

**PHOSPHONICS LIMITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

**PHOSPHONICS LIMITED**  
**REGISTERED NUMBER: 04829817**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	4	13,506	-
Tangible assets	5	45,666	10,652
		<hr/> 59,172	<hr/> 10,652
<b>Current assets</b>			
Stocks	6	457,045	265,925
Debtors: amounts falling due within one year	7	642,779	138,205
Cash at bank and in hand	8	635,405	634,024
		<hr/> 1,735,229	<hr/> 1,038,154
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	9	(163,266)	(120,866)
		<hr/>	<hr/>
<b>Net current assets</b>		1,571,963	917,288
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		1,631,135	927,940
		<hr/>	<hr/>
<b>Net assets</b>		<u>1,631,135</u>	<u>927,940</u>
<b>Capital and reserves</b>			
Called up share capital	10	4,118,171	4,118,171
Share premium account		3,964,632	3,964,632
Profit and loss account		(6,451,668)	(7,154,863)
		<hr/> 1,631,135	<hr/> 927,940
		<u>1,631,135</u>	<u>927,940</u>

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**Dr V Eastwick-Field**

Director

Date: 24 September 2021

The notes on pages 2 to 8 form part of these financial statements.

# PHOSPHONICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 1. General information

Phosphonics Limited is a company incorporated and registered in England & Wales. The registered office and principal place of business is Unit 7, Downsview Road, Wantage, England, OX12 9FA

### 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 following principal accounting policies have been applied:

#### 2.2 Going concern

The Directors have considered the financial position of the Company and believe that the Company is currently a going concern. The Coronavirus outbreak has so far not had a material impact on this assessment and, based on their current knowledge, they do not expect it to do so going forward. Consequently, the financial statements have been prepared on a going concern basis.

#### 2.3 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 as 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.

#### 2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Computer software	-	33 % per annum
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## PHOSPHONICS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 2. Accounting policies (continued)

##### 2.5 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.

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	-	20%	per annum
Fixtures and fittings	-	20%	per annum
Computer equipment	-	33%	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.

##### 2.6 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 weighted average basis.

At each balance sheet date, stocks are assessed for impairment. Stock is impaired on a systematic basis reflecting the ageing profile and natural lifecycle of chemical components. The impairment loss is recognised immediately in profit or loss.

##### 2.7 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.

##### 2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Short term debtors and creditors are measured at the transaction price. Other financial instruments, including loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.9 Government grants

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.10 Foreign currency translation

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.11 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 Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.12 Taxation

Tax is recognised in profit or loss except that a charge 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 balance sheet date in the countries where the Company operates and generates income.

2.13 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**PHOSPHONICS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**2. Accounting policies (continued)**

**2.14 Research and development tax credit**

The R&D tax credit is recognised when it is certain that the tax credit in relation to research and development carried out will be received.

**3. Employees**

The average monthly number of employees, including directors, during the year was 6 (2019 - 4).

**4. Intangible assets**

	<b>Computer software £</b>
<b>Cost</b>	
Additions	14,734
	<hr/>
At 31 December 2020	14,734
	<hr/>
<b>Amortisation</b>	
Charge for the year on owned assets	1,228
	<hr/>
At 31 December 2020	1,228
	<hr/>
<b>Net book value</b>	
At 31 December 2020	13,506
	<hr/> <hr/>
At 31 December 2019	-
	<hr/> <hr/>

PHOSPHONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

5. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2020	125,060	4,464	20,501	150,025
Additions	36,139	550	4,500	41,189
Disposals	-	(4,464)	-	(4,464)
At 31 December 2020	161,199	550	25,001	186,750
<b>Depreciation</b>				
At 1 January 2020	124,664	4,464	10,245	139,373
Charge for the year on owned assets	2,055	-	4,120	6,175
Disposals	-	(4,464)	-	(4,464)
At 31 December 2020	126,719	-	14,365	141,084
<b>Net book value</b>				
At 31 December 2020	34,480	550	10,636	45,666
At 31 December 2019	396	-	10,256	10,652

6. Stocks

	2020 £	2019 £
Raw materials and finished goods	457,045	265,925

**PHOSPHONICS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**7. Debtors: Amounts falling due within one year**

	2020 £	2019 £
Trade debtors	376,861	98,280
Amounts owed by group undertakings	154,135	-
Other debtors	62,887	24,691
Prepayments and accrued income	48,896	15,234
	<u>642,779</u>	<u>138,205</u>

**8. Cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	<u>635,405</u>	<u>634,024</u>

**9. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	84,807	43,713
Other creditors	50,720	40,748
Accruals and deferred income	27,739	36,405
	<u>163,266</u>	<u>120,866</u>

**10. Share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
760,768 (2019 - 760,768) Ordinary shares of £0.01 each	7,608	7,608
2,626,952 (2019 - 2,626,952) A Ordinary shares of £1.00 each	2,626,952	2,626,952
477,249 (2019 - 477,249) B Ordinary shares of £1.00 each	477,249	477,249
1,005,397 (2019 - 1,005,397) C Ordinary shares of £1.00 each	1,005,397	1,005,397
9,652,804 D Ordinary shares of £- each	965	965
	<u>4,118,171</u>	<u>4,118,171</u>



## PHOSPHONICS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

#### 11. 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 £4,537 (2019: £2,821). Contributions totalling £1,767 (2019: £nil) were payable to the fund at the balance sheet date.

#### 12. Related party transactions

The Company is exempt under Paragraph 33.1A of FRS 102 from disclosing transactions entered into between two or more members of the Group provided that any party to the transaction is wholly owned.

The Company has not entered into material transactions with any related parties that were not concluded under normal market conditions.

#### 13. Post balance sheet events

On the 23 March 2021, the Company signed agreement for a new premise. The lease is for a 10 year terms, with annual rental payments of £86,000.

#### 14. Controlling party

The ultimate parent company is Phosphonics Holdings Limited.

#### 15. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2020 was unqualified.

The audit report was signed on 27 September 2021 by Robert Holland BSc FCA (Senior statutory auditor) on behalf of James Cowper Kreston.

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.