

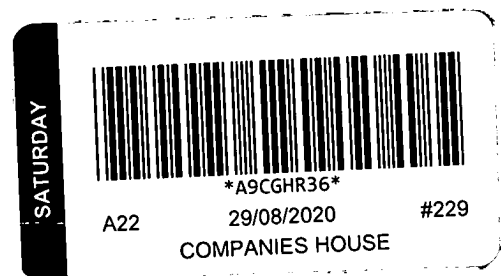
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**PUBLIC ANALYST SCIENTIFIC SERVICES LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**



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**PUBLIC ANALYST SCIENTIFIC SERVICES LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	A I Mills P D Coles
<b>Company secretary</b>	A I Mills
<b>Registered number</b>	07444185
<b>Registered office</b>	i54 Business Park Valiant Way Wolverhampton WV9 5GB
<b>Independent auditor</b>	Mazars LLP Chartered Accountants and Statutory Auditor 45 Church Street Birmingham B3 2RT
<b>Bankers</b>	HSBC UK Bank plc 8 Canada Square London E14 5HQ

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**PUBLIC ANALYST SCIENTIFIC SERVICES LIMITED**

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## **PUBLIC ANALYST SCIENTIFIC SERVICES LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present their report and the financial statements for the year ended 31 December 2019.

#### **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 101 'Reduced Disclosure Framework'. 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 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;
- 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.

#### **Principal activity**

The principal activity of the Company during the year was the provision of the consulting services of its Public Analysts to Local Authorities in England, Wales and Scotland. The Company carries out tests to establish the safety, composition, authenticity, origin, traceability and purity of food and foodstuffs to Local Authorities and the food industry.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £26k (2018 - £53k).

The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who served during the year were:

A I Mills  
P D Coles

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**PUBLIC ANALYST SCIENTIFIC SERVICES LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**Brexit impact**

The terms on which the United Kingdom may withdraw from the European Union, are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy. The Company continues to monitor any potential implication with respect to the Business.

**COVID-19 Impact**

The Covid-19 virus will affect the company in 2020 and risk assessments have been carried out and will be updated on an on-going basis to protect employees against infection risk and to ensure stable services. Several measures have been taken to reduce the risk of infection and mitigate the impact on the company. There are no known current consequences for the company with the Covid-19 virus, but longer-term consequences cannot be ruled out and this is being monitored by Management.

**Future developments**

The management foresee no material changes in the business model in 2020.

**Disclosure of information to auditor**

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 auditor is 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 auditor is aware of that information.

**Post balance sheet events**

Due to the Covid 19 pandemic, management acknowledge there could be a delay in supplies however the company does not consider this is likely to have a significant impact. This is a non-adjusting event.

**Auditor**

The auditor, Mazars 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

19 August 2020

and signed on its behalf.



A I Mills  
Director

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## **PUBLIC ANALYST SCIENTIFIC SERVICES LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PUBLIC ANALYST SCIENTIFIC SERVICES LIMITED**

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#### **Opinion**

We have audited the financial statements of Public Analyst Scientific Services Limited (the 'Company') for the year ended 31 December 2019 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 FRS 101 "Reduced Disclosure Framework" (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 2019 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.

#### **Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements**

In forming our opinion on Public Analyst Scientific Services Limited financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on page 1, and the consideration in the going concern basis of preparation on page 12 and non- adjusting post balance sheet events on page 19.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19, The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

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## **PUBLIC ANALYST SCIENTIFIC SERVICES LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PUBLIC ANALYST SCIENTIFIC SERVICES LIMITED**

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#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual 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.

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.

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

#### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report

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## **PUBLIC ANALYST SCIENTIFIC SERVICES LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PUBLIC ANALYST SCIENTIFIC SERVICES LIMITED**

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#### **Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement set out on page 1, 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 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of the audit 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.



Louis Burns (Senior statutory auditor)

for and on behalf of

Mazars LLP  
Chartered Accountants and Statutory Auditor and  
45 Church Street  
Birmingham  
B3 2RT

Date: 21 August 2020



**PUBLIC ANALYST SCIENTIFIC SERVICES LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
Turnover	4	1,982	1,839
Cost of sales		(1,032)	(882)
<b>Gross profit</b>		<b>950</b>	<b>957</b>
Administrative expenses		(897)	(883)
<b>Operating profit</b>	5	<b>53</b>	<b>74</b>
Interest payable and expenses	8	(27)	(21)
<b>Profit before tax</b>		<b>26</b>	<b>53</b>
Tax on profit	9	-	-
<b>Profit for the financial year</b>		<b>26</b>	<b>53</b>

There were no recognised gains and losses for 2019 or 2018 other than those included in the Statement of Comprehensive Income.

There was no other comprehensive income for 2019 (2018: Nil).

The notes on pages 10 to 25 form part of these financial statements.

**PUBLIC ANALYST SCIENTIFIC SERVICES LIMITED**  
**REGISTERED NUMBER: 07444185**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Goodwill	11	371	371
Other intangible assets	10	-	1
Tangible assets	12	40	49
		<u>411</u>	<u>421</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	442	627
Cash at bank and in hand	14	92	22
		<u>534</u>	<u>649</u>
Creditors: amounts falling due within one year	15	(316)	(479)
<b>Net current assets</b>		<u>218</u>	<u>170</u>
<b>Total assets less current liabilities</b>		<u>629</u>	<u>591</u>
Creditors: amounts falling due after more than one year	16	(463)	(512)
		<u>166</u>	<u>79</u>
<b>Provisions for liabilities</b>			
Other provisions		-	56
		<u>-</u>	<u>56</u>
<b>Net assets</b>		<u>166</u>	<u>135</u>
<b>Capital and reserves</b>			
Called up share capital	17	475	475
Other reserves	19	5	-
Profit and loss account	19	(314)	(340)
		<u>166</u>	<u>135</u>

**PUBLIC ANALYST SCIENTIFIC SERVICES LIMITED**  
**REGISTERED NUMBER: 07444185**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2019**

The Company's financial statements have been prepared in accordance with the provisions applicable to entities 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:

**A I Mills**  
Director



Date: 19 August 2020

The notes on pages 10 to 25 form part of these financial statements.

**PUBLIC ANALYST SCIENTIFIC SERVICES LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Called up share capital £000</b>	<b>Capital contribution reserve £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
<b>At 1 January 2018</b>	<b>475</b>	<b>-</b>	<b>(393)</b>	<b>82</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	53	53
<b>At 1 January 2019</b>	<b>475</b>	<b>-</b>	<b>(340)</b>	<b>135</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	26	26
Share options	-	5	-	5
<b>At 31 December 2019</b>	<b>475</b>	<b>5</b>	<b>(314)</b>	<b>166</b>

The notes on pages 10 to 25 form part of these financial statements.

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**PUBLIC ANALYST SCIENTIFIC SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**1. General information**

The financial statements of the Company for the year ended 31 December 2019 were authorised for issue in accordance with the resolution of the directors. The Company is a Private Company limited by shares incorporated and domiciled in the United Kingdom. The registered office is located at i54 Business Park, Valliant Way, Wolverhampton, WV9 5GB.

**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 Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 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 following principal accounting policies have been applied:

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**PUBLIC ANALYST SCIENTIFIC SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.2 Financial reporting standard 101 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
  - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
  - paragraph 50 of IAS 41 Agriculture
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

For certain disclosure exemptions listed above, the equivalent disclosures are included in the consolidated financial statements of Eurofins Scientific SE which are available to the public and can be obtained as set out in note 23.

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**PUBLIC ANALYST SCIENTIFIC SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.3 Going concern**

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

The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of this Company to continue as a going concern or its ability to continue with current banking arrangements.

The COVID-19 health outbreak in early 2020 may have an impact on the company's operations and financial performance. At this point, the financial impact of the crisis cannot be reliably assessed by the company. The company is considered to be sufficiently agile to be prepared to respond to any adverse effects to minimise the impact on the financial performance of the group.

**2.4 Impact of new international reporting standards, amendments and interpretations**

The adoption of the following mentioned standards, amendments and interpretations in the current period have not had a material impact on the Company's financial statements for the period ended 31 December 2019.

**Endorsed**  
Amendments to IFRS 16 Leases

**EU Effective date - periods beginning on or after**  
1 January 2019

**2.5 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 the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

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## **PUBLIC ANALYST SCIENTIFIC SERVICES LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

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#### **2. Accounting policies (continued)**

##### **2.6 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:

The Company has contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company adjusts the transaction prices of these contracts for the time value of money.

##### **Sale of goods**

Revenue from the sale of goods is recognised on the satisfaction of performance obligations, such as the transfer of a promised good, identified in the contract between the Company and the customer.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

##### **Rendering of services**

Revenue from providing services is recognised in the accounting period in which the services are rendered.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

##### **2.7 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, which range from 3 to 6 years.

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.

##### **2.8 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.



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## **PUBLIC ANALYST SCIENTIFIC SERVICES LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019**

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## **2. Accounting policies (continued)**

### **2.9 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 the Statement of Comprehensive Income 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.

### **2.10 Goodwill**

Goodwill represents the excess of the cost of a business combination over the total acquisition date fair value of the identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued.

When a business combination agreement provides for an adjustment to the cost of the combination which is contingent on future events, the company 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. However, if the potential adjustment is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination. Changes in the estimated value of contingent consideration arising on business combinations completed as a consequence result in a change in the carrying value of the related goodwill.

Goodwill is capitalised as an intangible asset and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to profit or loss. The Companies Act 2006 requires acquired goodwill to be reduced by provisions for depreciation calculated to write off the amount systematically over a period chosen by the directors, not exceeding its useful economic life. It has been deemed, however, the non-amortisation of goodwill is a departure, for the overriding purpose of giving a true and fair view. The effect of this departure has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

### **2.11 Other 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.

### **2.12 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.

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## PUBLIC ANALYST SCIENTIFIC SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.12 Tangible fixed assets (continued)

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:

Leasehold improvements	- 5-10 years or over the life of the lease
Plant and equipment	- 2-10 years
Fixtures and fittings	- 3 years
Assets under construction	- Not depreciated

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 the Statement of Comprehensive Income.

##### 2.13 Debtors

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

##### 2.14 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 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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**PUBLIC ANALYST SCIENTIFIC SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**2. Accounting policies (continued)**

**2.16 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**2.17 Financial instruments**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

**Financial assets**

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

**Fair value through profit or loss**

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and other receivables.

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**PUBLIC ANALYST SCIENTIFIC SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

**Judgements**

In the process of applying the Group's accounting policies described above, management has made the following judgements that have significant effects on the amounts recognised in the financial statements (apart from those involving estimates, which are dealt with in the following paragraphs).

**Provisions and accruals**

Management bases its judgements on the circumstances relating to each specific event and upon currently available information. However, given the inherent difficulties in estimating liabilities in these areas, it can't be guaranteed that additional costs will not be incurred beyond the amounts accrued as shown in note 14.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

**Estimation of useful lives of assets**

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment) and lease terms (for leased equipment). In addition, the condition of the assets is assessed annually and considered against the remaining useful life. Adjustments to useful life are made when considered necessary. Depreciation charges are included in note 11.

**Impairment of accounts receivable**

An estimate of the collectible amount of trade receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates. Any impairments are shown within note 12.

**4. Turnover**

The whole of the turnover is attributable to the principal activity of the Company.

All turnover arose within the United Kingdom.

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**5. Operating profit**

The operating profit is stated after charging/(crediting):

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Property rental costs	40	40
Depreciation of tangible fixed assets	22	23
Amortisation of intangible assets	1	7
Exchange differences	7	(3)
Defined contribution pension cost	19	19
	<u>109</u>	<u>96</u>

The property rental costs relates to charges between Eurofins Food Testing UK Limited and Public Analyst Scientific Services Limited and there is no formal rental agreement between the two companies and thus does not fall within the scope of IFRS 16.

**6. Auditor's remuneration**

**Fees payable to the Company's auditor and its associates in respect of:**

Audit-related assurance services	4	4
Taxation compliance services	2	1
Services relating to the financial statements	2	-
	<u>8</u>	<u>5</u>

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**7. Employees**

Staff costs were as follows:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>437</b>	<b>413</b>
Social security costs	<b>42</b>	<b>44</b>
Cost of defined contribution scheme	<b>19</b>	<b>19</b>
	<b>498</b>	<b>476</b>

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

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Operational, management and administration	<b>11</b>	<b>10</b>

No directors were remunerated by the company during the year (2018 - 0)

**8. Interest payable and similar expenses**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Loans from group undertakings	<b>27</b>	<b>21</b>
	<b>27</b>	<b>21</b>

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**9. Taxation**

	<b>2019 £000</b>	<b>2018 £000</b>
<b>Current tax</b>		
Current tax on profits for the year	-	-
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
<b>Total deferred tax</b>	-	-
<b>Taxation on profit on ordinary activities</b>	-	-

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19%% (2018 - 19%%). The differences are explained below:

	<b>2019 £000</b>	<b>2018 £000</b>
Profit on ordinary activities before tax	<b>26</b>	<b>53</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%% (2018 - 19%%)	<b>5</b>	<b>10</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>1</b>	<b>4</b>
Group relief surrendered/(claimed)	<b>5</b>	-
Deferred tax not recognised	<b>(11)</b>	<b>(14)</b>
<b>Total tax charge for the year</b>	-	-

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**10. Intangible assets**

	<b>Software licences £000</b>
<b>Cost</b>	
At 1 January 2019	13
At 31 December 2019	<u>13</u>
<b>Amortisation</b>	
At 1 January 2019	12
Charge for the year on owned assets	1
At 31 December 2019	<u>13</u>
<b>Net book value</b>	
At 31 December 2019	<u>-</u>
At 31 December 2018	<u>1</u>

**11. Goodwill**

	<b>2019 £000</b>
<b>Cost</b>	
At 1 January 2019	437
At 31 December 2019	<u>437</u>
<b>Impairment</b>	
At 1 January 2019	66
At 31 December 2019	<u>66</u>
<b>Net book value</b>	
At 31 December 2019	<u>371</u>
At 31 December 2018	<u>371</u>



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**12. Tangible fixed assets**

	Leasehold improvements £000	Plant and equipment £000	Fixtures and fittings £000	Assets under construction £000	Total £000
<b>Cost or valuation</b>					
At 1 January 2019	97	560	34	2	693
Transfers intra group	-	17	-	-	17
At 31 December 2019	97	577	34	2	710
<b>Depreciation</b>					
At 1 January 2019	97	514	33	-	644
Charge for the year on owned assets	-	22	-	-	22
At 31 December 2019	97	536	33	-	666
<b>Net book value</b>					
At 31 December 2019	-	41	1	2	44
At 31 December 2018	-	46	1	2	49

**13. Debtors**

	2019 £000	2018 £000
Trade debtors	140	210
Amounts owed by group undertakings	176	216
Prepayments and accrued income	126	201
	442	627

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**14. Cash and cash equivalents**

	2019 £000	2018 £000
Cash at bank and in hand	92	22
	<u>92</u>	<u>22</u>

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

	2019 £000	2018 £000
Trade creditors	18	3
Amounts owed to group undertakings	113	196
Other taxation and social security	17	163
Other creditors	1	-
Accruals and deferred income	167	117
	<u>316</u>	<u>479</u>

**16. Creditors: Amounts falling due after more than one year**

	2019 £000	2018 £000
Amounts owed to group undertakings	463	456
Other creditors	-	56
	<u>463</u>	<u>512</u>

The loan from Eurofins Scientific SE is denominated in GBP and is provided on an interest only basis at a floating rate equal to a 12 month index of the LIBOR plus a spread of 4.5%. The loan was agreed on 12 November 2018 and has a maturity date of 11 November 2025. The Company has not pledged any of its assets as security for this loan.

**17. Share capital**

	2019 £000	2018 £000
Allotted, called up and fully paid		
475,001 (2018 - 475,001) Ordinary shares of £1.00 each	<u>475</u>	<u>475</u>

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**18. Deferred tax**

The Company has a deferred tax asset of £87,514 (2018 - £104,320) relating to tax losses and temporary differences which has not been recognised due to the uncertainty over the availability of future taxable profits.

**19. Reserves**

**Capital contribution reserve**

Share options granted to Eurofins business directors and senior management are held in the capital redemption reserve. The share options are equity settled and have a life of 10 years with a condition the employee must remain employed with the company until the shares are available to exercise.

**Profit and loss account**

The profit and loss account represents the cumulative gains and losses recognised in the income statement together with those gains or losses required to be taken directly to equity.

**20. 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 £16,158 (2018 - £18,822). Contributions totalling £15,483 (2018 - £22,622) were payable to the fund at the reporting date and are included in creditors.

**21. Related party transactions**

The Company did not enter into any related party transactions other than with group undertakings that are wholly owned members of the same group.

**22. Events after the reporting period**

The Covid-19 virus will affect the company in 2020 and risk assessments have been carried out and will be updated on an on-going basis to protect employees against infection risk and to ensure stable services. Several measures have been taken to reduce the risk of infection and mitigate the impact on the company. There are no known current consequences for the company with the Covid-19 virus, but longer term consequences cannot be ruled out and this is being monitored by Management. This is a non-adjusting event.

There were no further adjusting or non adjusting events after the reporting period.

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**23. Controlling party**

Eurofins Food Testing UK Holding Limited is the immediate parent of the Company. The ultimate parent and controlling party is Eurofins Scientific SE, a company incorporated in Luxembourg and the only company to consolidate the financial statements of Public Analyst Scientific Services Limited.

Copies of the Group's financial statement are publicly available and can be obtained from:

Eurofins Scientific SE  
23 Val Fleuri  
L-1526, Luxembourg