

Company Registration No. SC081970 (Scotland)

**PHOTOLOX LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2020**

# PHOTOLOX LTD

## COMPANY INFORMATION

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**Directors** Ian Loxley  
Suzanne Loxley

**Secretary** Morton Fraser Secretaries Limited

**Company number** SC081970

**Registered office** 5th Floor, Quatermile Two  
2 Lister Square  
EDINBURGH  
EH3 9GL

**Auditor** Finlaysons  
4 Albert Place  
PERTH  
PH2 8JE

**Business address** 1 Drum Mains Park  
Orchardton Woods  
Cumbernauld  
GLASGOW  
G68 9LD

**Bankers** Clydesdale Bank plc  
38 Stewarton Street  
WISHAW  
ML2 8AE

**Solicitors** Morton Fraser LLP Solicitors  
5th Floor, Quatermile Two  
2 Lister Square  
EDINBURGH  
EH3 9GL

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# PHOTOLOX LTD

## CONTENTS

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	<b>Page</b>
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 5
Group statement of comprehensive income	6
Group balance sheet	7
Company balance sheet	8
Group statement of changes in equity	9
Company statement of changes in equity	10
Group statement of cash flows	11
Company statement of cash flows	12
Notes to the financial statements	13 - 33

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# PHOTOLOX LTD

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 JANUARY 2020**

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The directors present the strategic report for the year ended 31 January 2020.

### **Fair review of the business**

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

The operating profit of the company has reduced from £248,958 to £56,301. The profit after taxation showed a decrease of £635,457.

The directors believe that the key business risks are in respect of competition from both UK and international businesses and in ensuring product development and availability. In view of these risks and uncertainties, the directors are aware that the development of the company may be affected by factors outside their control.

The Covid-19 outbreak has developed rapidly in 2020, with significant number of infections. Measures taken by various governments to contain the virus have affected the economic activity. We have taken a number of measures to monitor and prevent the effects of the Covid-19 virus such safety and health measures for our people (like social distancing and working from home) and securing the supply of materials that are essential to our production process.

We will continue to follow the government policies and advise and in parallel will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people.

### **Principal risks and uncertainties**

The company faces a number of business risks and uncertainties due to difficult trading conditions and new competition. In view of this, the directors are looking carefully at both existing and potential new markets.

### **Development and performance**

The directors anticipate the business environment will remain competitive. They believe that the company is in a good financial position and they remain confident that the company will continue to grow.

On behalf of the board

Ian Loxley  
**Director**  
27 January 2021

# **PHOTOLOX LTD**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 JANUARY 2020***

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

### **Principal activities**

The principal activity of the company and group continued to be that of the production of photography and ancillary products.

The percentage of business attributable to markets outside the United Kingdom was 34.3%.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Ian Loxley  
Suzanne Loxley

### **Results and dividends**

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £306,900. The directors do not recommend payment of a further dividend.

### **Auditor**

The auditor, Finlaysons, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Ian Loxley  
**Director**

27 January 2021

## **PHOTOLOX LTD**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 JANUARY 2020**

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The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the profit or loss of the group 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# PHOTOLOX LTD

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHOTOLOX LTD

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### Opinion

We have audited the financial statements of Photolox Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2020 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows 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 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 group's and the parent company's affairs as at 31 January 2020 and of the group's 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

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 group's or the parent 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.

# PHOTOLOX LTD

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PHOTOLOX LTD

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### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 directors' responsibilities statement, 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 group's and the parent 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 group or the parent 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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.

**James McEwen FCCA CA (Senior Statutory Auditor)**  
**for and on behalf of Finlaysons**  
**Chartered Accountants**  
**Statutory Auditor**

27 January 2021  
4 Albert Place  
PERTH  
PH2 8JE

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# PHOTOLOX LTD

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JANUARY 2020

	Notes	2020 £	2019 £
<b>Turnover</b>	<b>3</b>	9,817,222	10,647,678
Cost of sales		(7,164,788)	(7,547,060)
<b>Gross profit</b>		<u>2,652,434</u>	<u>3,100,618</u>
Administrative expenses		(2,767,133)	(2,880,160)
Other operating income		171,000	28,500
<b>Operating profit</b>	<b>4</b>	<u>56,301</u>	<u>248,958</u>
Interest receivable and similar income	<b>8</b>	928	591
Interest payable and similar expenses	<b>9</b>	(34,660)	(34,134)
Amounts written off investments	<b>10</b>	-	61,261
<b>Profit before taxation</b>		<u>22,569</u>	<u>276,676</u>
Tax on profit	<b>11</b>	(17,441)	(39,493)
<b>Profit for the financial year</b>		<u>5,128</u>	<u>237,183</u>
<b>Other comprehensive income</b>			
Revaluation of tangible fixed assets		-	403,402
<b>Total comprehensive income for the year</b>		<u>5,128</u>	<u>640,585</u>

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

**PHOTOLOX LTD****GROUP BALANCE SHEET  
AS AT 31 JANUARY 2020**

		2020		2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Goodwill	13		52,668		72,222
Tangible assets	14		2,512,087		2,818,787
Investment properties	15		995,000		995,000
			<u>3,559,755</u>		<u>3,886,009</u>
<b>Current assets</b>					
Stocks	19	741,314		801,929	
Debtors	20	427,025		672,525	
Cash at bank and in hand		690,411		880,752	
		<u>1,858,750</u>		<u>2,355,206</u>	
<b>Creditors: amounts falling due within one year</b>	21	(957,605)		(1,154,772)	
			<u>901,145</u>		<u>1,200,434</u>
<b>Net current assets</b>					
			<u>4,460,900</u>		<u>5,086,443</u>
<b>Total assets less current liabilities</b>					
<b>Creditors: amounts falling due after more than one year</b>	22	(651,059)		(948,261)	
<b>Provisions for liabilities</b>	25	(75,942)		(102,511)	
			<u>3,733,899</u>		<u>4,035,671</u>
<b>Net assets</b>					
			<u><u>3,733,899</u></u>		<u><u>4,035,671</u></u>
<b>Capital and reserves</b>					
Called up share capital	27	30,002		30,002	
Revaluation reserve		464,663		464,663	
Profit and loss reserves		3,239,234		3,541,006	
		<u>3,733,899</u>		<u>4,035,671</u>	
<b>Total equity</b>			<u><u>3,733,899</u></u>		<u><u>4,035,671</u></u>

The financial statements were approved by the board of directors and authorised for issue on 27 January 2021 and are signed on its behalf by:

Ian Loxley  
Director

# PHOTOLOX LTD

## COMPANY BALANCE SHEET AS AT 31 JANUARY 2020

		2020		2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Goodwill	13		34,000		65,400
Tangible assets	14		2,483,118		2,776,666
Investment properties	15		995,000		995,000
Investments	16		8,864		-
			<u>3,520,982</u>		<u>3,837,066</u>
<b>Current assets</b>					
Stocks	19	719,212		776,647	
Debtors	20	448,107		644,798	
Cash at bank and in hand		662,169		816,363	
		<u>1,829,488</u>		<u>2,237,808</u>	
<b>Creditors: amounts falling due within one year</b>	21	<u>(922,303)</u>		<u>(1,050,639)</u>	
<b>Net current assets</b>			<u>907,185</u>		<u>1,187,169</u>
<b>Total assets less current liabilities</b>			<u>4,428,167</u>		<u>5,024,235</u>
<b>Creditors: amounts falling due after more than one year</b>	22		(651,059)		(948,261)
<b>Provisions for liabilities</b>	25		(75,942)		(102,511)
<b>Net assets</b>			<u>3,701,166</u>		<u>3,973,463</u>
<b>Capital and reserves</b>					
Called up share capital	27		30,002		30,002
Revaluation reserve			464,663		464,663
Profit and loss reserves			3,206,501		3,478,798
<b>Total equity</b>			<u>3,701,166</u>		<u>3,973,463</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £34,603 (2019 - £230,035 profit).

The financial statements were approved by the board of directors and authorised for issue on 27 January 2021 and are signed on its behalf by:

Ian Loxley  
Director

Company Registration No. SC081970

**PHOTOLOX LTD**

**GROUP STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2020**

	Share capital	Revaluation reserve	Profit and loss reserves	Total
Notes	£	£	£	£
<b>Balance at 1 February 2018</b>	30,002	-	3,625,984	3,655,986
<b>Year ended 31 January 2019:</b>				
Profit for the year	-	-	237,183	237,183
Other comprehensive income:				
Revaluation of tangible fixed assets	-	403,402	-	403,402
Total comprehensive income for the year	-	403,402	237,183	640,585
Dividends	12	-	(260,900)	(260,900)
Transfers		-	(61,261)	(61,261)
Other movements		-	61,261	61,261
<b>Balance at 31 January 2019</b>	30,002	464,663	3,541,006	4,035,671
<b>Year ended 31 January 2020:</b>				
Profit and total comprehensive income for the year	-	-	5,128	5,128
Dividends	12	-	(306,900)	(306,900)
<b>Balance at 31 January 2020</b>	30,002	464,663	3,239,234	3,733,899

**PHOTOLOX LTD****COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JANUARY 2020**

		<b>Share capital</b>	<b>Revaluation reserve</b>	<b>Profit and loss reserves</b>	<b>Total</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance at 1 February 2018</b>		30,002	-	3,570,924	3,600,926
<b>Year ended 31 January 2019:</b>					
Profit for the year		-	-	230,035	230,035
Other comprehensive income:					
Revaluation of tangible fixed assets		-	403,402	-	403,402
Total comprehensive income for the year		-	403,402	230,035	633,437
Dividends	<b>12</b>	-	-	(260,900)	(260,900)
Transfers		-	-	(61,261)	(61,261)
Other movements		-	61,261	-	61,261
<b>Balance at 31 January 2019</b>		30,002	464,663	3,478,798	3,973,463
<b>Year ended 31 January 2020:</b>					
Profit and total comprehensive income for the year		-	-	34,603	34,603
Dividends	<b>12</b>	-	-	(306,900)	(306,900)
<b>Balance at 31 January 2020</b>		30,002	464,663	3,206,501	3,701,166

# PHOTOLOX LTD

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JANUARY 2020

		2020		2019	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	31	401,326		808,913	
Interest paid		(34,660)		(34,134)	
Income taxes paid		(56,957)		(40,163)	
<b>Net cash inflow from operating activities</b>		<b>309,709</b>		<b>734,616</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(61,370)		(215,267)	
Proceeds on disposal of tangible fixed assets		-		61,707	
Other investments and loans made		-		(204,683)	
Proceeds from other investments and loans		204,683		-	
Interest received		928		590	
<b>Net cash generated from/(used in) investing activities</b>		<b>144,241</b>		<b>(357,653)</b>	
<b>Financing activities</b>					
Proceeds of new bank loans		-		789,522	
Repayment of bank loans		(150,598)		(872,314)	
Payment of finance leases obligations		(186,793)		(193,980)	
Dividends paid to equity shareholders		(306,900)		(260,900)	
<b>Net cash used in financing activities</b>		<b>(644,291)</b>		<b>(537,672)</b>	
<b>Net decrease in cash and cash equivalents</b>		<b>(190,341)</b>		<b>(160,709)</b>	
Cash and cash equivalents at beginning of year		880,752		1,041,461	
<b>Cash and cash equivalents at end of year</b>		<b>690,411</b>		<b>880,752</b>	

**PHOTOLOX LTD****COMPANY STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JANUARY 2020**

		2020		2019	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	32	418,136		1,205,518	
Interest paid		(34,627)		(34,017)	
Income taxes paid		(52,786)		(35,011)	
<b>Net cash inflow from operating activities</b>		<b>330,723</b>		<b>1,136,490</b>	
<b>Investing activities</b>					
Proceeds on disposal of intangibles		24,000		-	
Purchase of tangible fixed assets		(61,370)		(209,182)	
Proceeds on disposal of tangible fixed assets		-		61,705	
Purchase of subsidiaries		(8,864)		-	
Other investments and loans made		-		(204,682)	
Proceeds from other investments and loans		204,682		-	
Interest received		926		591	
<b>Net cash generated from/(used in) investing activities</b>		<b>159,374</b>		<b>(351,568)</b>	
<b>Financing activities</b>					
Proceeds of new bank loans		-		789,522	
Repayment of bank loans		(150,598)		(872,314)	
Payment of finance leases obligations		(186,793)		(193,980)	
Dividends paid to equity shareholders		(306,900)		(260,900)	
<b>Net cash used in financing activities</b>		<b>(644,291)</b>		<b>(537,672)</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(154,194)</b>		<b>247,250</b>	
Cash and cash equivalents at beginning of year		816,363		569,113	
<b>Cash and cash equivalents at end of year</b>		<b>662,169</b>		<b>816,363</b>	

# PHOTOLOX LTD

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

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### 1 Accounting policies

#### Company information

Photolox Ltd ("the company") is a private limited company domiciled and incorporated in Scotland. The registered office is 5th Floor, Quatermile Two, 2 Lister Square, EDINBURGH, EH3 9GL.

The group consists of Photolox Ltd and its subsidiary, Vakcolor BV.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Prior period adjustment

Undisclosed agent debits in respect of Subsidiary, Vakcolor B.V, were incorrectly disclosed within Turnover. Turnover and Cost of Sales have increased by £2,576,487 for comparative year. The error was identified after the financial statements for year ended 31st January 2019 were approved.

#### 1.3 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Photolox Ltd and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### 1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

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# PHOTOLOX LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

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### 1 Accounting policies (Continued)

#### 1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Heritable property	Straight line basis over 50 years
Tenants improvements	Straight line basis over 5 years
Plant and equipment	Straight line basis over 8 years
Fixtures and fittings	Straight line basis over 4 years
Motor vehicles	Straight line basis over 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.8 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

# PHOTOLOX LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

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### 1 Accounting policies

(Continued)

#### 1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

# PHOTOLOX LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

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### 1 Accounting policies

(Continued)

#### 1.12 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.13 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

# PHOTOLOX LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

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### 1 Accounting policies (Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### **1.14 Equity instruments**

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### **1.15 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# PHOTOLOX LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

### 1 Accounting policies (Continued)

#### 1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

	2020	2019
	£	£
<b>Other significant revenue</b>		
Interest income	928	591
Rental income arising from investment properties	120,000	28,500
	<u>          </u>	<u>          </u>

# PHOTOLOX LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

### 3 Turnover and other revenue (Continued)

	2020	2019
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	6,454,639	6,844,985
European Union	3,251,409	1,094,367
Other	111,174	131,839
	<u>9,817,222</u>	<u>8,071,191</u>
<b>Analysis per statutory database</b>	<b>9,817,222</b>	<b>8,071,191</b>
<b>Statutory database analysis does not agree to the trial balance by:</b>	<b>-</b>	<b>2,576,487</b>

### 4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	260,081	87,588
Depreciation of tangible fixed assets held under finance leases	107,989	298,270
(Profit)/loss on disposal of tangible fixed assets	-	83,710
Amortisation of intangible assets	19,554	19,710
Operating lease charges	14,175	16,881
	<u>411,809</u>	<u>406,159</u>

### 5 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	12,200	9,000
	<u>12,200</u>	<u>9,000</u>

### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Office and Management	15	15	14	14
Manufacturing	89	94	86	91
	<u>104</u>	<u>109</u>	<u>100</u>	<u>105</u>

# PHOTOLOX LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

### 6 Employees (Continued)

Their aggregate remuneration comprised:

	<b>Group</b>	<b>2019</b>	<b>Company</b>	<b>2019</b>
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Wages and salaries	2,488,085	2,450,033	2,370,075	2,300,683
Social security costs	216,343	210,866	196,055	185,409
Pension costs	75,856	61,469	75,856	61,469
	<u>2,780,284</u>	<u>2,722,368</u>	<u>2,641,986</u>	<u>2,547,561</u>

### 7 Directors' remuneration

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	45,210	32,172
Company pension contributions to defined contribution schemes	34,750	36,000
	<u>79,960</u>	<u>68,172</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2019 - 2).

### 8 Interest receivable and similar income

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	928	591
	<u>928</u>	<u>591</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	928	591
	<u>928</u>	<u>591</u>

### 9 Interest payable and similar expenses

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Interest on financial liabilities measured at amortised cost:</b>		
Other interest on financial liabilities	19,675	17,674
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	14,985	16,460
	<u>34,660</u>	<u>34,134</u>
Total finance costs	<u>34,660</u>	<u>34,134</u>

# PHOTOLOX LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

### 10 Amounts written off investments

	2020	2019
	£	£
Changes in the fair value of investment properties	-	61,261

### 11 Taxation

	2020	2019
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	44,010	54,047
<b>Deferred tax</b>		
Origination and reversal of timing differences	(26,569)	(14,554)
Total tax charge	17,441	39,493

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
Profit before taxation	22,569	276,676
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	4,288	52,568
Tax effect of expenses that are not deductible in determining taxable profit	2,735	739
Double tax relief	1,355	(336)
Depreciation on assets not qualifying for tax allowances	5,833	5,408
Amortisation on assets not qualifying for tax allowances	3,230	4,143
Research and development tax credit	-	(11,389)
Effect of revaluations of investments	-	(11,640)
Taxation charge	17,441	39,493

### 12 Dividends

	2020	2019
	£	£
Interim paid	306,900	260,900



# PHOTOLOX LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

### 13 Intangible fixed assets

<b>Group</b>	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 February 2019 and 31 January 2020	111,591
<b>Amortisation and impairment</b>	
At 1 February 2019	39,369
Amortisation charged for the year	19,554
At 31 January 2020	58,923
<b>Carrying amount</b>	
At 31 January 2020	52,668
At 31 January 2019	72,222
<b>Company</b>	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 February 2019	109,000
Disposals	(24,000)
At 31 January 2020	85,000
<b>Amortisation and impairment</b>	
At 1 February 2019	43,600
Amortisation charged for the year	17,000
Disposals	(9,600)
At 31 January 2020	51,000
<b>Carrying amount</b>	
At 31 January 2020	34,000
At 31 January 2019	65,400

**PHOTOLOX LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2020**

**14 Tangible fixed assets**

<b>Group</b>	<b>Heritable property improvements £</b>	<b>Tenants improvements £</b>	<b>Plant and equipment £</b>	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
<b>Cost or valuation</b>						
At 1 February 2019	1,902,334	7,952	2,755,495	86,637	191,335	4,943,753
Additions	-	-	61,370	-	-	61,370
At 31 January 2020	1,902,334	7,952	2,816,865	86,637	191,335	5,005,123
<b>Depreciation and impairment</b>						
At 1 February 2019	384,156	7,952	1,534,809	81,990	116,059	2,124,966
Depreciation charged in the year	30,700	-	289,441	4,056	43,873	368,070
At 31 January 2020	414,856	7,952	1,824,250	86,046	159,932	2,493,036
<b>Carrying amount</b>						
At 31 January 2020	1,487,478	-	992,615	591	31,403	2,512,087
At 31 January 2019	1,518,178	-	1,220,686	4,647	75,276	2,818,787

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	<b>Group 2020 £</b>	<b>2019 £</b>	<b>Company 2020 £</b>	<b>2019 £</b>
Plant and equipment	239,468	671,831	478,935	671,831
Motor vehicles	3,162	26,114	6,323	26,114
	242,629	697,945	485,258	697,945

Land and buildings with a carrying amount of £1,518,178 were revalued at 16th July 2018 by Cushman & Wakefield, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

# PHOTOLOX LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

### 14 Tangible fixed assets

(Continued)

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Cost	1,287,075	14,162,150	1,287,075	1,287,075
Accumulated depreciation	-	-	-	-
Carrying value	<u>1,287,075</u>	<u>14,162,150</u>	<u>1,287,075</u>	<u>1,287,075</u>

Company	Heritable property £	Tenants improvements £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 February 2019	1,902,334	7,952	2,686,921	86,637	191,335	4,875,180
Additions	-	-	61,370	-	-	61,370
At 31 January 2020	<u>1,902,334</u>	<u>7,952</u>	<u>2,748,291</u>	<u>86,637</u>	<u>191,336</u>	<u>4,936,550</u>
<b>Depreciation and impairment</b>						
At 1 February 2019	384,156	7,952	1,508,356	81,990	116,059	2,098,511
Depreciation charged in the year	30,700	-	276,292	4,056	43,873	354,921
At 31 January 2020	<u>414,856</u>	<u>7,952</u>	<u>1,784,647</u>	<u>86,045</u>	<u>159,932</u>	<u>2,453,432</u>
<b>Carrying amount</b>						
At 31 January 2020	<u>1,487,478</u>	<u>-</u>	<u>963,644</u>	<u>592</u>	<u>31,404</u>	<u>2,483,118</u>
At 31 January 2019	<u>1,518,178</u>	<u>-</u>	<u>1,178,565</u>	<u>4,647</u>	<u>75,276</u>	<u>2,776,666</u>

### 15 Investment property

	Group 2020 £	Company 2020 £
<b>Fair value</b>		
At 1 February 2019 and 31 January 2020	<u>995,000</u>	<u>995,000</u>

Investment Properties with a carrying amount of £933,739 were revalued at 16th July 2018 by Cushman & Wakefield, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

# PHOTOLOX LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

### 16 Fixed asset investments

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Investments in subsidiaries	17	-	-	8,864	-

#### Movements in fixed asset investments Company

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 February 2019	-
Additions	8,864
At 31 January 2020	8,864
<b>Carrying amount</b>	
At 31 January 2020	8,864
At 31 January 2019	-

## PHOTOLOX LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

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#### 17 Subsidiaries

Details of the company's subsidiaries at 31 January 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Vakcolor B.V.	Holland	Ordinary Shares	100.00	0

# PHOTOLOX LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

### 17 Subsidiaries (Continued)

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Profit/(Loss) Reserves	
	£	£
Vakcolor B.V.	39,668	(4,676)

### 18 Financial instruments

	Group 2020 £	2019 £	Company 2020 £	2019 £
Debt instruments measured at amortised cost	304,880	577,178	329,340	549,451
Measured at amortised cost	<u>1,432,973</u>	<u>1,939,120</u>	<u>1,407,442</u>	<u>1,842,614</u>

Bank loan expires on 20th August 2023. The loan has an interest rate of 2.25% above base rate per annum.

#### Financial assets pledged as collateral

Bank loans are secured by a bond and floating charge over the assets of the company together with a standard security over the premises at Port Dundas and Orchardton Woods, Glasgow.

### 19 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Work in progress	103,615	141,395	89,430	126,339
Finished goods and goods for resale	637,699	660,534	629,782	650,308
	<u>741,314</u>	<u>801,929</u>	<u>719,212</u>	<u>776,647</u>

### 20 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
<b>Amounts falling due within one year:</b>				
Trade debtors	286,987	356,886	291,259	335,080
Corporation tax recoverable	3,378	-	-	-
Amounts owed by group undertakings	-	-	31,683	6,279
Other debtors	13,393	220,292	1,898	208,092
Prepayments and accrued income	123,267	95,347	123,267	95,347
	<u>427,025</u>	<u>672,525</u>	<u>448,107</u>	<u>644,798</u>

**PHOTOLOX LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JANUARY 2020**

**21 Creditors: amounts falling due within one year**

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	23	150,599	147,964	150,599	147,964
Obligations under finance leases	24	131,762	174,586	131,762	174,586
Payments received on account		-	46,500	-	46,500
Trade creditors		392,370	461,791	388,530	431,640
Corporation tax payable		44,478	54,047	44,478	52,786
Other taxation and social security		131,213	109,866	121,442	103,500
Other creditors		36,127	92,694	36,127	36,680
Accruals and deferred income		71,056	67,324	49,365	56,983
		<u>957,605</u>	<u>1,154,772</u>	<u>922,303</u>	<u>1,050,639</u>

**22 Creditors: amounts falling due after more than one year**

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans and overdrafts	23	427,671	580,904	427,671	580,904
Obligations under finance leases	24	223,388	367,357	223,388	367,357
		<u>651,059</u>	<u>948,261</u>	<u>651,059</u>	<u>948,261</u>

**23 Loans and overdrafts**

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	<u>578,270</u>	<u>728,868</u>	<u>578,270</u>	<u>728,868</u>
Payable within one year	150,599	147,964	150,599	147,964
Payable after one year	<u>427,671</u>	<u>580,904</u>	<u>427,671</u>	<u>580,904</u>

**24 Finance lease obligations**

	Group 2020 £	2019 £	Company 2020 £	2019 £
Future minimum lease payments due under finance leases:				
Within one year	131,762	174,586	131,762	174,586
In two to five years	<u>223,388</u>	<u>367,357</u>	<u>223,388</u>	<u>367,357</u>
	<u>355,150</u>	<u>541,943</u>	<u>355,150</u>	<u>541,943</u>

# PHOTOLOX LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

### 24 Finance lease obligations

(Continued)

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 25 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities	Liabilities
	2020	2019
	£	£
Accelerated capital allowances	75,942	102,511
	<u>75,942</u>	<u>102,511</u>
	Liabilities	Liabilities
	2020	2019
	£	£
Accelerated capital allowances	75,942	102,511
	<u>75,942</u>	<u>102,511</u>
	Group	Company
	2020	2020
	£	£
<b>Movements in the year:</b>		
Liability at 1 February 2019	102,511	102,511
Credit to profit or loss	(26,569)	(26,569)
	<u>75,942</u>	<u>75,942</u>
Liability at 31 January 2020	75,942	75,942

### 26 Retirement benefit schemes

#### Defined contribution schemes

	2020	2019
	£	£
Charge to profit or loss in respect of defined contribution schemes	75,856	61,469
	<u>75,856</u>	<u>61,469</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.



**PHOTOLOX LTD**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 JANUARY 2020***

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**27 Share capital**

	<b>Group and company</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
30,002 Ordinary shares of £1 each	30,002	30,002
	<u>          </u>	<u>          </u>

# PHOTOLOX LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

### 28 Operating lease commitments

#### Lessor

The company owns an investment property for rental purposes.

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	<b>Group 2020</b>	<b>2019</b>	<b>Company 2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Within one year	75,000	240,000	150,000	120,000
Between two and five years	270,000	1,380,000	540,000	690,000
	<u>345,000</u>	<u>1,620,000</u>	<u>690,000</u>	<u>1,620,000</u>

### 29 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Aggregate compensation	<u>79,660</u>	<u>68,172</u>

### 30 Directors' transactions

Interest free loans have been granted to/(by) the company (to)/by its directors as follows:

<b>Description</b>	<b>% Rate</b>	<b>Opening balance</b>	<b>Amounts advanced</b>	<b>Amounts repaid</b>	<b>Closing balance</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Ian Loxley - Loan	-	(204,682)	384,400	(174,550)	5,168
Suzanne Loxley - Loan	-	17,200	122,500	(118,300)	21,400
		<u>(187,482)</u>	<u>506,900</u>	<u>(292,850)</u>	<u>26,568</u>

The loans are interest free and are repayable on demand. The amounts are included under Other debtors and Other creditors.

Dividends totalling £306,900 (2019 - £260,900) were paid in the year in respect of shares held by the company's directors.

# PHOTOLOX LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2020

### 31 Cash generated from group operations

	2020	2019
	£	£
Profit for the year after tax	5,128	237,183
<b>Adjustments for:</b>		
Taxation charged	17,441	39,493
Finance costs	34,660	34,134
Investment income	(928)	(591)
(Gain)/loss on disposal of tangible fixed assets	-	83,710
Amortisation and impairment of intangible assets	19,554	19,710
Depreciation and impairment of tangible fixed assets	368,070	385,858
Amounts written off investments	-	(61,261)
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	60,615	(116,539)
Decrease in debtors	44,195	184,359
(Decrease)/increase in creditors	(147,409)	2,857
<b>Cash generated from operations</b>	<u>401,326</u>	<u>808,913</u>

### 32 Cash generated from operations - company

	2020	2019
	£	£
Profit for the year after tax	34,603	230,035
<b>Adjustments for:</b>		
Taxation charged	17,909	38,232
Finance costs	34,627	34,017
Investment income	(928)	(591)
(Gain)/loss on disposal of tangible fixed assets	-	83,710
Gain on disposal of intangible assets	(9,600)	-
Amortisation and impairment of intangible assets	17,000	21,800
Depreciation and impairment of tangible fixed assets	354,921	371,903
Amounts written off investments	-	(61,261)
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	57,435	(115,798)
(Increase)/decrease in debtors	(7,992)	575,614
(Decrease)/increase in creditors	(79,839)	27,857
<b>Cash generated from operations</b>	<u>418,136</u>	<u>1,205,518</u>

# PHOTOLOX LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 JANUARY 2020**

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### 33 Analysis of changes in net debt - group

	1 February 2019 £	Cash flows £	31 January 2020 £
Cash at bank and in hand	880,752	(190,341)	690,411
Borrowings excluding overdrafts	(728,868)	150,598	(578,270)
Obligations under finance leases	(541,943)	186,793	(355,150)
	<u>(390,059)</u>	<u>147,050</u>	<u>(243,009)</u>

