

Registration number: 04204089

PSD Codax Limited

Annual Report and audited Financial Statements

for the Year Ended 31 December 2020



PSD Codax Limited

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PSD Codax Limited

Company Information

Directors	Mr K R Long Mr I P Thompson
Registered office	c/o Bryan Cave Leighton Paisner LLP Governor's House, 5 Laurence Pountney Hill London EC4R 0BR
Accountants	Zig Zag Chartered Accountants 14 Queen Square Bath BA1 2HN
Auditors	Edward James Grenfell James Audit LLP 13 The Courtyard Timothy's Bridge Road Stratford-Upon-Avon CV37 9NP

PSD Codax Limited

Directors' Report for the Year Ended 31 December 2020

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

Directors of the company

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

Mr Brian M Bath (resigned 30 December 2020)

Ms Cindy Lou Penchishen (resigned 30 December 2020)

Mr Kevin Detrick (resigned 30 December 2020)

Mr Rob Deal (resigned 30 December 2020)

Mr Jonathan Hill (resigned 30 December 2020)

Mr L J Burke (appointed 30 December 2020 and resigned 2 April 2021)

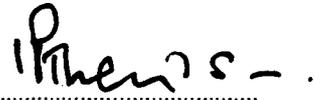
Mr K R Long (appointed 30 December 2020)

Mr I P Thompson (appointed 30 December 2020)

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board on 17.12.21 and signed on its behalf by:



Mr I P Thompson
Director

PSD Codax Limited

Independent Auditor's Report to the Members of PSD Codax Limited

Opinion

We have audited the financial statements of PSD Codax Limited (the 'company') for the year ended 31 December 2020, which comprise the Statement of Income and Retained Earnings and Balance Sheet. 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 company's affairs as at 31 December 2020 and of its 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 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. 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 describes in the relevant sections of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

PSD Codax Limited

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

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matter 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 Report of the Directors.

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, 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, 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 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.

PSD Codax Limited

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlines 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 obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (UK GAAP, FRS 102, Companies Act 2006), and the relevant tax compliance regulations. In addition we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters, environmental and bribery and corruption practices.

We understood how the Company is complying with these frameworks by making enquiries of management and those responsible for legal and compliance procedures.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. We considered the risk of fraud through management override and concluded that this presented limited risk. We also considered the possibility of fraudulent or corrupt payments made through third parties and conducted testing on third party vendors. These procedures included the testing of transactions back to source information and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above. Our procedures involved journal entry testing, with a focus on journals meeting our defined risk criteria based on our understanding of the business.

We did not identify any instances of non-compliance with laws and regulations.

Our focus included obtaining evidence of completeness of income, and the satisfactory settlement of the relevant sales invoices.

Staff payroll and related costs constitute a significant proportion of the Cost of Sales and our procedures were directed at the related systems for recruitment and release and retention of staff.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

We found no evidence of fraud, and noted that there is no obvious incentive for management override, and consider that the audit team collectively had the appropriate competence to identify non-compliance with laws and regulations. Our audit work led us to conclude that the risk of material misstatement was low.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of Our Report

PSD Codax Limited

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

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 a Report of the Auditors 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.



.....
Edward James (Chartered Accountant, Senior Statutory Auditor)
For and on behalf of Grenfell James Audit LLP, Statutory Auditor

Grenfell James Audit LLP
13 The Courtyard
Timothy's Bridge Road
Stratford-Upon-Avon
CV37 9NP

Date: **17/12/2021**
.....

PSD Codax Limited

Profit and Loss Account for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover		1,018,009	974,406
Cost of sales		<u>(699,197)</u>	<u>(1,209,695)</u>
Gross profit/(loss)		318,812	(235,289)
Distribution costs		(23,582)	(29,129)
Administrative expenses		(247,914)	(342,654)
Other operating income		<u>650,000</u>	<u>-</u>
Operating profit/(loss)		<u>697,316</u>	<u>(607,072)</u>
Other interest receivable and similar income		3	795
Interest payable and similar expenses		<u>(27,767)</u>	<u>4,679</u>
		<u>(27,764)</u>	<u>5,474</u>
Profit/(loss) before tax	5	669,552	(601,598)
Taxation		<u>(4,945)</u>	<u>42,111</u>
Profit/(loss) for the financial year		<u><u>664,607</u></u>	<u><u>(559,487)</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

PSD Codax Limited

Statement of Comprehensive Income for the Year Ended 31 December 2020

	2020	2019
	£	£
Profit/(loss) for the year	<u>664,607</u>	<u>(559,487)</u>
Total comprehensive income for the year	<u><u>664,607</u></u>	<u><u>(559,487)</u></u>

The notes on pages 12 to 19 form an integral part of these financial statements.

PSD Codax Limited

**(Registration number: 04204089)
Balance Sheet as at 31 December 2020**

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	6	1,010	13,130
Tangible assets	7	<u>43,042</u>	<u>49,389</u>
		<u>44,052</u>	<u>62,519</u>
Current assets			
Stocks	8	481,585	309,904
Debtors	9	209,684	496,859
Cash at bank and in hand		<u>127,989</u>	<u>127,217</u>
		819,258	933,980
Creditors: Amounts falling due within one year	10	<u>(716,524)</u>	<u>(1,258,568)</u>
Net current assets/(liabilities)		<u>102,734</u>	<u>(324,588)</u>
Total assets less current liabilities		146,786	(262,069)
Provisions for liabilities		<u>(7,958)</u>	<u>(3,013)</u>
Net assets/(liabilities)		<u>138,828</u>	<u>(265,082)</u>
Capital and reserves			
Called up share capital	11	1,000	1,000
Profit and loss account		<u>137,828</u>	<u>(266,082)</u>
Total equity		<u>138,828</u>	<u>(265,082)</u>

For the financial year ending 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

The notes on pages 12 to 19 form an integral part of these financial statements.

PSD Codax Limited

(Registration number: 04204089)

Balance Sheet as at 31 December 2020 (continued)

Approved and authorised by the Board on ^{17.12.21} and signed on its behalf by:



Mr I P Thompson
Director

PSD Codax Limited

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

	Share capital £	Profit and loss account £	Total £
At 1 January 2020	1,000	(266,082)	(265,082)
Profit for the year	-	664,607	664,607
Total comprehensive income	-	664,607	664,607
Dividends	-	(260,697)	(260,697)
At 31 December 2020	<u>1,000</u>	<u>137,828</u>	<u>138,828</u>
	Share capital £	Profit and loss account £	Total £
At 1 January 2019	1,000	293,405	294,405
Loss for the year	-	(559,487)	(559,487)
Total comprehensive income	-	(559,487)	(559,487)
At 31 December 2019	<u>1,000</u>	<u>(266,082)</u>	<u>(265,082)</u>

The notes on pages 12 to 19 form an integral part of these financial statements.

PSD Codax 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:

c/o Bryan Cave Leighton Paisner LLP

Governor's House, 5 Laurence

Pountney Hill

London

EC4R 0BR

England

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 have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

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.

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 company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company 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 company's activities.

Tax

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

The current income tax 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 company operates and generates taxable income.

PSD Codax Limited

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

2 Accounting policies (continued)

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the 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
Plant and Machinery	25% reducing balance
Fixtures and fittings	15% reducing balance

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

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
Goodwill	5% straight line

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.

PSD Codax Limited

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

2 Accounting policies (continued)

Trade 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 company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

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.

Trade 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 company 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.

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 company 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.

PSD Codax Limited

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

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 10 (2019 - 8).

4 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	<u>5,000</u>	<u>4,000</u>

5 Profit/loss before tax

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	8,722	10,699
Amortisation expense	<u>12,120</u>	<u>12,120</u>

PSD Codax Limited

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

6 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 January 2020	<u>242,400</u>	<u>242,400</u>
At 31 December 2020	<u>242,400</u>	<u>242,400</u>
Amortisation		
At 1 January 2020	229,270	229,270
Amortisation charge	<u>12,120</u>	<u>12,120</u>
At 31 December 2020	<u>241,390</u>	<u>241,390</u>
Carrying amount		
At 31 December 2020	<u>1,010</u>	<u>1,010</u>
At 31 December 2019	<u>13,130</u>	<u>13,130</u>

7 Tangible assets

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 January 2020	137,614	137,614
Additions	<u>2,376</u>	<u>2,376</u>
At 31 December 2020	<u>139,990</u>	<u>139,990</u>
Depreciation		
At 1 January 2020	88,227	88,227
Charge for the year	<u>8,721</u>	<u>8,721</u>
At 31 December 2020	<u>96,948</u>	<u>96,948</u>
Carrying amount		
At 31 December 2020	<u>43,042</u>	<u>43,042</u>
At 31 December 2019	<u>49,389</u>	<u>49,389</u>

PSD Codax Limited

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

8 Stocks

	2020 £	2019 £
Other inventories	<u>481,585</u>	<u>309,904</u>

9 Debtors

	Note	2020 £	2019 £
Trade debtors		129,896	161,267
Amounts owed by parent company which holds the participating interest in this subsidiary	14	666	261,363
Prepayments		28,411	26,267
Other debtors		<u>50,711</u>	<u>47,962</u>
		<u>209,684</u>	<u>496,859</u>

10 Creditors

Creditors: amounts falling due within one year

	Note	2020 £	2019 £
Due within one year			
Trade creditors		11,155	49,723
Amounts owed to group undertakings and undertakings in which the company has a participating interest	14	696,354	1,203,619
Accruals and deferred income		<u>9,015</u>	<u>5,226</u>
		<u>716,524</u>	<u>1,258,568</u>

11 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

PSD Codax Limited

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

12 Dividends

Interim dividends paid

	2020 £	2019 £
Interim dividend of £260.697 (2019 - £Nil) per each Ordinary	<u>260,697</u>	<u>-</u>

13 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £125,620 (2019 - £173,187). As at the 31st December 2020, the company had a rent commitment for the Lease of Axis 8, Hawkfield Way, Whitchurch, Bristol, BS14 0BY for the period up to the first break clause on 24th August 2023.

14 Related party transactions

Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £	2019 £
Remuneration	63,375	62,917
Contributions paid to money purchase schemes	<u>1,714</u>	<u>1,540</u>
	<u>65,089</u>	<u>64,457</u>

Summary of transactions with other related parties

Parent

PSD Codax Holdings Limited own 100% of the share capital of PSD Codax Limited.

Other related parties

Innovative Control Systems Inc own 100% share capital of PSD Codax Holdings Limited, who own 100% share capital in PSD Codax Limited.

The amounts relate to the Intercompany loan accounts.

PSD Codax Limited

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

14 Related party transactions (continued)

Loans to related parties

	Other related parties
	£
2020	
At start of period	1,203,619
Advanced	172,886
Repaid	<u>(680,151)</u>
At end of period	<u>696,354</u>
	Other related parties
	£
2019	
At start of period	268,979
Advanced	<u>934,670</u>
At end of period	<u>1,203,649</u>

Loans from related parties

	Parent
	£
2020	
At start of period	261,363
Repaid	<u>(260,697)</u>
At end of period	<u>666</u>
	Parent
	£
2019	
At start of period	<u>261,363</u>

15 Parent and ultimate parent undertaking

The company's immediate parent is PSD Codax Holdings Limited, incorporated in UK.

The ultimate parent is Dover Corporation, incorporated in USA.

The most senior parent entity producing publicly available financial statements is Dover Corporation. These financial statements are available upon request from 3005 Highland Parkway, Downers Grove, Illinois, 60515

The ultimate controlling party is Dover Corporation.