

Company registration number SC438223 (Scotland)

XELECT LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023
PAGES FOR FILING WITH REGISTRAR

XELECT LIMITED

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XELECT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present their annual report and financial statements for the year ended 30 June 2023.

Principal activities

The principal activity of the company is that of the provision of genetic services for aquaculture, conservation and environmental monitoring.

Directors

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

Professor Ian Johnston

Dr Tom Ashton

(Resigned 13 May 2023)

A Goor

Mark Birri

(Resigned 16 November 2022)

Amy Gibson

(Appointed 16 November 2022 and resigned 5 May 2023)

J Thompson

(Appointed 13 May 2023)

Statement from directors

On 2 March 2021 the Company and its shareholders entered into an agreement with Genus PLC ("Genus") whereby Genus acquired 39% of the share capital of the Company. As part of this transaction the Company and shareholders also entered into a call option agreement with Genus giving them the right, but not the obligation, to acquire the remaining 61% of the shares by 30 September 2023

The Directors are pleased to report a further period of significant progress with turnover for the year to 30 June 2023 of £1,775,624 (2021/22: £1,571,079) and pre-tax profit of £247,702 (2021/22: £170,127). Net funds at 30 June 2023 were £330,106 (30 June 2022: £167,722).

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

XELECT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Professor Ian Johnston

Director

5 October 2023

XELECT LIMITED

BALANCE SHEET

AS AT 30 JUNE 2023

		2023	2022
	Notes	£	£
Fixed assets			
Intangible assets	4	164,034	167,539
Tangible assets	5	177,385	201,214
Current assets			
Stocks		96,860	87,978
Debtors	6	552,812	443,356
Cash at bank and in hand		360,106	207,722
		1,009,778	739,056
Creditors: amounts falling due within one year	7	(357,082)	(312,489)
Net current assets		652,696	426,567
Total assets less current liabilities		994,115	795,320
Creditors: amounts falling due after more than one year	8	(20,000)	(30,000)
Provisions for liabilities		(43,583)	(37,893)
Net assets		930,532	727,427
Capital and reserves			
Called up share capital	9	138	138
Share premium account		358,620	358,620
Profit and loss reserves		571,774	368,669
Total equity		930,532	727,427

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 June 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

XELECT LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2023

The financial statements were approved by the board of directors and authorised for issue on 5 October 2023 and are signed on its behalf by:

Professor Ian Johnston
Director

Company Registration No. SC438223

XELECT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 July 2021	138	358,620	213,801	572,559
Year ended 30 June 2022:				
Profit and total comprehensive income for the year	-	-	154,868	154,868
Balance at 30 June 2022	138	358,620	368,669	727,427
Year ended 30 June 2023:				
Profit and total comprehensive income for the year	-	-	203,105	203,105
Balance at 30 June 2023	138	358,620	571,774	930,532

XELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

Company information

Xelect Limited is a private company limited by shares incorporated in Scotland. The registered office is Horizon House, Abbey Walk, St Andrews, Fife, Scotland, KY16 9LB.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Fee income represents revenue earned under a wide variety of contracts to provide professional services. Revenue is recognised as earned when, and to the extent that, the company obtains the right to consideration in exchange for its performance under these contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients, including expenses and disbursements but excluding value added tax.

Revenue is generally recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations. For such contracts the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed. Revenue not billed to clients is included in debtors.

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the certainty of technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred as an intangible asset and amortised over a period during which the company is expected to benefit.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets comprise costs on specific internal projects which are incurred in the development phase once the directors are satisfied of the certainty of technical, commercial and financial viability. Such assets are defined as having finite useful lives and amortised accordingly. Intangible assets are stated at cost less amortisation and are reviewed for impairment whenever there is an indication that the carrying value may be impaired.

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 costs	12.5% straight line
Patent costs	20% straight line

XELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

During the year the basis of amortisation for Development costs was changed from 20% reducing balance to 12.5% straight line.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Plant and machinery	12.5% - 25% straight line
Fixtures, fittings & equipment	12.5% straight line
Computer equipment	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

During the year the basis of depreciation for Fixtures, fittings and equipment was changed from 20% reducing balance to 12.5% straight line.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets 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).

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

XELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Basic financial liabilities

Basic financial liabilities, including creditors and loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Taxation

The tax expense represents the sum of the tax currently recoverable and deferred tax.

Current tax

The tax recoverable is based on research and development tax credits available in the year. Taxable loss differs from net profit/(loss) as reported in the profit and loss account 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 company's recoverable amount for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

A claim in respect of research and development expenditure has been made for the year.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

XELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

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

	2023	2022
	Number	Number
Total	17	17
	==	==

XELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

4 Intangible fixed assets

	Other £
Cost	
At 1 July 2022	322,668
Additions	42,708
	<hr/>
At 30 June 2023	365,376
	<hr/>
Amortisation and impairment	
At 1 July 2022	155,129
Amortisation charged for the year	46,213
	<hr/>
At 30 June 2023	201,342
	<hr/>
Carrying amount	
At 30 June 2023	164,034
	<hr/> <hr/>
At 30 June 2022	167,539
	<hr/> <hr/>

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 July 2022	405,369
Additions	30,320
Disposals	(8,632)
	<hr/>
At 30 June 2023	427,057
	<hr/>
Depreciation and impairment	
At 1 July 2022	204,155
Depreciation charged in the year	52,056
Eliminated in respect of disposals	(6,539)
	<hr/>
At 30 June 2023	249,672
	<hr/>
Carrying amount	
At 30 June 2023	177,385
	<hr/> <hr/>
At 30 June 2022	201,214
	<hr/> <hr/>

XELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

6 Debtors	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	479,174	394,685
Other debtors	73,638	48,522
	<hr/>	<hr/>
	552,812	443,207
Deferred tax asset	-	149
	<hr/>	<hr/>
	552,812	443,356
	<hr/>	<hr/>
7 Creditors: amounts falling due within one year	2023	2022
	£	£
Bank loans	10,000	10,000
Trade creditors	102,879	139,590
Corporation tax	33,398	-
Other taxation and social security	25,379	28,118
Other creditors	185,426	134,781
	<hr/>	<hr/>
	357,082	312,489
	<hr/>	<hr/>
8 Creditors: amounts falling due after more than one year	2023	2022
	£	£
Bank loans and overdrafts	20,000	30,000
	<hr/>	<hr/>
9 Called up share capital	2023	2022
	£	£
Ordinary share capital		
Issued and fully paid		
137,621 ordinary shares of 0.1p each	138	138
	<hr/>	<hr/>
	138	138
	<hr/>	<hr/>

XELECT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2023	2022
	£	£
Within one year	64,608	64,608
Between two and five years	258,432	258,432
In over five years	218,428	283,036
	<u>541,468</u>	<u>606,076</u>

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