

Nano-Purification Solutions Ltd

Annual report

Information for filing with the registrar

31 December 2020



Nano-Purification Solutions Ltd

Balance sheet At 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	6	113,818	109,150
Investments	7	23,559	23,559
		<u>137,377</u>	<u>132,709</u>
Current assets			
Stocks	8	658,362	801,750
Debtors	9	1,777,399	2,313,460
Bank and cash balances		3,636,943	2,090,994
		<u>6,072,704</u>	<u>5,206,204</u>
Creditors: amounts falling due within one year	10	(1,079,085)	(1,492,148)
Net current assets		<u>4,993,619</u>	<u>3,714,056</u>
Total assets less current liabilities		<u>5,130,996</u>	<u>3,846,765</u>
Creditors: amounts falling due after more than one year	11	-	(1,614)
Net assets		<u><u>5,130,996</u></u>	<u><u>3,845,151</u></u>
Capital and reserves			
Called up share capital		2,673	2,673
Share premium account		2,101,449	2,101,449
Other reserves		599,636	599,636
Profit and loss account		2,427,238	1,141,393
Total equity		<u><u>5,130,996</u></u>	<u><u>3,845,151</u></u>

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Balance sheet (continued) At 31 December 2020

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 on 22 December 2021.



K Jones
Director

The notes on pages 11 to 19 form part of these financial statements

Company registration number: 06258937

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Statement of changes in equity Year ended 31 December 2020

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2019	2,673	2,101,449	599,636	(437,896)	2,265,862
Profit for the year	-	-	-	1,579,289	1,579,289
At 1 January 2020	2,673	2,101,449	599,636	1,141,393	3,845,151
Profit for the year	-	-	-	1,285,845	1,285,845
At 31 December 2020	2,673	2,101,449	599,636	2,427,238	5,130,996

The notes on pages 4 to 12 form part of these financial statements.

Nano-Purification Solutions Ltd

Notes to the financial statements Year ended 31 December 2020

1. General information

The company is a private company limited by shares, incorporated in the United Kingdom and registered in England and Wales. The address of the registered office is given in the company information page of these financial statements.

2. Statement of compliance

The revised financial statements have been prepared in accordance with United Kingdom Accounting Standards, including section 1A of Financial Reporting Standard 102 '*The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland*' ('FRS 102') and the Companies Act 2006.

3. Accounting policies

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 periods presented, unless otherwise stated.

3.1 Basis of preparation

These financial statements are the company's separate financial statements. The company is exempt by virtue of section 399 of the Companies Act 2006 from the requirement to prepare consolidated financial statements, on the basis that the company, and the group headed by the company, is subject to the small companies regime.

The financial statements are prepared on a going concern basis and under the historical cost convention. They are presented in pounds sterling.

Nano-Purification Solutions Ltd

Notes to the financial statements Year ended 31 December 2020

3. Accounting policies (continued)

3.2 Going concern

The company meets its day to day working capital requirements through its cash resources and operating cash flows. In light of recent global events which persist at the date of approval of these financial statements, the directors have taken measures to counter the current and future potential impact of Covid-19 on the company's operations and resultant impact on financial headroom. Whilst the company has experienced some exposure to its operations as a result of the impact of the Covid-19 pandemic, customer demand remains strong and contingency plans have been implemented to mitigate the risk of employee absence and supply chain failure through working practices designed to protect employee's welfare and through working with suppliers to ensure the company's key supply requirements for the coming months.

The directors and management have prepared and sensitised financial forecasts which indicate that the company will maintain sufficient financial headroom to enable it to continue meeting its liabilities as they fall due in the normal course of business for at least the next twelve months following approval of these financial statements. Notwithstanding any further potential ongoing impact on the company's financial performance and position beyond that already anticipated by these forecasts, the company is expected to maintain sufficient working capital and financial headroom which the directors consider will be adequate to mitigate the risks which remain due to the current economic environment. The directors have also considered the need for additional support through the Government schemes implemented in light of the pandemic and have concluded that no additional support is required by the company at the current stage.

Whilst the risks in this regard cannot be completely mitigated and therefore some level of future uncertainty remains, the directors have adopted appropriate measures and assessed the financial implications of associated factors outside their control alongside reviewing revised forecasts and future projections. Based on those forecasts and projections, the directors do not consider the residual uncertainties to be material to the company's ability to continue meeting its liabilities as they fall due in the foreseeable future.

After making enquiries, the directors have a reasonable expectation that the company has adequate financial and other resources to continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the financial statements on a going concern basis.

3.3 Revenue recognition

Turnover

Turnover represents the value of goods supplied during the year to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where payments are received from customers in advance of goods supplied, the amounts are recorded as deferred income and included as part of creditors due within one year.

Rental income

Rental income (within other operating income) is recognised on a straight line basis over the period of the lease.

Interest income

Interest income is recognised on an accruals basis.

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Notes to the financial statements Year ended 31 December 2020

3. Accounting policies (continued)

3.4 Employee benefits

Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the employee's entitlement to the benefit accrues.

Defined contribution pension plan

The company operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

3.5 Foreign currency translation

The company's functional currency is the pound sterling. Transactions in foreign currencies are translated into sterling using the spot exchange rates at the dates of the transactions. At each period end, foreign currency monetary assets and liabilities are translated using the closing rate. Foreign exchange gains and losses are recognised in the profit and loss account.

3.6 Leases

Assets held under finance leases and hire purchase contracts which confer rights and obligations on the company similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future lease obligations are recorded as liabilities, and the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of charge on the remaining balance of the liability.

Leases that do not confer rights and obligations approximating to ownership are classified as operating leases. Rental payments under operating leases are charged to the profit and loss account on a straight line basis over the lease term, even if payments are not made on such a basis.

3.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

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

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Notes to the financial statements Year ended 31 December 2020

3. Accounting policies (continued)

3.8 Taxation

The taxation expense for the year comprises current and deferred tax and is recognised in the profit and loss account.

Current tax is the amount of income tax payable in respect of the taxable profit for the current or past reporting periods. It is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences arise from the inclusion of transactions and events in the financial statements in periods different from those in which they are assessed for tax.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that 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 balance sheet date that are expected to apply to the reversal of timing differences.

3.9 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, other than assets under construction, at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their estimated useful lives as follows:

Leasehold property improvements	-	50 years straight line
Tooling	-	3 to 5 years straight line
Plant and machinery	-	3 to 5 years straight line
Fixtures, fittings and equipment	-	3 to 10 years straight line

Asset residual values and useful lives are reviewed at the end of each reporting period, and adjusted if appropriate. The effect of any change is accounted for prospectively.

3.10 Fixed asset investments

Investments in subsidiary undertakings are measured at cost less accumulated impairment losses.

3.11 Stocks

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

Provision is made as necessary for damaged, obsolete or slow-moving items.

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Notes to the financial statements Year ended 31 December 2020

3. Accounting policies (continued)

3.12 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, cash and bank balances and loans to or from related parties, including fellow group companies. All such instruments are due within one year, and are measured, initially and subsequently at the transaction price.

At the end of each reporting period debt financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment charge is recognised in the profit and loss account.

4. Employees

The average monthly number of employees, including directors, during the year was 28 (2019 - 26).

5. Intangible assets

	Patents £
Cost	
At 1 January 2020	3,200
At 31 December 2020	3,200
Amortisation	
At 1 January 2020	3,200
At 31 December 2020	3,200
Net book value	
At 31 December 2020	-
At 31 December 2019	-

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Notes to the financial statements Year ended 31 December 2020

6. Tangible fixed assets

	Property improvements £	Tooling £	Plant and machinery £	Fixtures and fittings £	Assets under construction £	Total £
Cost						
At 1 January 2020	27,033	124,307	311,008	86,058	12,316	560,722
Additions	1,656	7,840	6,439	11,433	9,735	37,103
At 31 December 2020	28,689	132,147	317,447	97,491	22,051	597,825
Depreciation						
At 1 January 2020	27,033	102,253	243,374	78,912	-	451,572
Charge for the year	138	8,528	20,799	2,970	-	32,435
At 31 December 2020	27,171	110,781	264,173	81,882	-	484,007
Net book value						
At 31 December 2020	1,518	21,366	53,274	15,609	22,051	113,818
At 31 December 2019	-	22,054	67,634	7,146	12,316	109,150

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Notes to the financial statements Year ended 31 December 2020

7. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2020	160,258
At 31 December 2020	<u>160,258</u>
Impairment	
At 1 January 2020	136,699
At 31 December 2020	<u>136,699</u>
Net book value	
At 31 December 2020	<u><u>23,559</u></u>
At 31 December 2019	<u><u>23,559</u></u>

8. Stocks

	2020 £	2019 £
Raw materials	379,029	536,996
Work in progress	21,183	25,586
Finished goods	258,150	239,168
	<u><u>658,362</u></u>	<u><u>801,750</u></u>

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Notes to the financial statements Year ended 31 December 2020

9. Debtors

	2020 £	2019 £
Trade debtors	505,865	303,234
Amounts owed by group undertakings	1,166,781	1,860,816
Other debtors	39,836	71,302
Prepayments and accrued income	60,678	75,236
Deferred taxation	4,239	2,872
	<u>1,777,399</u>	<u>2,313,460</u>

10. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	343,013	762,166
Amounts owed to group undertakings	68,409	67,328
Corporation tax	221,673	226,105
Other taxation and social security	23,898	23,522
Obligations under finance lease and hire purchase contracts	23,515	3,894
Other creditors	1,520	7,529
Accruals and deferred income	397,057	401,604
	<u>1,079,085</u>	<u>1,492,148</u>

Obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

11. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Net obligations under finance leases and hire purchase contracts	-	1,614

Obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

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Notes to the financial statements Year ended 31 December 2020

12. Contingent liabilities

There exists a potential tax liability in the company, of approximately £1.3m, in respect of amounts receivable by two employees during the year. The directors have taken professional advice on the matter as to the likelihood of such a liability crystallising and, based on this together with their expectation of any such cost being recoverable, do not anticipate there will be any significant net cost to the company and therefore do not consider a provision to be necessary in these financial statements.

13. Capital commitments

At 31 December 2020 the company had capital commitments as follows:

	2020 £	2019 £
Contracted for but not provided in these financial statements	<u>49,357</u>	<u>5,327</u>

14. Controlling party

Purification Solutions UK Limited, which is registered in England and Wales, is the immediate parent undertaking. The entity's ultimate controlling party is Atlas Copco AB, whose registered address is Sickla Industriväg 19 Nacka, Stockholm, 13154 Sweden.

15. Auditor's information

The auditor's report on the revised financial statements for the year ended 31 December 2020 was qualified.

The qualification in the audit report was as follows:

"With respect to stock having a carrying amount of £591,676 at 31 December 2018, the audit evidence available to us was limited because we did not observe the physical stock counts at those dates, since they were prior to our appointment as auditor. Owing to the nature of the company's records, we were unable to obtain sufficient appropriate audit evidence regarding the stock quantities at those dates by using other audit procedures.

Consequently, we were unable to determine whether any adjustments to these amounts were necessary."

The audit report on the revised financial statements was signed on 22 December 2021 by David Redhead (senior statutory auditor) on behalf of UNW LLP.