

Company registration number 03235432 (England and Wales)

**XENOMORPH SOFTWARE LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

**XENOMORPH SOFTWARE LIMITED**

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# **XENOMORPH SOFTWARE LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2023***

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The directors present their annual report and financial statements for the year ended 31 December 2023.

### **Principal activities**

The principal activity of the company continues to be that of sales of internally developed software products and associated consultancy services to institutions within the global financial markets.

### **Directors**

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

B Kristensen  
M Skinner  
R Zeghibe

### **Qualifying third party indemnity provisions**

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision remains in force as at the date of approving the Directors' Report.

### **Small companies' exemption note**

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

On behalf of the board

R Zeghibe  
**Director**

28 May 2024

# XENOMORPH SOFTWARE LIMITED

## STATEMENT OF FINANCIAL POSITION

**AS AT 31 DECEMBER 2023**

	Notes	2023 £	2022 £
<b>Non-current assets</b>			
Intangible assets	4	10,928,448	11,729,944
Property, plant and equipment	5	1,023	117,555
Other receivables	6	7,090	72,896
		<u>10,936,561</u>	<u>11,920,395</u>
<b>Current assets</b>			
Trade and other receivables	6	83,820	139,409
Current tax recoverable		121,287	437,365
Cash and cash equivalents		37,564	73,007
		<u>242,671</u>	<u>649,781</u>
<b>Current liabilities</b>			
Trade and other payables	8	1,897,733	1,597,758
Borrowings	7	7,974,726	8,809,655
Lease liabilities		-	150,330
Deferred revenue	9	61,778	15,879
		<u>9,934,237</u>	<u>10,573,622</u>
<b>Net current liabilities</b>		<u>(9,691,566)</u>	<u>(9,923,841)</u>
<b>Non-current liabilities</b>			
Deferred revenue	9	95,974	111,852
<b>Net assets</b>		<u>1,149,021</u>	<u>1,884,702</u>
<b>Equity</b>			
Called up share capital	11	100	100
Retained earnings		1,148,921	1,884,602
<b>Total equity</b>		<u>1,149,021</u>	<u>1,884,702</u>

For the financial year ended 31 December 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.

The company's financial statements have been prepared in accordance with the provisions applicable to the companies subject to the small companies regime.

# **XENOMORPH SOFTWARE LIMITED**

## **STATEMENT OF FINANCIAL POSITION (CONTINUED)**

***AS AT 31 DECEMBER 2023***

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The financial statements were approved by the board of directors and authorised for issue on 28 May 2024 and are signed on its behalf by:

R Zeghibe

**Director**

**Company registration number 03235432**

# XENOMORPH SOFTWARE LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital £	Retained earnings £	Total £
<b>Balance at 1 January 2022</b>	100	2,028,456	2,028,556
<b>Year ended 31 December 2022:</b>			
Loss and total comprehensive income for the year	-	(143,854)	(143,854)
<b>Balance at 31 December 2022</b>	100	1,884,602	1,884,702
<b>Year ended 31 December 2023:</b>			
Loss and total comprehensive income for the year	-	(735,681)	(735,681)
<b>Balance at 31 December 2023</b>	100	1,148,921	1,149,021

# XENOMORPH SOFTWARE LIMITED

## STATEMENT OF CASH FLOWS

**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	15		2,003,123		1,550,282
Interest paid			(363,281)		(783,056)
Income taxes refunded			437,365		464,171
<b>Net cash inflow from operating activities</b>			2,077,207		1,231,397
<b>Investing activities</b>					
Purchase of intangible assets		(1,127,054)		(1,620,864)	
Purchase of property, plant and equipment		(657)		-	
Proceeds from disposal of property, plant and equipment		320		-	
<b>Net cash used in investing activities</b>			(1,127,391)		(1,620,864)
<b>Financing activities</b>					
Repayment of borrowings		(830,670)		250,621	
Payment of lease liabilities		(150,330)		(143,171)	
<b>Net cash (used in)/generated from financing activities</b>			(981,000)		107,450
<b>Net decrease in cash and cash equivalents</b>			(31,184)		(282,017)
Cash and cash equivalents at beginning of year			66,435		348,452
Cash and cash equivalents at end of year			35,251		66,435
<b>Relating to:</b>					
Bank balances and short term deposits			37,564		73,007
Bank overdrafts			(2,313)		(6,572)

# **XENOMORPH SOFTWARE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** ***FOR THE YEAR ENDED 31 DECEMBER 2023***

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### **1 Accounting policies**

#### **Company information**

Xenomorph Software Limited is a private company limited by shares incorporated in England and Wales. The registered office is Swiss House, Beckingham Street, Tolleshunt Major, Maldon, Essex, CM9 8LZ. The company's principal activities and nature of its operations are disclosed in the directors' report.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

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 £.

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

#### **1.2 Going concern**

The Company's business activities are set out in the Directors' Report on page 2.

The Company continues to manage its costs very carefully without impacting its operations and ability to deliver on current client projects and to win new business.

The Company has net current liabilities of £9,763,910. The main contributor to this is the group loan repayable within 1 year totalling £7,936,040. Part of the group loan is payable to the Parent Company, Xenomorph Holdings Limited. The board of directors of Xenomorph Holdings Limited have confirmed that they will not be seeking repayment of the amount until such time as the Company is able to make a repayment from funds that become surplus to its requirements, whilst allowing it sufficient working capital to meet all of its day-to-day assets.

Therefore, based on continued support from the Parent Company the directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Company to continue as a going concern. The directors have a reasonable expectation that the Company will be able to continue in operational existence for a period of at least 12 months after the date on which the financial statements are signed. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.



# **XENOMORPH SOFTWARE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** ***FOR THE YEAR ENDED 31 DECEMBER 2023***

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### **1 Accounting policies**

**(Continued)**

#### **1.3 Revenue**

The Company earns revenue from licencing its software product for a fixed annual fee which gives the customer access to the software, and support services, over the licencing period. Revenue is also derived from contracts with customers for the initial set-up, testing and integration of software prior to an ongoing licencing arrangement.

Initial set-up, testing and integration and the licenced software products and support services are deemed to be separate performance obligations under IFRS 15. In accordance with IFRS 15, the Company has considered the relative stand-alone selling price of each performance obligation and concluded that support services have no significant stand-alone selling price and therefore a transaction price for support services is not separated from the annual fee for the licenced software product.

Licences are generally provided on an annual renewable basis and can be terminated by the customer subject to notice being given in advance of the next annual renewal date. The annual licence fee is recognised in full on the date of renewal which is also the date when the software is made available to the customer for use. This is on the basis that the Company has no obligation to undertake activities that enable the customer to use the software and does not have any contractual obligation to undertake activities that change the functionality of the software after the annual renewal date.

The Company also earns consulting fees from one-off implementation and configuration services. The provision of initial set-up, testing and integration is normally subject to a separate contractual arrangement and the agreed fee under this arrangement is the transaction price. The fee for initial set-up, testing and integration is recognised as the work is delivered over the period of the work.

# **XENOMORPH SOFTWARE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2023**

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### **1 Accounting policies**

**(Continued)**

#### **1.4 Intangible assets other than goodwill**

##### **Internally-generated intangible assets**

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The types of cost capitalised include employee costs and subcontractor costs directly associated with the development activity.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised on a straight-line basis over the estimated useful life of the software, being 15 years.

#### **1.5 Property, plant and equipment**

Property, plant and equipment 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:

Fixtures and fittings	15% straight line
Computers	33% 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 recognised in the income statement.

# XENOMORPH SOFTWARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

(Continued)

#### 1.6 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so 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 cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

##### **Financial assets at fair value through profit or loss**

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

# XENOMORPH SOFTWARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

(Continued)

#### ***Financial assets held at amortised cost***

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

#### ***Financial assets at fair value through other comprehensive income***

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

The company has made an irrevocable election to recognize changes in fair value of investments in equity instruments through other comprehensive income, not through profit or loss. A gain or loss from fair value changes will be shown in other comprehensive income and will not be reclassified subsequently to profit or loss. Equity instruments measured at fair value through other comprehensive income are recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income are directly transferred to retained earnings when the equity instrument is derecognized or its fair value substantially decreased. Dividends are recognized as finance income in profit or loss.

#### ***Impairment of financial assets***

Financial assets carried at amortised cost and FVOCI are assessed for indicators of impairment at each reporting end date.

The expected credit losses associated with these assets are estimated on a forward-looking basis. A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

For trade receivables, the simplified approach permitted by IFRS 9 is applied, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

### 1.9 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

# XENOMORPH SOFTWARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

#### **1.10 Equity instruments**

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

#### **1.11 Derivatives**

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are classified as current.

#### **1.12 Taxation**

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

##### **Current tax**

The tax credit for the year comprises current tax recoverable. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax recoverable is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

##### **Deferred tax**

Management has considered and decided not to recognise a deferred tax asset due to the uncertainty over when taxable profits will be achieved given the deductibility of development costs for tax purposes over the capitalisation for accounting purposes.

#### **1.13 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 inventories or non-current assets.

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.

# **XENOMORPH SOFTWARE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 DECEMBER 2023**

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### **1 Accounting policies**

**(Continued)**

#### **1.14 Retirement benefits**

The Company operates a defined contribution scheme for employees.

The contributions payable in respect of defined contribution schemes are charged to profit or loss in the period to which they relate. Any cumulative difference between the amounts payable and amounts paid are shown in the Statement of Financial Position as receivables or payables, but otherwise the assets and liabilities of those schemes are not included in the financial statements as the employer is not exposed to their risks and rewards, which instead lie with the members of those schemes.

#### **1.15 Leases**

A right-of-use asset and a lease liability has been recognized for all leases except leases of low value assets, which are considered to be those with a fair value below £4,500, and those with a duration of 12 months or less.

The right-of-use asset has been measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date.

The Company will depreciate the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Where impairment indicators exist, the right of use asset will be assessed for impairment.

The lease liabilities are measured at the present value of the lease payments due to the lessor over the lease term, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. The rate applied was 5%.

After initial measurement, any payments made will reduce the liability and the interest accrued will increase it. Any reassessment or modification will lead to a remeasurement of the liability. In such case, the corresponding adjustment will be reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

On the Statement of Financial Position, right-of-use assets have been included in property, plant and equipment.

#### **1.16 Grants**

Grants related to capital projects 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.

The grant is in relation to the Company's software development costs. The grant is therefore released to profit or loss over the useful economic life of the asset, being 15 years.

#### **1.17 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.

# XENOMORPH SOFTWARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 2 Employees

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

2023 Number	2022 Number
18	22
<u>18</u>	<u>22</u>

### 3 Directors' remuneration

2023 £	2022 £
460,000	460,000
<u>460,000</u>	<u>460,000</u>

Remuneration for qualifying services

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

2023 £	2022 £
240,000	240,000
<u>240,000</u>	<u>240,000</u>

Remuneration for qualifying services

### 4 Intangible assets

	Development costs £
<b>Cost</b>	
At 1 January 2022	16,025,850
Additions	1,620,864
	<u>17,646,714</u>
At 31 December 2022	17,646,714
Additions - purchased	1,127,054
	<u>18,773,768</u>
At 31 December 2023	18,773,768

# XENOMORPH SOFTWARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 4 Intangible assets

(Continued)

	Development costs £
<b>Amortisation and impairment</b>	
At 1 January 2022	4,716,770
Charge for the year	1,200,000
	<hr/>
At 31 December 2022	5,916,770
Charge for the year	1,928,550
	<hr/>
At 31 December 2023	7,845,320
	<hr/>
<b>Carrying amount</b>	
At 31 December 2023	10,928,448
	<hr/>
At 31 December 2022	11,729,944
	<hr/>
At 31 December 2021	11,309,080
	<hr/>

### 5 Property, plant and equipment

	Leasehold land and buildings £	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>				
At 1 January 2022 and 1 January 2023	583,171	10,659	3,896	597,726
Additions	-	-	657	657
Disposals	-	(10,240)	-	(10,240)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023	583,171	419	4,553	588,143
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation and impairment</b>				
At 1 January 2022	349,902	9,458	2,343	361,703
Charge for the year	116,634	1,044	790	118,468
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	466,536	10,502	3,133	480,171
Charge for the year	116,635	63	449	117,147
Eliminated on disposal	-	(10,198)	-	(10,198)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023	583,171	367	3,582	587,120
	<hr/>	<hr/>	<hr/>	<hr/>



# XENOMORPH SOFTWARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 5 Property, plant and equipment

(Continued)

	Leasehold land and buildings £	Fixtures and fittings £	Computers £	Total £
<b>Carrying amount</b>				
At 31 December 2023	-	52	971	1,023
At 31 December 2022	116,635	157	763	117,555

### 6 Trade and other receivables

	Current 2023 £	2022 £	Non-current 2023 £	2022 £
Trade receivables	-	60,889	-	-
Other receivables	46,313	6,347	7,090	72,896
Prepayments	37,507	72,173	-	-
	83,820	139,409	7,090	72,896

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

Trade receivables, which are the only financial assets held at amortised cost, are non-interest bearing and generally have a 30-90 day term. Due to their short maturities, the carrying amount of trade and other receivables is a reasonable approximation of their fair value.

A provision for impairment of trade receivables is established using an expected loss model. Expected loss is calculated from a provision matrix based on the expected lifetime default rates and estimates of loss on default.

An ageing analysis of trade debtors is shown below:

- Current - £0
- 60 days - £0
- 90 days - £0

Subsequent to the year end, trade debtors were settled in full.

*At the year end, there is no provision for impairment of receivables (2022: £Nil).*

### 7 Borrowings

	2023 £	2022 £
<b>Borrowings held at amortised cost:</b>		
Bank overdrafts	2,313	6,572
Loan from pension fund	117,759	106,108
Loans from related parties	7,854,654	8,696,975

# XENOMORPH SOFTWARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 7 Borrowings

(Continued)

Group loans includes amounts owing to Xenomorph Holdings Limited, the parent company. The board of directors of Xenomorph Holdings Limited has confirmed that they will not be seeking repayment of the amount until such time as the Company is able to make a repayment from funds that become surplus to its requirements, whilst allowing it sufficient working capital to meet all of its day-to-day assets.

Growth Lending 2020 Limited has a fixed charge over all freehold and leasehold properties (whether registered or unregistered) and all commonhold properties, now or in the future and a floating charge which covers all the property or undertaking of the company.

### 8 Trade and other payables

	2023 £	2022 £
Trade payables	612,201	640,797
Accruals	154,220	233,783
Social security and other taxation	524,029	310,460
Other payables	607,283	412,718
	<u>1,897,733</u>	<u>1,597,758</u>

The directors consider that the carrying amount of trade payables approximates to their fair value. No interest is charged on trade and other payables.

Trade payables and other payables constitute the only financial liabilities measured at amortised cost.

### 9 Deferred revenue

	2023 £	2022 £
Arising from government grants	111,853	127,731
Arising from Deferred income	45,899	-
	<u>157,752</u>	<u>127,731</u>

Deferred revenues are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2023 £	2022 £
Current liabilities	61,778	15,879
Non-current liabilities	95,974	111,852
	<u>157,752</u>	<u>127,731</u>

# XENOMORPH SOFTWARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 10 Retirement benefit schemes

	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	42,986	88,901

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

### 11 Share capital

	2023 Number	2022 Number	2023 £	2022 £
<b>Ordinary share capital</b>				
<b>Authorised</b>				
ordinary of £1 each	100	100	100	100
	=====	=====	=====	=====
<b>Issued and fully paid</b>				
ordinary of £1 each	100	100	100	100
	=====	=====	=====	=====

### 12 Capital risk management

The company is not subject to any externally imposed capital requirements.

### 13 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel, including directors, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

#### Other transactions with related parties

### 14 Controlling party

The immediate and ultimate parent undertaking is Xenomorph Holdings Limited, a company registered in England and Wales.

The largest and smallest group of undertakings for which group accounts for the year ended 31 December 2021 have been drawn up, is that headed by Xenomorph Holdings Limited. Copies of the parent accounts are available from Companies House.

# XENOMORPH SOFTWARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

### 15 Cash generated from operations

	2023	2022
	£	£
Loss for the year before tax	(856,968)	(581,219)
<b>Adjustments for:</b>		
Finance costs	363,281	783,056
Gain on disposal of property, plant and equipment	(278)	-
Amortisation and impairment of intangible assets	1,928,550	1,200,000
Depreciation and impairment of property, plant and equipment	117,147	118,468
<b>Movements in working capital:</b>		
Decrease in trade and other receivables	121,395	362,179
Increase in trade and other payables	299,975	178,545
Increase/(decrease) in deferred revenue outstanding	30,021	(510,747)
<b>Cash generated from operations</b>	<b>2,003,123</b>	<b>1,550,282</b>

