

Registration number: 03005200

ANALOX LIMITED
Annual Report and Consolidated Financial Statements
for the Year Ended 31 December 2020

Analox Limited

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Analox Limited

Company Information

Directors	W M Lewis I Batchelor K V Pigg E C Harbottle A Harbottle S A Minto
Company secretary	J Harbottle
Registered office	15 Ellerbeck Court Stokesley Business Park Stokesley Middlesbrough North Yorkshire TS9 5PT
Solicitors	Thorp Parker Martin House High Street Stokesley North Yorkshire TS9 5AD
Auditor	MHA Tait Walker Chartered Accountants & Statutory Auditor 1 Massey Road Thornaby Stockton-on-Tees TS17 6DY

Analox Limited

Strategic Report for the Year Ended 31 December 2020

The directors present their strategic report for the year ended 31 December 2020.

Principal activity

The principal activity of the company is supplying gas sensing products into harsh environments.

Strategy and business model

“To care for and inspire our people to push their boundaries so that together we can build a better future” is why Analox is in business. We are a niche gas sensing business and we define our niche as “collaboration to solve the total gas sensing need”.

In 2020, our chosen markets were:

- Submarine atmosphere monitoring & control
- Food & beverage
- Diving - SCUBA / Commercial
- Medical / Laboratories
- Gas quality measurement

Growth will come from geographic / market expansion through organic growth and a carefully targeted acquisition strategy.

A strategic plan for 2021 - 2024 has been published and approved by the Directors, in which an aggressive growth plan is outlined to push further into our chosen markets and explore emerging markets.

Fair review of the business

Turnover in 2020 has decreased from £9,377K to £7,259K as a result of delayed contract placement from defence customers and significant impact to the food & beverage market sector as a result of the COVID19 pandemic. All staff other than manufacturing staff were predominantly home working for the duration of 2020. No redundancies were made as a result of this to ensure Analox retained the highly skilled and qualified personnel required to capitalise on the growth potential in 2021. The delayed defence contracts are scheduled to land in H1 2021 and the remaining business is expected to return to growth beyond the 2019 results. This did impact on 2020 profitability, however the investment should ensure a robust 2021 recovery. Net assets have increased from £4,396K to £4,616K from 2019 to 2020.

The Directors decided during the year to hive up the activities of the 100% owned subsidiaries Analox Sensor Technology Limited, Analox Military Systems Limited and Genius Gas Innovations Limited with the intention that all trade would pass through Analox Limited from 1st January 2021. A dividend was paid up from each of the subsidiaries to the value of their distributable reserves into the parent company. The parent company took on the responsibility for the assets and liabilities including existing contracts of the subsidiaries on 31st December 2020.

Key performance indicators

The company monitors its performance using a number of measures. The top level measures are:

	Unit	2020	2019
Delivery (OTIF)	%	96	95
Quality (DRFT)	%	98	100

The Directors consider that these indicators are representative of the objectives we want to achieve.

Analox Limited

Strategic Report for the Year Ended 31 December 2020 (continued)

Principal risks and uncertainties

The directors have identified the following principal risks and uncertainties affecting the company:

Market risk: The company is very clear on its target markets. In addition, market research is being conducted to look into the viability of new markets. An analysis of the markets we serve is:

- Diving - decreasing
- Food & Beverage - increasing
- Medical / Laboratories - increasing, but early phase for Analox
- Gas quality measurement - increasing, but early phase for Analox

Legislative and regulatory risk: BREXIT poses the single largest threat for Analox. Considerable time was spent in 2018 & 2019 preparing the company for possible new trading arrangements. WTO tariffs on Analox products are low at around 2%. The main threat to Analox is the uncertainty caused by BREXIT, which is affecting customer confidence and efficiency of logistics.

Legislative changes in the US Beverage & Hospitality industry has been advantageous to Analox.

Global pandemic and subsequent economic impact risk: COVID19 and the subsequent likelihood of a widespread recession presents a significant short term risk to growth. The company was successful in acquiring a CBILS loan and has made use of the UK Government Furlough Scheme to protect the company and staff during the period. Analox is managing legislative and resourcing requirements proactively and carefully. Analox's operations have continued throughout the pandemic, albeit at a reduced level.

Actions of competitors: We see strong threats from key competitors in the Beverage & Hospitality market, but so far we have been able to respond with a very flexible product offering.

Approved by the Board on 21 December 2021 and signed on its behalf by:

.....
E C Harbottle
Director

Analox Limited

Directors' Report for the Year Ended 31 December 2020

The directors present their report and the for the year ended 31 December 2020.

Directors of the group

The directors who held office during the year were as follows:

W M Lewis

I Batchelor

K V Pigg

E C Harbottle

A Harbottle

S A Minto

Future developments

Growth will come from geographic / market expansion through organic growth and a carefully targeted acquisition strategy.

Financial risk management policies and objectives

Objectives and policies

The company finances its activities with a combination of cash and short term deposits, bank loans, finance leases and hire purchase contracts. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the Company's operating activities.

Price risk, credit risk, liquidity risk and cash flow risk

Price risk

Price risk is the risk that changes in raw material prices have the potential to impact on the profitability of the company. The company does not consider that it is materially exposed to price risk.

Credit risk

Credit risk is the risk that one party of a financial instrument will cause a financial loss for the other party by failing to discharge its obligation. Company policies are aimed at minimising such losses and require customers to satisfy credit worthiness procedures prior to acceptance of contracts. The company does not consider that it is materially exposed to credit risk.

Cash flow and liquidity risk

Cash flow and liquidity risk is the risk that a company's available cash will not be sufficient to meet its financial obligations. The company actively manages its cash flow position including collection of debts and timely payment of creditors. This, coupled with the strong cash position of the Company is deemed sufficient to minimise the Company's exposure to cash flow and liquidity risk.

Foreign Exchange risk

Foreign exchange risk refers to the potential for loss from exposure to foreign exchange rate fluctuations. Company policies are aimed at minimising this risk. The company does not consider that it is materially exposed to foreign exchange risk.

Analox Limited

Directors' Report for the Year Ended 31 December 2020 (continued)

Going concern

The financial statements have been prepared on a going concern basis.

The group meets its day to day working capital requirements through cash generated from operations and external borrowings.

The group traded successfully through the COVID 19 pandemic during 2020 and to date in 2021 with no significant adverse effects. Whilst activity and profitability reduced the group remains profitable and at 31 December 2020 had significant net current assets (including £1.9m of cash) and reported a strong net asset position.

The group's forecasts and projections for the next twelve months show that the group should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This also considers the effectiveness of available measures to assist in mitigating the impact.

Although the forecast prepared taking account of the matters above support the ability of the group to remain a going concern and to be able to trade and meets its debts as they fall due, the full impact of COVID-19, the continued level of government support and the underlying trading assumptions used in forecasting are extremely judgemental and difficult to predict and could be subject to significant variation.

Based on the factors set out above the directors believe that there is no material uncertainty in relation to going concern and that the company has adequate financial resources to continue in operational existence for at least twelve months from the date of signing the financial statements and therefore the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of MHA Tait Walker as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 21 December 2021 and signed on its behalf by:

.....
E C Harbottle
Director

Analox Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 group and parent company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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 group and parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Analox Limited

Independent Auditor's Report to the Members of Analox Limited

Opinion

We have audited the financial statements of Analox Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020, which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Statement of Financial Position, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

Analox Limited

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 6], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Analox Limited

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing board minutes;
- Challenging assumptions and judgements made by management in their significant accounting estimates; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety; employment law (including the Working Time Directive); and compliance with the UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

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

Analox Limited

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

Use of our report

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

.....
Christopher Potter BA(Hons) ACA (Senior Statutory Auditor)

For and on behalf of MHA Tait Walker

Chartered Accountants

Statutory Auditor

1 Massey Road

Thornaby

Stockton-on-Tees

TS17 6DY

21 December 2021

MHA Tait Walker is a trading name of Tait Walker LLP.

Analox Limited

Consolidated Income Statement for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover	<u>3</u>	7,259,127	9,377,283
Other operating income	<u>4</u>	367,917	62,448
Raw materials and consumables used		(2,404,784)	(2,930,222)
Employee benefits expense		(3,704,218)	(3,801,612)
Depreciation and amortisation expense		(113,925)	(88,123)
Other expenses		<u>(965,452)</u>	<u>(1,375,187)</u>
Operating profit	<u>5</u>	<u>438,665</u>	<u>1,244,587</u>
Income from other fixed asset investments	<u>6</u>	-	17,815
Other interest receivable and similar income		1,733	5,569
Interest payable and similar expenses	<u>7</u>	<u>(26,564)</u>	<u>(21,186)</u>
		<u>(24,831)</u>	<u>2,198</u>
Profit before tax		413,834	1,246,785
Taxation	<u>11</u>	<u>12,584</u>	<u>(140,347)</u>
Profit for the year		<u>426,418</u>	<u>1,106,438</u>
Profit/(loss) attributable to:			
Owners of the company		426,943	1,101,230
Non controlling interests		<u>(525)</u>	<u>5,208</u>
		<u>426,418</u>	<u>1,106,438</u>

The notes on pages 18 to 41 form an integral part of these financial statements.

Analox Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2020

	2020 £	2019 £
Profit for the year	426,418	1,106,438
Foreign currency translation gains/(losses)	<u>(10,215)</u>	<u>(15,674)</u>
Total comprehensive income for the year	<u>416,203</u>	<u>1,090,764</u>
Total comprehensive income attributable to:		
Owners of the company	416,728	1,085,556
Non-controlling interests	<u>(525)</u>	<u>5,208</u>
	<u>416,203</u>	<u>1,090,764</u>

The notes on pages 18 to 41 form an integral part of these financial statements.

Analox Limited

(Registration number: 03005200)

Consolidated Statement of Financial Position as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	<u>12</u>	15,833	17,833
Tangible assets	<u>13</u>	1,313,542	1,347,279
Other financial assets	<u>15</u>	6,134	6,134
		<u>1,335,509</u>	<u>1,371,246</u>
Current assets			
Stocks	<u>16</u>	2,004,623	2,295,079
Debtors	<u>17</u>	1,410,592	1,884,694
Cash at bank and in hand		2,215,836	1,023,003
		5,631,051	5,202,776
Creditors: Amounts falling due within one year	<u>18</u>	<u>(838,880)</u>	<u>(1,489,132)</u>
Net current assets		<u>4,792,171</u>	<u>3,713,644</u>
Total assets less current liabilities		6,127,680	5,084,890
Creditors: Amounts falling due after more than one year	<u>18</u>	<u>(1,505,497)</u>	<u>(609,200)</u>
Provisions for liabilities		<u>(5,944)</u>	<u>(79,294)</u>
Net assets		<u>4,616,239</u>	<u>4,396,396</u>
Capital and reserves			
Called up share capital	<u>21</u>	30,002	30,002
Share premium reserve		4,304	4,304
Profit and loss account		4,571,395	4,351,027
Equity attributable to owners of the company		4,605,701	4,385,333
Non controlling interests		10,538	11,063
Total equity		<u>4,616,239</u>	<u>4,396,396</u>

Approved and authorised by the Board on 21 December 2021 and signed on its behalf by:

.....
I Batchelor
Director

The notes on pages 18 to 41 form an integral part of these financial statements.

Analox Limited

(Registration number: 03005200)

Statement of Financial Position as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	<u>12</u>	15,833	17,833
Tangible assets	<u>13</u>	1,309,871	1,343,775
Investments	<u>14</u>	56,768	56,768
Other financial assets	<u>15</u>	6,134	6,134
		<u>1,388,606</u>	<u>1,424,510</u>
Current assets			
Stocks	<u>16</u>	2,004,623	2,295,079
Debtors	<u>17</u>	1,913,620	2,818,739
Cash at bank and in hand		<u>1,872,976</u>	<u>702,857</u>
		5,791,219	5,816,675
Creditors: Amounts falling due within one year	<u>18</u>	<u>(1,133,540)</u>	<u>(3,984,375)</u>
Net current assets		<u>4,657,679</u>	<u>1,832,300</u>
Total assets less current liabilities		6,046,285	3,256,810
Creditors: Amounts falling due after more than one year	<u>18</u>	<u>(1,505,497)</u>	<u>(609,200)</u>
Provisions for liabilities		<u>(5,537)</u>	<u>(79,376)</u>
Net assets		<u>4,535,251</u>	<u>2,568,234</u>
Capital and reserves			
Called up share capital		30,002	30,002
Share premium reserve		4,304	4,304
Profit and loss account		<u>4,500,945</u>	<u>2,533,928</u>
Total equity		<u>4,535,251</u>	<u>2,568,234</u>

The company made a profit after tax for the financial year of £2,128,628 (2019 - profit of £1,116,754).

Approved and authorised by the Board on 21 December 2021 and signed on its behalf by:

.....
I Batchelor
Director

The notes on pages 18 to 41 form an integral part of these financial statements.

Analox Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2020 Equity attributable to the parent company

	Share capital £	Share premium £	Profit and loss account £	Total £	Non-controlling interests £	Total equity £
At 1 January 2019	30,002	4,304	3,794,146	3,828,452	5,855	3,834,307
Profit for the year	-	-	1,101,230	1,101,230	-	1,101,230
Other comprehensive income	-	-	(15,674)	(15,674)	5,208	(10,466)
Total comprehensive income	-	-	1,085,556	1,085,556	5,208	1,090,764
Dividends	-	-	(528,675)	(528,675)	-	(528,675)
At 31 December 2019	30,002	4,304	4,351,027	4,385,333	11,063	4,396,396
At 1 January 2020	30,002	4,304	4,351,027	4,385,333	11,063	4,396,396
Profit for the year	-	-	426,943	426,943	-	426,943
Other comprehensive income	-	-	(10,215)	(10,215)	(525)	(10,740)
Total comprehensive income	-	-	416,728	416,728	(525)	416,203
Dividends	-	-	(196,360)	(196,360)	-	(196,360)
At 31 December 2020	30,002	4,304	4,571,395	4,605,701	10,538	4,616,239

The notes on pages 18 to 41 form an integral part of these financial statements.

Analox Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 January 2019	30,002	4,304	1,916,356	1,950,662
Profit for the year	-	-	1,116,754	1,116,754
Total comprehensive income	-	-	1,116,754	1,116,754
Dividends	-	-	(499,182)	(499,182)
At 31 December 2019	30,002	4,304	2,533,928	2,568,234
At 1 January 2020	30,002	4,304	2,533,928	2,568,234
Profit for the year	-	-	2,128,628	2,128,628
Total comprehensive income	-	-	2,128,628	2,128,628
Dividends	-	-	(161,611)	(161,611)
At 31 December 2020	30,002	4,304	4,500,945	4,535,251

The notes on pages 18 to 41 form an integral part of these financial statements.

Analox Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Profit for the year		426,418	1,106,438
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>5</u>	113,925	88,123
Foreign exchange difference arising on translation of foreign subsidiary		(10,215)	(15,673)
Finance income		(1,733)	(23,384)
Finance costs	<u>7</u>	26,564	21,186
Income tax expense	<u>11</u>	(12,584)	140,347
Government grant		(25,800)	-
		<u>516,575</u>	<u>1,317,037</u>
Working capital adjustments			
Decrease/(increase) in stocks	<u>16</u>	290,456	(734,785)
Decrease in debtors	<u>17</u>	508,810	149,288
Decrease in creditors	<u>18</u>	(638,317)	(180,754)
Cash generated from operations		<u>677,524</u>	<u>550,786</u>
Income taxes (paid)/received	<u>11</u>	(193,472)	381,459
Net cash flow from operating activities		<u>484,052</u>	<u>932,245</u>
Cash flows from investing activities			
Interest received		1,733	23,384
Acquisitions of tangible assets		(78,189)	(218,721)
Proceeds from sale of tangible assets		-	580
Net cash flows from investing activities		<u>(76,456)</u>	<u>(194,757)</u>
Cash flows from financing activities			
Interest paid	<u>7</u>	(20,114)	(21,186)
Proceeds from bank borrowing draw downs		1,050,515	-
Repayment of bank borrowing		(18,995)	(35,500)
Payments to finance lease creditors		(29,618)	(36,385)
Dividends paid		(196,360)	(528,675)
Net cash flows from financing activities		<u>785,428</u>	<u>(621,746)</u>
Net increase in cash and cash equivalents		1,193,024	115,742
Cash and cash equivalents at 1 January		<u>1,022,812</u>	<u>907,070</u>
Cash and cash equivalents at 31 December		<u><u>2,215,836</u></u>	<u><u>1,022,812</u></u>

The notes on pages 18 to 41 form an integral part of these financial statements.

Analox Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
15 Ellerbeck Court
Stokesley Business Park Stokesley,
Middlesbrough
North Yorkshire
TS9 5PT

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are presented in sterling which is the functional currency of the entity.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2020.

No Income Statement is presented for the company as permitted by section 408 of the Companies Act 2006. The company made a profit after tax for the financial year of £2,128,628 (2019 - profit of £1,116,754).

Analox Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Income Statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Analox Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis.

The group meets its day to day working capital requirements through cash generated from operations and external borrowings.

The group traded successfully through the COVID 19 pandemic during 2020 and to date in 2021 with no significant adverse effects. Whilst activity and profitability reduced the group remains profitable and at 31 December 2020 had significant net current assets (including £1.9m of cash) and reported a strong net asset position.

The group's forecasts and projections for the next twelve months show that the group should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This also considers the effectiveness of available measures to assist in mitigating the impact.

Although the forecast prepared taking account of the matters above support the ability of the group to remain a going concern and to be able to trade and meets its debts as they fall due, the full impact of COVID-19, the continued level of government support and the underlying trading assumptions used in forecasting are extremely judgemental and difficult to predict and could be subject to significant variation.

Based on the factors set out above the directors believe that there is no material uncertainty in relation to going concern and that the company has adequate financial resources to continue in operational existence for at least twelve months from the date of signing the financial statements and therefore the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

Analox Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Assessing indicators of impairment - In assessing whether there have been indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability.

Assessing nature of lease - The Company has entered into commercial leases and as a lessee it obtains use of property, plant and equipment. The classification as operating or finance lease requires the Company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

Taxation - Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other 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 year are as follows:

Useful economic lives of tangible assets - The annual depreciation charge is sensitive to changes in the estimated useful lives of the assets. The useful economic lives are re-assessed annually. They are amended when necessary to reflect current estimates, future investments and economic utilisation. The carrying amount is £1,486,349 (2019 - £1,374,423).

Stock provision - The group has made an assumption of writing down the value of stock on items in which they expect the cost to exceed the net realisable value before it is fully sold/utilised. This assumption has involved looking at the historic sales patterns and expected sales in future years. The carrying amount is £50,599 (2019 - £44,801).

Impairment of debtors - The group makes an estimate of the recoverable value of the trade and other debtors. When assessing impairment of trade and other debtor, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the company.

The group recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the group's activities.

Analox Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Contract revenue recognition

The directors account for long term contracts using the stage of completion method as the contract progresses. The method requires judgement to accurately estimate the extent of progress towards contract completion and may involve estimates of total contract costs to completion, total revenues, contract risks and other judgements.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge 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 charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements. Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and buildings	2% straight line
Property Improvements	Over the life of the lease
Plant & Machinery	10% to 33% straight line
Website Design	20% to 33% straight line

Analox Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Intellectual property	10% straight line

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment. Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Analox Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

2 Accounting policies (continued)

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance costs in the Income Statement and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Analox Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2020 £	2019 £
Sale of goods	<u>7,259,127</u>	<u>9,377,283</u>

The analysis of the group's turnover for the year by market is as follows:

	2020 £	2019 £
UK	2,488,429	4,003,103
Rest of world	<u>4,770,698</u>	<u>5,374,180</u>
	<u>7,259,127</u>	<u>9,377,283</u>

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2020 £	2019 £
Government grants	367,917	38,142
Miscellaneous other operating income	-	24,306
	<u>367,917</u>	<u>62,448</u>

Other operating income includes the following UK and US government support received during the year:

	2020 £	2019 £
Coronavirus Job Retention Scheme	281,303	-
Paycheck Protection Program	56,677	-
Business Interruption payment	25,800	-
Other UK Government grant	<u>4,137</u>	<u>38,142</u>
	<u>367,917</u>	<u>38,142</u>

Analox Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

5 Operating profit

Arrived at after charging/(crediting)

	2020	2019
	£	£
Depreciation expense	111,925	86,123
Amortisation expense	2,000	2,000
Research and development cost	102,987	232,203
Foreign exchange (gains)/losses	(11,652)	21,481
Operating lease expense - plant and machinery	61,023	69,987
	<u>61,023</u>	<u>69,987</u>

6 Income from sale of investment

Income from the sale of investment relates to monies received in respect of an earn out arrangement on Analox Sensor Technology Limited's sale of its investment in Divex Limited in 2013.

7 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and borrowings	15,630	16,467
Interest on obligations under finance leases and hire purchase contracts	4,484	4,722
Interest expense on other finance liabilities	6,450	(3)
	<u>26,564</u>	<u>21,186</u>

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020	2019
	£	£
Wages and salaries	3,258,628	3,355,035
Social security costs	342,472	360,005
Pension costs, defined contribution scheme	88,866	86,572
Redundancy costs	14,252	-
	<u>3,704,218</u>	<u>3,801,612</u>

The average number of persons employed by the group (including directors) during the year:

	2020	2019
	No.	No.
Average number of employees	91	88
	<u>91</u>	<u>88</u>

Analox Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020	2019
	£	£
Remuneration	451,508	571,047
Contributions paid to money purchase schemes	23,609	24,228
	<u>475,117</u>	<u>595,275</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2020	2019
	No.	No.
Accruing benefits under money purchase pension scheme	<u>5</u>	<u>5</u>

In respect of the highest paid director:

	2020	2019
	£	£
Remuneration	94,668	94,679
Company contributions to money purchase pension schemes	<u>8,056</u>	<u>8,056</u>

10 Auditors' remuneration

	2020	2019
	£	£
Audit of these financial statements	7,500	6,500
Audit of the financial statements of subsidiaries of the company pursuant to legislation	11,500	12,500
	<u>19,000</u>	<u>19,000</u>

Analox Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

11 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
Current taxation		
UK corporation tax	-	19,507
UK corporation tax adjustment to prior periods	-	562
	-	20,069
Foreign tax	60,720	81,341
Total current income tax	60,720	101,410
Deferred taxation		
Arising from origination and reversal of timing differences	(73,304)	38,937
Tax (receipt)/expense in the income statement	(12,584)	140,347

Analox Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

11 Taxation (continued)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	413,834	1,246,785
Corporation tax at standard rate	78,628	236,889
Effect of revenues exempt from taxation	(163,548)	(185,400)
Effect of expense not deductible in determining taxable profit (tax loss)	70,949	77,369
Effect of foreign tax rates	26,240	28,972
Increase in UK and foreign current tax from adjustment for prior periods	-	562
Chargeable gains	-	3,385
Other tax effects for reconciliation between accounting profit and tax expense (income)	(24,853)	(21,430)
Total tax (credit)/charge	(12,584)	140,347

Deferred tax

Group

Deferred tax assets and liabilities

	Asset £	Liability £
2020		
Accelerated capital allowances	-	57,320
R&D tax credits	-	-
Other short term timing differences	694	-
Tax losses c/fwd	50,682	-
	51,376	57,320
2019		
Accelerated capital allowances	-	83,686
R&D tax credits	3,856	-
Other short term timing differences	536	-
Tax losses c/fwd	-	-
	4,392	83,686

Analox Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

11 Taxation (continued)

Company

Deferred tax assets and liabilities

	Asset £	Liability £
2020		
Accelerated capital allowances	-	57,319
R&D tax credits	-	-
Other timing differences	1,100	-
Tax losses c/fwd	50,682	-
	<u>51,782</u>	<u>57,319</u>
	Asset £	Liability £
2019		
Accelerated capital allowances	-	83,232
R&D tax credits	3,856	-
Other timing differences	-	-
Tax losses c/fwd	-	-
	<u>3,856</u>	<u>83,232</u>

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17% as previously enacted). This new law was deemed substantively enacted on 17 March 2020. The deferred tax balances at 31 December 2020 have been calculated based on this rate. In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. This new law was deemed substantively enacted on 24 May 2021. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

Analox Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

12 Intangible assets

Group

	Intellectual property £
Cost or valuation	
At 1 January 2020	<u>20,000</u>
At 31 December 2020	<u>20,000</u>
Amortisation	
At 1 January 2020	2,167
Amortisation charge	<u>2,000</u>
At 31 December 2020	<u>4,167</u>
Carrying amount	
At 31 December 2020	<u><u>15,833</u></u>
At 31 December 2019	<u><u>17,833</u></u>

Analox Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

12 Intangible assets (continued)

Company

	Intellectual property £
Cost or valuation	
At 1 January 2020	20,000
At 31 December 2020	20,000
Amortisation	
At 1 January 2020	2,167
Amortisation charge	2,000
At 31 December 2020	4,167
Carrying amount	
At 31 December 2020	15,833
At 31 December 2019	17,833

13 Tangible assets

Group

	Land and buildings £	Plant and machinery £	Website Design £	Total £
Cost or valuation				
At 1 January 2020	1,516,162	1,187,435	18,105	2,721,702
Additions	-	78,189	-	78,189
At 31 December 2020	1,516,162	1,265,624	18,105	2,799,891
Depreciation				
At 1 January 2020	518,820	838,610	16,993	1,374,423
Charge for the year	15,852	95,316	758	111,926
At 31 December 2020	534,672	933,926	17,751	1,486,349
Carrying amount				
At 31 December 2020	981,490	331,698	354	1,313,542
At 31 December 2019	997,342	348,825	1,112	1,347,279

Included within land and buildings is freehold land of £232,143 (2019: £232,143). Freehold land is not depreciated.

Analox Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

13 Tangible assets (continued)

Company

	Land and buildings £	Plant and machinery £	Website Design £	Total £
Cost or valuation				
At 1 January 2020	1,032,430	472,753	3,276	1,508,459
Additions	-	75,469	-	75,469
At 31 December 2020	1,032,430	548,222	3,276	1,583,928
Depreciation				
At 1 January 2020	35,088	127,432	2,164	164,684
Charge for the year	15,852	92,763	758	109,373
At 31 December 2020	50,940	220,195	2,922	274,057
Carrying amount				
At 31 December 2020	981,490	328,027	354	1,309,871
At 31 December 2019	997,342	345,321	1,112	1,343,775

14 Investments

Company

	2020 £	2019 £
Investments in subsidiaries	56,768	56,768
Subsidiaries		£
Cost or valuation		
At 1 January 2020		56,768
At 31 December 2020		56,768
Provision		
At 1 January 2020		-
At 31 December 2020		-
Carrying amount		
At 31 December 2020		56,768
At 31 December 2019		56,768

Analox Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

14 Investments (continued)

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2020	2019
Subsidiary undertakings				
Analox Sensor Technology Limited	15 Ellerbeck Court, Stokesley Business Park, Stokesley, Middlesbrough, North Yorkshire, TS9 5PT.	Ordinary shares	100%	100%
Analox Military Systems Limited	15 Ellerbeck Court, Stokesley Business Park, Stokesley, North Yorkshire, TS9 5PT.	Ordinary shares	100%	100%
Genius Gas Innovations Limited	15 Ellerbeck Court, Stokesley Business Park, Stokesley, Middlesbrough, North Yorkshire, TS9 5PT.	Ordinary shares	100%	100%
Amoxtec Inc	15121 Graham Street #B106, Huntington Beach, California, 92649. USA	Ordinary shares	80%	80%

The principal activity of all the above undertakings is supplying gas sensing products into harsh environments.

Analox Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

15 Other financial assets

Group

	Financial assets at cost less impairment £
Non-current financial assets	
Cost or valuation	
At 1 January 2020	<u>19,916</u>
At 31 December 2020	<u>19,916</u>
Impairment	
At 1 January 2020	<u>13,782</u>
At 31 December 2020	<u>13,782</u>
Carrying amount	
At 31 December 2020	<u><u>6,134</u></u>

Company

	Financial assets at cost less impairment £
Non-current financial assets	
Cost or valuation	
At 1 January 2020	<u>19,916</u>
At 31 December 2020	<u>19,916</u>
Impairment	
At 1 January 2020	<u>13,782</u>
At 31 December 2020	<u>13,782</u>
Carrying amount	
At 31 December 2020	<u><u>6,134</u></u>

Analox Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

16 Stocks

	2020	Group	2020	Company
	£	2019	£	2019
		£		£
Raw materials and consumables	1,691,459	1,828,090	1,691,459	1,828,090
Work in progress	313,164	466,989	313,164	466,989
	<u>2,004,623</u>	<u>2,295,079</u>	<u>2,004,623</u>	<u>2,295,079</u>

Group

Impairment of inventories

The amount of impairment loss included in profit or loss is £5,798 (2019 - £Nil). The amount of reversal of impairment recognised in profit or loss is £Nil (2019 - £2,820).

17 Debtors

		2020	Group	2020	Company
	Note	£	2019	£	2019
			£		£
Trade debtors		1,086,930	1,336,316	952,773	-
Amounts owed by group companies	<u>24</u>	(276,914)	-	416,783	2,594,659
Other debtors		74,380	67,598	74,380	67,559
Prepayments		362,519	431,468	306,007	107,209
Corporation tax asset	<u>11</u>	51,147	16,439	51,147	16,439
Directors loan accounts		112,530	32,873	112,530	32,873
		<u>1,410,592</u>	<u>1,884,694</u>	<u>1,913,620</u>	<u>2,818,739</u>

Analox Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

18 Creditors

	Note	2020 £	Group 2019 £	2020 £	Company 2019 £
Due within one year					
Loans and borrowings	<u>19</u>	150,993	64,928	100,478	64,928
Trade creditors		150,930	240,203	149,443	221,230
Amounts due to group companies	<u>24</u>	(276,915)	-	85,062	3,295,937
Social security and other taxes		107,979	128,649	107,979	128,649
Other creditors		170,173	271,115	164,090	220,015
Accruals		532,657	683,176	526,488	53,616
Corporation tax liability	<u>11</u>	3,063	101,061	-	-
		<u>838,880</u>	<u>1,489,132</u>	<u>1,133,540</u>	<u>3,984,375</u>
Due after one year					
Loans and borrowings	<u>19</u>	<u>1,505,497</u>	<u>609,200</u>	<u>1,505,497</u>	<u>609,200</u>

19 Loans and borrowings

	2020 £	Group 2019 £	2020 £	Company 2019 £
Current loans and borrowings				
Bank borrowings	121,375	35,120	70,860	35,120
Bank overdrafts	-	191	-	191
Hire purchase and finance lease liabilities	<u>29,618</u>	<u>29,617</u>	<u>29,618</u>	<u>29,617</u>
	<u>150,993</u>	<u>64,928</u>	<u>100,478</u>	<u>64,928</u>

Hire purchase and finance lease liabilities are secured on the assets to which they relate.

Bank borrowings are secured by a legal charge over the Company's land and buildings which have a carrying value of £981,490 (2019: £997,342).

Analox Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

19 Loans and borrowings (continued)

	2020 £	Group 2019 £	2020 £	Company 2019 £
Non-current loans and borrowings				
Bank borrowings	1,470,315	544,400	1,470,315	544,400
Hire purchase and finance lease liabilities	35,182	64,800	35,182	64,800
	<u>1,505,497</u>	<u>609,200</u>	<u>1,505,497</u>	<u>609,200</u>

Hire purchase and finance lease liabilities are secured on the assets to which they relate.

Bank borrowings are secured by a legal charge over the Company's land and buildings which have a carrying value of £981,490 (2019: £997,342).

20 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £88,867 (2019 - £86,573). Contributions totalling £13,884 (2019 - £Nil) were payable to the scheme at the end of the year and are included in creditors.

21 Share capital

Allotted, called up and fully paid shares

	No.	2020 £	No.	2019 £
Ordinary shares of £1 each	30,002	30,002	30,002	30,002

22 Obligations under leases and hire purchase contracts

Group

Finance leases

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	29,618	29,618
Later than one year and not later than five years	35,183	64,800
	<u>64,801</u>	<u>94,418</u>

Operating leases

The total of future minimum lease payments is as follows: 38

Analox Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

22 Obligations under leases and hire purchase contracts (continued)

	2020	2019
	£	£
Not later than one year	61,132	85,855
Later than one year and not later than five years	115,515	149,327
Later than five years	93,000	116,250
	<u>269,647</u>	<u>351,432</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £84,273 (2019 - £69,987).

Company

Finance leases

The total of future minimum lease payments is as follows:

	2020	2019
	£	£
Not later than one year	29,618	29,618
Later than one year and not later than five years	35,183	64,800
	<u>64,801</u>	<u>94,418</u>

23 Contingent liabilities

Group

A cross guarantee exists between the company and its subsidiary undertakings, Analox Sensor Technology Limited, Analox Military Systems Limited and Genius Gas Innovations Limited in respect of bank borrowings and debenture. At the balance sheet date, total bank borrowings of subsidiary undertakings amounted to £nil (2019: £nil).

Analox Limited

Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

25 Analysis of changes in net debt

Group

	At 1 January 2020 £	Cash flows £	Other non-cash changes £	At 31 December 2020 £
Cash and cash equivalents				
Cash	1,023,003	1,192,833	-	2,215,836
Overdrafts	(191)	191	-	-
	<u>1,022,812</u>	<u>1,193,024</u>	<u>-</u>	<u>2,215,836</u>
Borrowings				
Long term borrowings	(609,200)	(1,050,515)	154,218	(1,505,497)
Short term borrowings	(64,928)	48,613	(134,678)	(150,993)
	<u>(674,128)</u>	<u>(1,001,902)</u>	<u>19,540</u>	<u>(1,656,490)</u>
	<u>348,684</u>	<u>191,122</u>	<u>19,540</u>	<u>559,346</u>

26 Ultimate controlling party

The company is controlled by Mr A Harbottle by virtue of his majority shareholding.

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.