

Xi-Tech Limited

Amended Report and Financial Statements

Period Ended

31 March 2017

Company Number 07068708



Xi-Tech Limited

**Report and financial statements
for the period ended 31 March 2017**

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Director

S C Jaye

Secretary

S C Jaye

Registered office

18 The Avenue
Egham
TW20 9AB

Company number

07068708

Auditor

Mazars LLP, Tower Bridge House, St Katharine's Way, London, E1W 1DD

Bankers

HSBC PLC, HBEU Apex Plaza, Forbury Road, Reading, RG1 1AX

Xi-Tech Limited

Strategic report for the period ended 31 March 2017

The director presents his Strategic Report together with the audited financial statements for the period from 26 March 2016 to 31 March 2017.

Principal activities, review of business and future developments

The company is a holding company and the group's principal activity is the development, manufacture and marketing of a range of sensor detection modules and systems that cover a variety of wavelengths across the electro-magnetic spectrum. It also carries out the development, manufacture and marketing of high voltage power supplies to support the markets of the above.

Research and development work has continued to be focused on three main product areas:

- X-ray detection systems, with an aim to maintain cost competitive products whilst continuing to develop increased levels of functionality and provide custom solutions in all areas. This includes CT, Multi-view and linear X-ray systems.
- Detector module development continued to be customer specific and provided modules that are compact, high performance and low noise. These are specifically being developed to interface with customer systems with ease.
- Power supply developments have continued to be project specific and have been extended into a greater number of application areas.

Key performance indicators

On a month by month basis the group reviews the sales budget for progress against targets. The predicted sales to period end are re-calculated and actions taken as necessary to cover any shortfall. Additional decisions are made on resources to cover any gains.

Stock, including provisions, is analysed at the end of each month with significant variations documented and actions taken as necessary to resolve any issues.

Manufacturing costs are also monitored on a monthly basis, including materials and labour, with variations analysed and reviewed to understand the impact on the business and any activity required to correct negative variances.

Principal risks and uncertainties

The market for the group's primary products continues to be highly competitive with respect to technology, cost and timescale.

With the recent introduction of new, higher performing and more flexible electronics in the X-ray product area and the addition of high channel count detectors for CT applications, the group is providing a greater depth of products to support our customers needs for improvements in their systems.

Timescales will be managed through tight project management disciplines and product costs remain a principal activity in the product development lifecycle to ensure our competitive financial position is maintained.

Sens-Tech Limited

Strategic report
for the period ended 31 March 2017 (continued)

Brexit

In a referendum on 23 June 2016 the British public expressed a desire for the country to formally resign its membership of the European Union. At this point in time it is impossible to assess in detail the opportunities and threats that such a resignation could present. I am managing these risks by closely monitoring the position and remain confident that the Company will be able to amend and modify their procedures to remain fully compliant with any new rules and regulations and to maintain the group's standing and reputation in the marketplace locally and, where appropriate, throughout Europe and worldwide.

Financial risk management

The Board regularly reviews the financial requirements of the company and the risks associated therewith. Company operations are financed from retained earnings. The company does not use complicated financial instruments or any financial derivative instruments for trading purposes.

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new customers, obtaining payments in advance where necessary and the constant monitoring of all outstanding debts.

Foreign exchange gains and losses result from the requirement to translate dollar, euro and yuan working capital balances into sterling when preparing the financial statements. Gains and losses are dictated by movements in the exchange rate of these currencies.

On behalf of the board



S C Jaye
Director

Date: 2nd NOVEMBER 2017.

Xi-Tech Limited

Director's Report for the period ended 31 March 2017

The director presents his report together with the audited consolidated financial statements for the period ended 31 March 2017.

Results and dividends

The Statement of Comprehensive Income is set out on page 7 and shows the profit for the period.

During the period, dividends of £nil were declared. (2016: £4,200,000).

Research and development

Research and development work is being increased to support the group's desire to extend the current product range and continues to be at a level appropriate to a high-technology business.

Director

The director has held office since 26 March 2016 up to the date of this report;

S C Jaye

Director's and officer's liability insurance

The company has maintained insurance to cover director's and officer's liability.

Director's responsibilities statement

UK company law requires the directors to prepare financial statements for each financial period. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland", and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

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

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

Sens-Tech Limited

Director's report (*continued*)
for the period ended 31 March 2017

Employees

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Employee involvement

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests. All employees are aware of the financial and economic performance of their business units and of the Company as a whole.

Disclosure of information to the auditor

So far as the director is aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information, and taken such other steps for that purpose, as were required by his duty as director of the company to exercise due care, skill and diligence.

Auditor

It is proposed that Mazars LLP will continue in office in accordance with the Companies Act 2006 section 487(2).

On behalf of the board



S C Jaye
Director

Date: 2nd NOVEMBER 2017

Xi-Tech Limited

Independent auditor's report To the members of Xi-Tech Limited

We have audited the financial statements of Xi-Tech Limited for the period ended 31 March 2017 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland".

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Director's Responsibilities set out on page 3 the director is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. 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 member 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 member as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2017 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial period 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

Xi-Tech Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

In 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Rachel Lawton (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

Tower Bridge House
St Katharine's Way
London
E1W 1DD

Date: 8 November 2017

Xi-Tech Limited

Consolidated Statement of Comprehensive Income for the period ended 31 March 2017

	Notes	Period 26.03.2016 to 31.03.2017 £'000	Period 28.03.2015 to 25.03.2016 £'000
Continuing operations;			
Turnover	4, 5	15,119	11,329
Operating expenses		(10,770)	(7,599)
Gross profit		4,349	3,730
Distribution costs		(24)	(168)
Administrative expenses		(526)	(660)
Operating profit	6	3,799	2,902
Interest receivable and similar income	9	30	51
Profit on ordinary activities before taxation		3,829	2,953
Taxation on profit on ordinary activities	10	(659)	(399)
Profit on ordinary activities after taxation		3,170	2,554
Other Comprehensive Income		-	-
Total comprehensive income for the period attributable to owners of the parent		3,170	2,554

The income statement has been prepared on the basis that all operations are continuing.

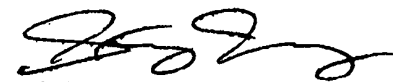
The notes on pages 13 to 26 form part of these financial statements.

Xi-Tech Limited
Company number 07068708

Consolidated Statement of Financial Position
at 31 March 2017

	Notes	31 March 2017		25 March 2016	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets	13		1,814		10
Deferred taxation	18		326		55
			<u>2,140</u>		<u>65</u>
Current assets					
Stocks	15	3,273		1,315	
Debtors	16	4,215		2,775	
Cash at bank and in hand		4,381		6,884	
		<u>11,869</u>		<u>10,974</u>	
Creditors: amounts falling due within one year	17	<u>(2,656)</u>		<u>(4,226)</u>	
Net current assets			<u>9,213</u>		<u>6,784</u>
Total assets less current liabilities			<u>11,353</u>		<u>6,813</u>
Provision for liabilities	18		<u>(1,929)</u>		<u>(559)</u>
Net assets			<u><u>9,424</u></u>		<u><u>6,254</u></u>
Capital and reserves					
Called up share capital	21		10		10
Profit and loss account	22		9,414		6,244
Shareholder's funds - Equity			<u><u>9,424</u></u>		<u><u>6,254</u></u>

The financial statements were approved by the director and authorised for issue by:



S C Jaye
Director

Date: 2nd NOVEMBER 2017

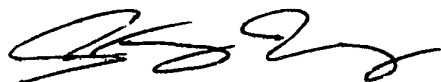
The notes on pages 13 to 26 form part of these financial statements.

Xi-Tech Limited
Company number 07068708

Company Statement of Financial Position
at 31 March 2017

	Notes	31 March 2017		25 March 2016	
		£'000	£'000	£'000	£'000
Fixed assets					
Fixed asset investments	14		1,559		1,559
			<u>1,559</u>		<u>1,559</u>
Current assets					
Debtors	16	517		487	
Cash at bank and in hand		<u>735</u>		<u>1,101</u>	
		1,252		1,588	
Creditors: amounts falling due within one year	17	<u>(1,017)</u>		<u>(2,137)</u>	
Net current assets/(liabilities)			<u>235</u>		<u>(549)</u>
Total assets less liabilities			<u>1,794</u>		<u>1,010</u>
Net assets			<u><u>1,794</u></u>		<u><u>1,010</u></u>
Capital and reserves					
Called up share capital	21		10		10
Profit and loss account	22		<u>1,784</u>		<u>1,000</u>
Shareholder's funds - Equity			<u><u>1,794</u></u>		<u><u>1,010</u></u>

The financial statements were approved by the director and authorised for issue by;



S C Jaye
Director

Date: 2nd November 2017

The notes on pages 13 to 26 form part of these financial statements.

Xi-Tech Limited

Consolidated Statement of Changes in Equity for the period ended 31 March 2017

		Called up share capital £'000	Profit and loss account £'000	Total Equity £'000
	Note			
Balance as at 27 March 2015		10	7,890	7,900
Profit for the period		-	2,554	2,554
Other comprehensive income		-	-	-
Total comprehensive income		-	2,554	2,554
Dividends paid	11	-	(4,200)	(4,200)
At 25 March 2016		10	6,244	6,254
Profit for the period		-	3,170	3,170
Other comprehensive income		-	-	-
Total comprehensive income		-	3,170	3,170
Dividends paid	11	-	-	-
At 31 March 2017		10	9,414	9,424

The profit and loss account reserve represents cumulative profits and losses of the Group.

Xi-Tech Limited

Company Statement of Changes in Equity for the period ended 31 March 2017

	Note	Called up share capital £'000	Profit and loss account £'000	Total Equity £'000
Balance as at 27 March 2015		10	4,416	4,426
Profit for the period		-	784	784
Other comprehensive income		-	-	-
Total comprehensive income		-	784	784
Dividends paid	11	-	(4,200)	(4,200)
At 25 March 2016		10	1,000	1,010
Profit for the period		-	784	784
Other comprehensive income		-	-	-
Total comprehensive income		-	784	784
Dividends paid	11	-	-	-
At 31 March 2017		10	1,784	1,794

The profit and loss account reserve represents cumulative profits and losses of the Company.

Xi-Tech Limited

Consolidated Statement of Cash Flows for the period ended 31 March 2017

	Note	Period 26.03.2016 to 31.03.2017 £'000	Period 28.03.2015 to 25.03.2016 £'000
Cash flows from operating activities			
Profit before tax		3,829	2,953
Adjustments for:			
- Depreciation for plant and equipment		10	3
- Interest received		(30)	(51)
Operating cash flows before working capital changes		3,809	2,905
Changes in operating assets and liabilities;			
Increase in inventories		(1,959)	(152)
Increase in trade and other receivables		(1,440)	(1,384)
(Decrease)/increase in trade and other payables		(459)	3,095
Cash (used)/generated from operations		(49)	1,559
Interest received		30	51
Tax paid		(670)	(420)
Net cash (used)/generated from operating activities		(689)	4,095
Cash flows from investing activities			
Purchase of plant and equipment		(1,814)	(11)
Net cash used in investing activities		(1,814)	(11)
Cash flows from financing activities			
Dividends paid		-	(4,200)
Net cash used in financing activities		-	(4,200)
Net (decrease)/increase cash and cash equivalents		(2,503)	(116)
Cash and cash equivalents at beginning of the period		6,884	7,000
Cash and cash equivalents at end of the period		4,381	6,884

The notes on pages 13 to 26 form part of these financial statements.

Xi-Tech Limited

Notes to the Consolidated Financial Statements for the period ended 31 March 2017

1 General Information

Xi-Tech Limited is a company limited by shares, incorporated in England and Wales. Its registered office is Unit 6A Langley Business Centre, Station Road, Langley, Slough, SL3 8DS. The financial statements have been prepared for Xi-Tech Limited entity for the period ended 31 March 2017 using pounds sterling as the functional currency as this is the currency in which it operates and rounded to the nearest pound.

2 Basis of preparation

These financial statements for the period ended 31 March 2017 have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") issued by the Financial Reporting Council, and the Companies Act 2006. The financial statements have been prepared on the historical cost basis unless otherwise stated.

In preparing these financial statements, the company has taken advantage of the disclosure exemptions, as permitted by FRS 102 paragraph 1.12. The company has therefore complied with the applicable conditions, including providing notification of the use of exemptions to the company's shareholders who have not objected to the use of such disclosure exemptions.

The company has taken advantage of the following exemptions in preparing the Company financial statements:

- (i) from preparing a Cash Flow Statement in accordance with Section 7 'Cash Flow Statements';
- (ii) from providing the financial instrument disclosures, required under paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as this information is provided in the Xi-Tech Limited consolidated financial statements; and
- (iii) from disclosing the company's key management personnel compensation, as required by paragraph 7 of Section 33 'Related Party Disclosures'.

3 Critical accounting judgments and key sources of estimation uncertainty

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectively involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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

Critical judgements in applying the accounting policies

(i) Assessing indicators of impairment

In assessing whether there have been any indicators of impairment of assets, the director has considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. There have been no indicators of impairments identified during the current financial period.

Xi-Tech Limited

Notes to the Consolidated Financial Statements for the period ended 31 March 2017 (*continued*)

3 Critical accounting judgments and key sources of estimation uncertainty (*continued*)

(ii) *Work in Progress*

Work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in, first out basis and includes all direct expenditure and production overheads appropriate to bring stock and work in progress to their condition and location at the balance sheet date. Net realisable value is the price at which the stock can be realised in the normal course of business. Provision is made for obsolete, slow moving and defective stock. There have been no indicators of at the period-end that the WIP balance is misstated in the period.

(iii) *Provisions*

Provision is made for the estimated outstanding liability for replacement under guarantees and other warranties given to purchasers of the company's products.

(iv) *Recoverability of debtors*

The company establishes a provision for debtors that are estimated not to be recoverable. When assessing recoverability, the director has considered factors such as aging of the debtors, any disputed information, past experience of recoverability, and the credit profile of individual or groups of customers.

Key sources of estimation uncertainty

There are no key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

4 Accounting policies

The following principal accounting policies have been applied:

Basis of consolidation

The consolidated financial statements present the results of Xi-Tech Limited and all of its subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are eliminated in full. The profits and losses of subsidiaries undertakings are consolidated from the date of acquisition and control acquired to the date of disposals using the acquisition method of accounting.

Going Concern

The director has, at the time of approving the financial statements, a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they have continued to adopt the going concern basis of accounting in preparing the financial statements.

As at 31 March 2017 the Group's current assets exceeded current liabilities by £8,524,000, with the prior period's current assets exceeding the current liabilities by £6,189,000. The director has reviewed detailed business plans and cash flow projections for the twelve month period post approval of these financial statements and believe that the Group has sufficient cash resources to cover both working capital and capital expenditure requirements.

Turnover

Turnover arises from the sale of goods in the ordinary course of business. Turnover represents the invoiced amounts less value added tax or local taxes on sales. Turnover is recognised when goods are delivered in full according to specification to customers.

Xi-Tech Limited

Notes to the Consolidated Financial Statements for the period ended 31 March 2017 (continued)

4 Accounting policies (continued)

Investments

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

Impairment of fixed assets

The need for any fixed asset impairment write-down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. The present value calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset, and from its ultimate disposal, applying an appropriate discount rate to those future cash flows.

Where the recoverable amount of an asset is less than the carrying amount an impairment loss is recognised immediately in profit or loss. An impairment loss recognised for all assets is reversed in a subsequent period if, and only if, the reasons for the impairment loss have ceased to apply.

Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in, first out basis and includes all direct expenditure and production overheads appropriate to bring stock and work in progress to their condition and location at the balance sheet date. Net realisable value is the price at which the stock can be realised in the normal course of business. Provision is made for obsolete, slow moving and defective stock.

Foreign currency

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the Statement of comprehensive income.

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.

Dividends on shares wholly recognised as liabilities are recognised as expenses and classified within interest payable.

Research and development

Research and development expenditure is written off in the period in which it is incurred. Funding received for such revenue expenditure is credited to revenue so as to match the related expenditure.

Xi-Tech Limited

Notes to the Consolidated Financial Statements for the period ended 31 March 2017 (continued)

4 Accounting policies (continued)

Deferred taxation

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 the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Leased assets

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the lease. The aggregate benefit of lease incentives is recognised as a reduction to the rental expense over the lease term on a straight-line basis.

Pension costs

Contributions to the group's defined contribution pension scheme are charged to the Statement of Comprehensive Income in the period in which they become payable.

Guarantee provisions

Provision is made for the estimated outstanding liability for replacement under guarantees and other warranties given to purchasers of the company's products. Management periodically adjust this provision based on historical experience and anticipated expenses.

Dilapidations

Dilapidations are provided for on leasehold properties where the terms of the lease require the Company to make good any changes made to the property during the period of the lease.

Research and development

Research and development expenditure is written off in the period in which it is incurred. Funding received for such revenue expenditure is credited to revenue so as to match the related expenditure.

Tangible fixed assets

Tangible fixed assets are initially recognised at cost, which is the purchase price plus any directly attributable costs. Subsequently, tangible fixed assets are measured at cost less depreciation and impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	10-20% on cost
Fixtures and fittings	-	10-33 1/3% on cost

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Assets under construction consists of the new freehold production facility purchased which is not yet ready for use. No depreciation is charged until the asset is put in use.

Xi-Tech Limited

Notes to the Consolidated Financial Statements for the period ended 31 March 2017 *(continued)*

4 Accounting policies *(continued)*

Equity and reserves

Share capital represents the nominal value of shares that have been issued.
Retained earnings include all current and prior period retained profits.

Financial assets – classified as basic financial instruments

(i) Trade and other debtors

Trade and other debtors are initially recognised at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Amounts that are receivable within one year are measured at the undiscounted amount of the amount expected to be receivable, net of any impairment. Amounts recoverable on contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on amount. Excess progress payments are included in creditors as payments on account.

Where a financial asset constitutes a financing transaction it is initially measured at the present value of the future payments, discounted at a market rate of interest.

At the each reporting date, the Company assesses whether there is objective evidence that any financial asset amount may be impaired. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the financial assets. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows. The amount of the provision is recognised immediately in profit or loss.

Financial liabilities – classified as basic financial instruments

(i) Trade and other creditors

Trade and other creditors are initially measured at the transaction price, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method.

Amounts that are payable within one year are measured at the undiscounted amount of the amount expected to be payable.

Where a financial liability constitutes a financing transaction it is initially and subsequently measured at the present value of the future payments, discounted at a market rate of interest.

Xi-Tech Limited

Notes to the Consolidated Financial Statements for the period ended 31 March 2017 (continued)

5 Turnover

Analysis by geographical market:

	Period 26.03.2016 to 31.03.2017 £'000	Period 28.03.2015 to 25.03.2016 £'000
United Kingdom	315	281
USA	2,483	1,423
Asia	6,613	4,349
Rest of the World	5,708	5,276
	<u>15,119</u>	<u>11,329</u>

Turnover is wholly attributable to the principal activity of the Group.

6 Operating profit

	Period 26.03.2016 to 31.03.2017 £'000	Period 28.03.2015 to 25.03.2016 £'000
The operating profit on ordinary activities before taxation is stated after charging/(crediting):		
Research and development costs	561	601
Depreciation of tangible fixed assets	10	3
Hire of other assets – operating leases	116	124
Fees payable to the company's auditor for the auditing of the company's annual accounts	9	10
Fees payable to the company's auditor for all other services	3	3
Warranty provision expense	131	230
Dilapidation provision expense	32	48
Gain on foreign exchange differences	(168)	(113)
	<u></u>	<u></u>

7 Wages and salaries

Costs related to wages and salaries are as follows:

	Period 26.03.2016 to 31.03.2017 £'000	Period 28.03.2015 to 25.03.2016 £'000
Wages and salaries	1,286	1,228
Social security costs	145	142
Other pension costs (Note 20)	62	119
	<u>1,493</u>	<u>1,489</u>

Xi-Tech Limited

Notes to the Consolidated Financial Statements for the period ended 31 March 2017 (continued)

7 Wages and salaries (continued)

The average number of employees (including directors) during the period was as follows:

	Period 26.03.2016 to 31.03.2017 Number	Period 28.03.2015 to 25.03.2016 Number
Production and development	21	16
Selling and distribution	-	1
Administration	5	6
	<u>26</u>	<u>23</u>

8 Director's remuneration

	Period 26.03.2016 to 31.03.2017 £'000	Period 28.03.2015 to 25.03.2016 £'000
Director's emoluments	650	600
Company contributions to money purchase pension schemes	-	47
	<u>650</u>	<u>647</u>

There was one director in the company's defined contribution pension scheme during the period (2016 - 1).
As there is only one director all remuneration is due to the one director.

Key management personnel

The director is the key management of the company.

9 Interest receivable and similar income

	Period 26.03.2016 to 31.03.2017 £'000	Period 28.03.2015 to 25.03.2016 £'000
Bank interest receivable	<u>30</u>	<u>51</u>

Xi-Tech Limited

Notes to the Consolidated Financial Statements for the period ended 31 March 2017 *(continued)*

10 Taxation on profit on ordinary activities	Period 26.03.2016 to 31.03.2017 £'000	Period 28.03.2015 to 25.03.2016 £'000
<i>UK Corporation tax</i>		
Current tax on profits of the period	930	432
Adjustment in respect of previous periods	-	-
Total current tax	<u>930</u>	<u>432</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(271)	(33)
Taxation on profit on ordinary activities	<u><u>659</u></u>	<u><u>399</u></u>

The tax assessed for the period is lower than (2016 – lower than) the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	Period 26.03.2016 to 31.03.2017 £'000	Period 28.03.2015 to 25.03.2016 £'000
Profit on ordinary activities before taxation	<u>3,829</u>	<u>2,953</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20% (2016: 20.01%)	766	591
<i>Factors affecting the tax charge for the period:</i>		
Adjustment to tax charge in respect of previous periods	-	(1)
Expenses not deductible for tax purposes	4	
Tax credit in respect of research and development costs	(162)	(197)
Adjustment for deferred tax	<u>51</u>	<u>6</u>
Current tax charge for the period	<u><u>659</u></u>	<u><u>399</u></u>

Xi-Tech Limited

Notes to the Consolidated Financial Statements for the period ended 31 March 2017 (*continued*)

11 Dividends

	2017 £'000	2016 £'000
Ordinary dividend paid of £nil per share (2016: £420 per share)	-	4,200
	-	4,200

12 Profit for the financial period

The company has taken advantage of section 408 of the Companies Act 2006 not to present its own profit and loss account. The parent company's profit for the period was £783,239 (2016: £784,093).

13 Tangible fixed assets

Group	Asset under construction £'000	Plant & machinery £'000	Fixtures & fittings £'000	Total £'000
<i>Cost</i>				
At 26 March 2016	-	33	72	105
Additions	1,794	5	15	1,814
At 31 March 2017	1,794	38	87	1,919
<i>Depreciation</i>				
At 26 March 2016	-	33	62	95
Charge for the period	-	1	9	10
At 31 March 2017	-	34	71	105
<i>Net book value</i>				
At 31 March 2017	1,794	4	16	1,814
At 25 March 2016	-	-	10	10

The company does not own any tangible fixed assets.

Xi-Tech Limited

Notes to the Consolidated Financial Statements for the period ended 31 March 2017 (continued)

14 Fixed asset investments

Company	Group Undertakings £'000
Cost	
At 25 March 2016 and at 31 March 2017	1,559

Subsidiary undertakings, associated undertakings and other investments

The principal undertakings in which the company's interest at the period ended is 20% or more are as follows:

	Country of incorporation or registration	Class of share capital held	Nature of business
<i>Subsidiary undertakings</i>			
Sens-Tech Limited	England and Wales	100%	Assembles and markets detector modules

15 Stocks

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Raw materials and consumables	2,485	799	-	-
Work in progress	370	440	-	-
Finished goods and goods for resale	418	76	-	-
	<u>3,273</u>	<u>1,315</u>	<u>-</u>	<u>-</u>

There is no material difference between the replacement cost of stocks and the amounts stated above.
No inventory has been pledged as security in the current or prior period.

16 Debtors: amounts falling within one year

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Trade debtors	3,665	2,250	-	-
Amounts owed by group undertakings	-	-	-	487
Other debtors	533	460	517	-
Prepayments and accrued income	17	65	-	-
	<u>4,215</u>	<u>2,775</u>	<u>517</u>	<u>487</u>

Xi-Tech Limited

Notes to the Consolidated Financial Statements the period ended 31 March 2017 (*continued*)

17 Creditors: amounts falling within one year

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Trade creditors	2,030	1,791	-	-
Amounts owed to group undertakings	-	-	917	-
Corporation Tax	464	204	100	137
Other taxation and social security	95	68	-	-
Other creditors	18	2,022	-	2,000
Accruals and deferred income	49	141	-	-
	<u>2,656</u>	<u>4,226</u>	<u>1,017</u>	<u>2,137</u>

No securities were provided over creditors during the current or prior period.

18 Provision for liabilities

	Warranty £'000	Dilapidation £'000	Total £'000
At 26 March 2016	305	254	559
Arising during the year	1,906	32	1,938
Utilised during the year	(568)	-	(568)
Release to profit and loss		(286)	(268)
At 31 March 2017	<u>1,929</u>	<u>-</u>	<u>1,929</u>

The warranty provision relates to estimated warranty claims on products sold to customers.

The dilapidation provision was recognised in respect of the estimated cost of returning a leasehold property to its original state at the end of the lease term. Since the year end, the lease has ended and there has been minimal cost of repair as agreed with the landlord.

Xi-Tech Limited

Notes to the Consolidated Financial Statements for the period ended 31 March 2017 (*continued*)

19 Deferred Taxation

The provision has been calculated at the standard rate of 17% (2016:18%), which is expected future rate of tax for the company enacted at the balance sheet date. The provision for deferred taxation consists of the following amounts:

	Group Deferred taxation £'000	Company Deferred taxation £'000
At 25 March 2016	55	-
Credit to profit and loss account	271	-
At 31 March 2017	326	-
Deferred Taxation Asset	2017 £'000	2016 £'000
Other timing differences	326	55

The company does not have any deferred taxation.

20 Pensions

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 charge amounted to £62,000 (2016 - £119,000). Contributions amounting to £2,645 (2016 - £3,311) were payable to the fund and are included in creditors (Note 17).

21 Share capital

	2017 £'000	2016 £'000
<i>Allotted, called up and fully paid</i>		
10,000 (2016: 10,000) Ordinary shares of £1 each	10	10

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

22 Profit and loss account

The reserve represents the cumulative profits and losses.

Xi-Tech Limited

Notes to the Consolidated Financial Statements for the period ended 31 March 2017 (continued)

23 Financial Instruments

Financial assets:

Measured at undiscounted amount receivable

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Trade debtors	3,665	2,250	-	-
Amounts owed by group undertakings	-	-	-	487
Other debtors	533	460	517	-
Cash	4,381	6,884	735	1,101
	<u>8,579</u>	<u>9,594</u>	<u>1,252</u>	<u>1,588</u>

Financial liabilities

Measured at undiscounted amounts payable

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Trade creditors	2,030	1,791	-	-
Amounts owed to group undertakings	-	-	917	-
Other creditors	113	2,090	-	2,000
	<u>2,192</u>	<u>4,022</u>	<u>917</u>	<u>2,000</u>

24 Commitments under operating leases

The future minimum operating lease payments are as follows:

	2017 £'000	2016 £'000
Within one year	-	134
In two to five years	-	33
Over five years	-	-
	<u>-</u>	<u>167</u>

The company and group have no other financial commitments which have not been provided for.

Xi-Tech Limited

Notes to the Consolidated Financial Statements for the period ended 31 March 2017 *(continued)*

25 Related party disclosures

The company has taken advantage of the exemption permitted by Section 33 *Related Party Disclosures*, not to provide disclosures of transactions entered into with wholly owned members of the Group. The Company and its subsidiary undertakings are included within the consolidated financial statements of Xi-Tech Limited, which are publically available and can be obtained from head office of Xi-Tech Limited, 18 The Avenue, Egham, TW20 9AB United Kingdom.

In 2016, included in Xi-Tech Limited there is a £2,000,000 other creditor payable to S Jaye, (shareholder) in relation to the dividend funds declared. This was settled during the period.

There were no other related party disclosures in the period.

26 Controlling party

The group is controlled by S C Jaye by virtue of his shareholding.