Anitox Limited

Directors' Report and Financial Statements

Year Ended

31 December 2022

Company Number 02544185

Anitox Limited

Company Information

Directors	D Smith C Tecca
Company secretary	D Smith
Registered number	02544185
Registered office	7 Regent Park Booth Drive Park Farm Industrial Estate Wellingborough NN8 6GR
Independent auditors	BDO LLP Two Snowhill Birmingham B4 6GA

Anitox Limited

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Anitox Limited

Directors' Report
For the Year Ended 31 December 2022

The Directors present their report and the financial statements for the year ended 31 December 2022.

Results and dividends

The loss for the year, after taxation, amounted to £268,937 (2021 - profit £6,990).

An interim dividend of £206,547 was paid in the year (2021 - £354,937). The Directors have not proposed the payment of a final dividend (2021 - £Nil).

Business review

In FY2022, the Company's turnover improved by £3,062,768, 37% versus FY2021, primarily driven from the revenue in Eastern Europe, Middle East and the UK. Positive impact of increased revenue was offset by the increase in the cost of key raw materials derived from natural gas as well as higher logistics costs (both land and sea-based logistics), which overall led to decline in Company's gross margin by 9% in the current year. Additionally, the company incurred an exceptional expense of £233,721 being an additional investment in the share capital of China subsidiary being charged to the income statement in the current year.

Directors

The Directors who served during the year and to the date of approval of these financial statements were:

D Smith
C Tecca

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

Qualifying third party indemnity provisions

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

Going concern

The directors have performed a cash flow forecast for the Company covering a period of at least 12 months from date of approval of the financial statements. These forecasts to 31 December 2024 show that the Company will generate positive EBITDA and have sufficient liquidity for the going concern period and be able to meet all liabilities as they fall due. The directors have considered the available cash balance and current net assets at the date of approval of these financial statements and note that the company and wider group can withstand significant deterioration in forecasted performance over the assessment period.

As a result, the financial statements have been prepared on a going concern basis and the directors have identified no material uncertainties in this regard.

Disclosure of information to auditors

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

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

Auditors

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

Small companies note

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

This report was approved by the board on 28/09/2023 and signed on its behalf.

D Smith
Director

Independent Auditors' Report to the Members of Anitox Limited

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Anitox Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, 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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

We focused on laws and regulations that could give rise to a material misstatement in the Financial Statements. Our procedures included, but was not limited to:

- Enquiries of management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud and procedures relating to:
  - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliances;
  - Detecting and responding to the risk of fraud and whether they had knowledge of any actual or suspected or alleged fraud;
  - Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
  - Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations; and
  - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company based on our understanding of the business, sector experience and discussions with management. The most significant considerations for the Company are the compliance with UK Accounting Standards, the Companies Act 2006, Corporate Tax, VAT legislation, Employment taxes and Health and Safety.

- Discussing amongst the engagement team to assess how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas:
  - management override of controls; and
  - revenue recognition, specifically the manipulation of revenue using fraudulent journals and manipulation of the timing of recognising revenue around the year end.

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

Our procedures in response to the above included:

- We made enquiries of management and reviewed correspondence with the relevant authorities to identify any irregularities or instances of non-compliance with laws and regulations. We corroborated our enquiries through our review of board minutes.
- Journal entry testing, with a focus on journals indicating large or unusual transactions based on our understanding of the business.
- We tested the unusual journals posted in the revenue recognition to the relevant supporting documentation. We also tested samples of revenue transactions posted in December 2022 and January 2023, to ensure that the revenue has been recorded in the correct accounting period.
- We have challenged the management of key estimates and judgments, applied by the management in the preparation of the financial statements to ensure that they are free from management bias.

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

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

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

Use of our report

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

DocuSigned by:
Jon Gilpin
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Jonathan Gilpin (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Birmingham
United Kingdom
28 September 2023

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

Anitox Limited

Statement of Comprehensive Income
For the Year Ended 31 December 2022

	Note	2022 £	2021 £
Turnover		**11,371,350**	8,308,582
Cost of sales		**(8,003,209)**	(5,055,117)
Gross profit		**3,368,141**	3,253,465
Administrative expenses		**(3,435,445)**	(3,223,554)
Exceptional expenses	8	**(233,721)**	-
Operating (loss)/profit		**(301,025)**	29,911
Interest receivable and similar income		-	203
(Loss)/profit before tax		**(301,025)**	30,114
Tax credit/(charge) for the year		**32,088**	(23,124)
(Loss)/profit for the financial year		**(268,937)**	6,990

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 10 to 20 form part of these financial statements.

Anitox Limited
Registered number:02544185

Statement of Financial Position
As at 31 December 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible assets	7		**720,029**		704,088
Investments	8		**12,317**		-
			732,346		704,088
Current assets					
Stocks	9	**1,173,050**		1,119,274	
Debtors: amounts falling due within one year	10	**3,623,272**		2,078,677	
Cash at bank and in hand		**229,516**		504,789	
		5,025,838		3,702,740	
Creditors: amounts falling due within one year	11	**(2,861,832)**		(1,046,679)	
Net current assets			**2,164,006**		2,656,061
Total assets less current liabilities			**2,896,352**		3,360,149
Provisions for liabilities					
Deferred tax			**(100,393)**		(88,706)
Net assets			**2,795,959**		3,271,443
Capital and reserves					
Called up share capital			**446,699**		446,699
Capital redemption reserve			**480,000**		480,000
Profit and loss account			**1,869,260**		2,344,744
			2,795,959		3,271,443

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
28/09/2023

D Smith
Director

The notes on pages 10 to 20 form part of these financial statements.

Anitox Limited

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

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2022	446,699	480,000	2,344,744	3,271,443
Comprehensive loss for the year				
Loss for the year	-	-	(268,937)	(268,937)
Total comprehensive loss for the year	-	-	(268,937)	(268,937)
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(206,547)	(206,547)
Total transactions with owners	-	-	(206,547)	(206,547)
At 31 December 2022	446,699	480,000	1,869,260	2,795,959

Statement of Changes in Equity
For the Year Ended 31 December 2021

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	446,699	480,000	2,692,691	3,619,390
Comprehensive income for the year				
Profit for the year	-	-	6,990	6,990
Total comprehensive income for the year	-	-	6,990	6,990
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(354,937)	(354,937)
Total transactions with owners	-	-	(354,937)	(354,937)
At 31 December 2021	446,699	480,000	2,344,744	3,271,443

The notes on pages 10 to 20 form part of these financial statements.

1. General information

Anitox Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is 7 Regent Park Booth Drive, Park Farm Industrial Estate, Wellingborough, Northampton, NN8 6GR. The nature of the Company's operations and its principal activity is the distribution of chemicals used to treat animal feed.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The accounts have been prepared in the Company's functional currency, pounds sterling.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

2.3 Going concern

The directors have performed a cash flow forecast for the Company covering a period of at least 12 months from date of approval of the financial statements. These forecasts to 31 December 2024 show that the Company will generate positive EBITDA and have sufficient liquidity for the going concern period and be able to meet all liabilities as they fall due. The directors have considered the available cash balance and current net assets at the date of approval of these financial statements and note that the company and wider group can withstand significant deterioration in forecasted performance over the assessment period.

As a result, the financial statements have been prepared on a going concern basis and the directors have identified no material uncertainties in this regard.

2. Accounting policies (continued)

2.4 Revenue

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

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Interest income

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

2.6 Tangible fixed assets

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

Where assets are recommissioned, the Company derecognises any expenditure (and accumulated depreciation) previously incurred relative to installation and commissioning. The Company also derecognises the original equipment when it is recommissioned except for the amount of cost that represents the net book value of the asset at that date, as this is considered representative of the value of assets that are used in the recommissioned asset. The Company adds to the carrying amount of the asset the cost of any replacement parts that are expected to provide incremental future benefits to the Company. The Company recognises any subsequent expenditure incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	10% - 25% per annum

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

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

2. Accounting policies (continued)

2.7 Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is 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.

2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

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

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

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

2. Accounting policies (continued)

2.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment.

2.12 Creditors

Short-term creditors are measured at the transaction price.

2.13 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.14 Cash and cash equivalents

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

2.15 Foreign currency translation

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 reporting date. Any differences are taken to the Statement of Comprehensive Income.

The results of overseas operations and Statements of Financial Position are translated into sterling at the rates of exchange ruling on the reporting date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings are taken to reserves.

2.16 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

2. Accounting policies (continued)

2.17 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.18 Current and deferred taxation

Tax is recognised in the Statement of Comprehensive income, except that a change attributable to an item of income and expense recognised as Other Comprehensive Income or to an item recognised directly in equity is also recognised in Other Comprehensive Income or directly in equity respectively.

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

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

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

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted at the Statement of Financial Position date.

2.19 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 recognised as liabilities are recognised as expenses and classified within interest payable.

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

In preparing these financial statements, the Directors have had to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historic experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities and are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

Tangible fixed assets

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

Stock provisions

The Company has recognised provisions for the impairment of stock. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors.

In the case of the provision for the impairment of stock, this provision is based on the assessment of stock value and ageing, quantities on hand and usage. The value of stock in note 9 is net of the provision for the impairment of stock.

Debtor provisions

At each reporting date, debtors are assessed for recoverability. If there is any evidence of impairment, the carrying amount is reduced to its recoverable amount. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

Credit note provisions

The Company has recognised a provision in respect of credit notes to be issued to trade debtors. This provision is based on the knowledge of the Directors around historical credit notes issued and potential credit notes to be issued in the future in relation to customer invoices raised during the year.

Impairment of tangible fixed assets

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

4. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2022 £	2021 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	**68,280**	56,500
Fees payable to the Company's auditors in respect of:		
Preparation of financial statements	**4,500**	3,750
Taxation compliance services	**6,000**	5,850

5. Employees

	2022 £	2021 £
Wages and salaries	**1,377,959**	1,277,529
Social security costs	**154,287**	125,369
Cost of defined contribution scheme	**48,996**	54,222
	1,581,242	1,457,120

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

	2022 No.	2021 No.
Staff	**21**	22

The directors are paid by other group entities and the directors consider it impracticable to allocate their remuneration to this entity based on their services to the Company.

6. Dividends

	2022 £	2021 £
Ordinary shares		
Interim paid of £0.46 (2021 - £0.79) per share	**206,547**	354,937

Anitox Limited

7. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 January 2022	**1,919,087**
Additions	**358,869**
Disposals	**(279,302)**
At 31 December 2022	**1,998,654**
Depreciation	
At 1 January 2022	**1,214,999**
Charge for the year	**308,724**
Disposals	**(245,098)**
At 31 December 2022	**1,278,625**
Net book value	
At 31 December 2022	**720,029**
At 31 December 2021	704,088

8. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	**56,896**
Additions	**233,721**
At 31 December 2022	**290,617**
Impairment	
At 1 January 2022	**56,896**
Charge for the year	**233,721**
Reversal of impairment loss	**(12,317)**
At 31 December 2022	**278,300**
Net book value	
At 31 December 2022	**12,317**
At 31 December 2021	-

During the year, the company made an additional investment of £233,721 in its subsidiary in China to settle local expenditures and taxes before dissolving the entity. As directors intend to dissolve the entity in near future, this amount has been impaired during the year.

Investment in Anitox BV amounted to £12,317 which was impaired in previous years, has now been reversed as the subsidiary became operational during the year and is therefore no longer a dormant subsidiary.

9. Stocks

	2022 £	2021 £
Raw materials and consumables	**482,431**	359,815
Work in progress (goods to be sold)	**16,741**	7,984
Finished goods and goods for resale	**461,870**	513,586
Engineering parts	**212,008**	237,889
	1,173,050	1,119,274

10. Debtors

	2022 £	2021 £
Trade debtors	**2,251,769**	1,136,866
Amounts owed by group undertakings	**993,812**	817,434
Other debtors	**273,195**	37,733
Prepayments and accrued income	**77,050**	86,644
Corporation tax recoverable	**27,446**	-
	3,623,272	2,078,677

All amounts shown under debtors fall due for payment within one year.

Amounts due from group undertakings represent current trading balances and same are non-interest bearing, unsecured and repayable on demand.

11. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	**1,665,971**	662,237
Amounts owed to group undertakings	**619,745**	90,620
Corporation tax	-	40,681
Other taxation and social security	**34,971**	29,644
Other creditors	**169,242**	110,040
Accruals and deferred income	**371,903**	113,457
	2,861,832	1,046,679

12. Contingent liabilities

The Company hold a foreign exchange facility with HSBC bank which is secured by a fixed charge over the assets held.

13. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £48,996 (2021 - £54,222). Contributions totalling £8,842 (2021 - £13,108) were payable to the fund at the reporting date and are included in other creditors.

14. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	**112,345**	104,890
Later than 1 year and not later than 5 years	**217,872**	290,589
Later than 5 years	-	57,000
	330,217	452,479

15. Post balance sheet events

There have been no significant events subsequent to the year end affecting the financial statements.

16. Ultimate parent company and parent undertaking of larger group

The largest and smallest group in which the results of the Company are consolidated is that headed by Anitox Holdings Inc., incorporated in the United States of America. Anitox Holdings Inc. is the Company's ultimate parent company. The consolidated accounts of this company are not available to the public.