of £1 each	<u>1,025</u>	<u>1,025</u>

SelectScience Limited

Notes to the Financial Statements For the Year Ended 31 July 2023

18. Reserves

The company's reserves are as follows:

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

19. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £65,748 (2022 - £76,098). Contributions totalling £17,994 (2022 - £13,520) were payable to the fund at the reporting date and are included in creditors.

20. Commitments under operating leases

At 31 July 2023 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	86,816	21,704

21. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group headed by Electant Capital Limited.

22. Parent undertaking and controlling party

The company's immediate parent is Electant Capital Limited, a company incorporated in England and Wales and whose registered office is Science House, Church Farm Business Park, Corston, Bath, United Kingdom, BA2 9AP.

The smallest and largest group in which the company is consolidated is that headed by Electant Capital Limited. The consolidated accounts of Electant Capital Limited are available to the public from Companies House, Crown Way, Cardiff, CF14 3UZ.

The ultimate controlling party is Vespa Capital LLP.