This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

29 September 2020

SulNOx Group Plc (the "**Company**" or "**SulNOx**")

Final Results for the year ended 31st March 2020

(Aquis Stock Exchange: SNOX)

SulNOx is pleased to announce its audited final results for the year ended 31st March 2020. The Annual Report and Accounts will be posted to shareholders tomorrow and this will include the Notice of Annual General meeting which will take place at 12 noon on 23rd October. In line with Government guidance, it will be a closed meeting with all voting through proxy cards.

The period since March 2019 has been one of significant change and development for the Company.

HIGHLIGHTS

- May 2019 Advance Subscription Round raising £568,000 in advance the of the Company's listing.
- December 2019 Listing on the AQSE Growth Market raising £185,000 gross of expenses
- May 2020 Placing to raise £230,000 in anticipation of extended Coronavirus led trading restrictions
- Agreement with co-venturer, Fuel Fusions (Pty) Ltd to act as the Company's exclusive sales and marketing hub in South Africa – significant opportunity in the mining, static power and transportation industries.
- Patent application process extended to include international via a PCT application
- Renewed licence agreement with Nouryon BV for the Heavy Fuel Oil emulsifier and a new supply agreement for SulNOxEco Diesel Conditioner
- Appointment of Allenby Capital as AQSE Growth Market adviser. Allenby has a strong reputation in the City as a leading stockbroking and corporate advisory firm.

Graham Lyon, Chairman, Commented:

"These are the Company's maiden results as a publicly listed company. Whilst these results are backward looking, in the Chairman's Statement and Chief Executive's report set out below, we are happy to report various significant steps taken by the Company.

"Most of our life since listing in December 2019 has coincided with the world succombing to Covid-19 lockdowns with resulting behavioural changes. This has resulted in major slowdown of economies and whilst some are bouncing back, others are on a slower trajectory. SulNOx faced its own restrictions but rose to the challenge and was successful in raising a further £230,000 at 40p per share during May. As we exit the global lock-down, SulNOx is well positioned to target the users of increasing amounts of fuel."

Enquiries:

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The directors take responsibility for this announcement.

The Report and Accounts and Notice of AGM with proxy card can be found on the Company's website www.sulnoxgroup.co

COMPANY INFORMATION

Directors	Mr S Retter Mr G V Lyon Ms I Petersen
Secretary	Mr N Nelson
Company number	08449586
Registered office	10-12 Orange Street London UK WC2H 7DQ
Auditor	Shipleys LLP 10 Orange Street Haymarket London WC2H 7DQ
Registrar	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR
Bankers	Metro Bank 1 Southampton Row London WC1B 5HA
Nominated advisor	Allenby Capital 5 St Helen's Pl London EC3A 6AB
Solicitors	Bracher Rawlins LLP 77 Kingsway Holborn London WC2B 6SR
Company website	https://sulnoxgroup.com

CHAIRMAN AND CHIEF EXECUTIVE STATEMENTS

I am pleased to be writing my first statement as Chairman for what has been a successful and transitional year under the difficult situation of COVID-19.

SulNOx Group Plc ("SulNOx" or the "Company", together with its subsidiaries "the Group"), the hydrocarbon fuel emulsification specialist, announces its final results for the year ended 31st March 2020. These are the Company's maiden results as a publicly listed company. Whilst these results are backward looking I am happy to report various significant steps taken by the Company. Since listing in December 2019 the world has succumbed to Covid-19 lockdowns with resulting behavioural changes. This has resulted in major slowdown of economies and whilst some are bouncing back, others are on a slower trajectory. SulNOx faced its own restrictions but rose to the challenge and was successful in raising a further £230,000 at 40p per share during May. As we exit the global lock-down, SulNOx is well positioned to target the users of increasing amounts of fuel.

SulNOx was established in 2013 to develop and commit to trial a new type of fuel conditioner technology which reduces the emissions of polluting gases in combustion engines and burners. The technology is owned by the Company and we are advancing the Patent applications. It is noteworthy that in March 2020 the UK Patent application was augmented by the filing of a PCT or International Patent application.

The Company has developed a methodology and process, capable of emulsifying hydrocarbon fuels such as Heavy Fuel Oil ("HFO"), Ultra Low Sulphur Fuel Oil ("ULSFO") and Diesel. The resultant emulsions have long term stability and when added to the fuel, the Company's products are capable of:

- Reducing Oxides of Nitrogen, Sulphur and Carbon Dioxide and Sulphur Oxide gases
- Removing free water from fuel
- A more efficient combustion and therefore reduced fuel usage
- Reducing Particulate Matter (Soot and Smoke)
- Reducing viscosity of HFO and aiding the fuel usage efficiency.

The two initial products developed by the Company are being made by a globally recognised speciality chemical manufacturer, Nouryon BV. On 21 September 2020, we announced that Nouryon BV had renewed its licence for the HFO Emulsifier for a further three years and entered into a supply agreement for our SulNOxEco™ Diesel Conditioner.

By way of a reminder, SulNOx's products are targeted at end users which consume bulk amounts of Diesel (such as operators in road transport, embedded power generation and mining) and HFO/ULSFO (notably ship companies and fossil fuel power stations). Our Chief Executive in his statement below, expands further on the technical considerations and our plans to progress the Company into sales.

On two final notes; it was with regret that in an act to protect the Company against the recent unwarranted General Meeting requisition, Nicholas Nelson chose to resign as a Director of the Company. Happily he remains as our non-board Chief Executive, he is also still a director of our two subsidiaries. Secondly, we were delighted to report on the recent engagement of Allenby Capital Ltd as our AQSE Growth Market corporate adviser. Allenby has a strong reputation as a leading stockbroking and corporate advisory firm and this helps position us strongly as SulNOx transitions into sales and continues with its planned roll-out internationally.

Mr G V Lyon
Chairman

Chief Executive's Report

During the year the Group generated a net loss of £1,878,273 (2019: £538,926) predominantly driven by costs associated with the IPO, ongoing testing and sales and marketing expenditure. Turnover was £12,184 (2019: £nil) which represents the first test samples sold to a potential customer. The Group held cash of £87,734, as at the end of the year, which was increased following the year end as a result of a fund raise of £230,000 which closed in May 2020. The Group had a strong net asset position of £8,586,920 at the end of the year (2019: £8,700,555).

In his statement above, Graham Lyon examines the significance of Covid-19 and it is worth my re-iterating that for us, the impact of this started in early March, a little over two months following our listing on the AQSE Growth Market. We had to prepare for the inevitability that our hoped-for end customers in the UK and South Africa would have to suspend plans to commence taking delivery of our lead product; SulNOxEco™ Diesel Conditioner.

We had hoped to be underway with sales to end users in South Africa, prior to lock-down which resulted in particularly robust actions taken by the South African government to combat the pandemic

To keep the opportunity alive, our action was to continue developing and strengthening communication with the purchase managers within these end users in order to build their understanding and enthusiasm for the product. As part of this it became evident that an extensive engine trial should be conducted to add to the body of evidence supporting the efficacy of our direct to Diesel additive.

As a reminder, SulNOxEco™ Diesel Conditioner is used as an additive and a tiny quantity will isolate the free water component which exists in all Diesel by forming a combustible emulsion. This has been proven to enhance fuel lubricity and combustibility with a host of benefits to engine performance and exhaust output.

Planning for the above mentioned trial started in July to coincide with the earliest that slackened restrictions would allow some movement in South Africa. In early September, we were in a position to commission the trial which is being overseen and co-funded by SulNOx's South African co-venturer; Fuel Fusions Limited. Once the trial report has been finalised, we will make the results known in a future announcement.

SulNOx's HFO/ULSFO Emulsifier works in conjunction with an Ultrasonic mixing set-up and this is necessary given the high viscosity of the fuel. Using Ultrasonic mixing, 18% water can be added into the fuel with a small dosage of the emulsifier formulation. This is predicted to provide enhancements to engine performance, fuel consumption and toxic exhaust emissions. Following the introduction of tough new emissions laws by the International Maritime Organisation, ships have had no choice but to fit expensive exhaust scrubbers (if they wish to continue using HFO) or switch to the ultra low sulphur fuel. However, both come at a price and SulNOx's methodology will greatly assist users in both cases without major cost increases.

In recent studies for example, it has been recognised that the addition of aromatics (oil based chemicals) to compensate for the removal of the Sulphur from ULSFO, increases black smoke and can damage engines as a result of lost lubricity. So this option is not a sustainable long term environmental solution. The Company's ultrasonically mixed emulsifier system is designed to be fitted to ships' existing fuel delivery mechanism at relatively low cost. The emulsifier when mixed with the ULSFO, is expected by the Company to provide improved lubricity and reduce the harmful particulate matter, the soot that causes air quality and breathing difficulties for all.

It has been the Company's plan to engage with a ship owner and enter into live trials. To overcome the expected reticence of fitting something new and untested on board a sea going ship, SulNOx will start this journey with a smaller ship engine or static engine trial and discussions are advancing to this end. It goes without saying that COVID-19 has significantly delayed a process which could have been underway by now.

A similar emulsification system has been developed for deployment in coal-fired power stations which use substantial quantities of HFO as part of the fuel ignition process. The SulNOx delivery system is perfectly suited to power stations with their relatively simple combustion system and the anticipated benefits could be substantial. The Directors are in early stage discussions with a coal power station to install a system.

The Company continues to be active in marketing and promoting the benefits of its products to customers and is negotiating agreements with collaborators to take us into new market areas.

Mr N C P Nelson
Chief Executive

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

Promoting the success of the Group for the benefit of the stakeholders

Section 172(1) Statement - Promotion of the Company for the benefit of the members as a whole The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006. The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term,
- Act fairly between the members of the Company,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Company's employees,
- Foster the Company's relationships with suppliers, customers and others, and
- Consider the impact of the Company's operations on the community and the environment.

The Group has developed a methodology and process capable of emulsifying hydrocarbon fuels such as diesel and Heavy Fuel Oil ("HFO"). Being new products and trying to create a market for such products is inherently speculative in nature and, without regular income, is dependent upon fund-raising for its continued operation. The pre significant revenue nature of the business is important to the understanding of the Company by its members, employees and suppliers, and the Directors are as transparent about the cash position and funding requirements as is allowed under MAR regulations.

The application of the s172 requirements can be demonstrated in relation to the some of the key decisions made during 2020:

- The filing of its Patent Cooperation Treaty ("PCT" or International Patent) Application. The PCT provides a unified procedure for filing patent applications in a multitude of regions internationally. These regions will be decided by the Group during the course of this application process. The PCT application is in addition to the existing UK patent application 'Patent Pending' and relates to exactly the same invention. The filing of the PCT demonstrates the focus of the Board on striving to create a long term future for the products it develops and to protect these for the future benefit of the Company and thereby all its stakeholders.

- The successful completion of an Initial Public Offering of shares in the Company on the Aquis Stock Exchange provides the Company with a much higher profile platform to undertake its business and advance its profile for undertaking positive change in the hydrocarbon industry. The listing provided some additional investment and also provides the optionality to raise further funds should these be required over the coming periods. Having access to capital is very important for any pre revenue company and gives the Directors confidence to focus on generating sales and create new markets for its products.

In addition to the above key decisions, we follow international best practise on environmental aspects of our work. Our goal is to meet or exceed standards, in order to ensure we obtain and maintain our social licence to operate from the communities with which we interact. The interests of our employees, customers, suppliers and host countries are a primary consideration for the Board.

Review of the business

SulNOx was established in 2013 to develop and commit to trial a new type of fuel emulsifier technology which reduces emissions of polluting gases in combustion engines. The technology is owned by SulNOx and it is advancing a Patent application.

The Group has developed a methodology and process capable of emulsifying hydrocarbon fuels such as diesel and Heavy Fuel Oil ("HFO"). The resultant emulsions have long term stability. When added to the fuel, the Company's products are capable of:

- reducing Nitrous Oxide, Cardon Dioxide and Sulphur Oxide Gases
- removing free water from fuel and eradicating fungal and bacterial growth
- more efficient combustion and therefore reduced fuel usage
- reducing Particulate Matter (Smoke & Soot)
- reducing viscosity of Heavy Fuel Oil (HFO)

The Group's chemical formulations have been tested independently and have been shown to deliver the above benefits.

In addition to SulNOx Group Plc, the Group operates through two wholly owned subsidiaries, SulNOx Research and Development Limited ("SRD") and SulNOx Fuel Fusions Limited ("SFF").

On 17th December 2019, the Company was admitted on to the Aquis Exchange (AQSE) Growth Market under ticker SNOX and ISIN number GB00BJVQQP66.

The admission included a placing which raised gross proceeds of £185,000 at 50p per share as well as the closure of an advanced subscription round in May 2019 of £568,000 at a price of 42.5p per share.

During the year the Group continued to focus on the commercialization of its main emulsification products seeking to win new customers in the haulage, power generation, shipping and other transport sectors. Following the listing of the Company the business was making progress, which was unfortunately hampered by the sudden onset of the global Covid-19 pandemic in march, causing delays to some of the business opportunities. The Company continues to work towards obtaining customers for its products and is making progress on multiple fronts in this regard.

Aims, Strategy & Business Plan

The Group's aim is to create value for shareholders through the sale of its hydrocarbon emulsification products.

The Group's strategy is to generate sales and marketing opportunities for its products and generate value for its stakeholders by improving the efficiency of hydrocarbon products whilst simultaneously reducing harmful emissions and to commercialise through a "royalty" model with the manufacture of the products undertaken by a partner with significant global capacity and experience in the sector.

The Group's business plan is to advance the sale of its products globally in the Shipping, haulage, automobile, mining and other transportations industries.

The Board seeks to run the Group with a low-cost base in order to maximise the amount that is spent on product testing and sales and marketing as this is where value can be added. To this extent, the corporate office is run on a streamlined basis by a core team, and specialist skills and activities are outsourced as appropriate.

The Group finances its activities through periodic capital raisings with share placings. As the Group continues to develop its products towards commercialisation, there may be opportunities to obtain funding through other financial instruments, including debt or other arrangements with strategic parties.

Business model
The Groups Business model is based upon the commercialisation of its propriety emulsification products through various different channels as well as the continued testing and development of improvements to such products to ensure they evolve to remain relevant to the market. The group is currently focused on using sales and marketing arrangements with third parties to capture market share and generate sales of its products which are manufactured and for one product distributed by its partner, in doing so the model is to keep overheads to a minimum level.

Principal risks and uncertainties

Set out below are the principal risks and uncertainties facing the Group:

Requirement for further funds
The existing resources of the Group and the funds raised pursuant to the placing will only be sufficient for the short-term working capital requirements of the Group. It will therefore be necessary for the Group to raise further funds, which may be by way of issue of further Ordinary Shares or via alternative forms of finance. The Board believes that such failure to secure further financing may have a material effect on the business, financial condition, results of operations and prospects of the Group.

Expansion Risks
The Group intends to pursue a growth strategy, subject to the availability of funding. Such a strategy brings with it certain risks and will place additional demand on the Group's management, financial and operational resources. If the Group is unable to manage its growth effectively, its business, operations or financial condition may deteriorate.

No profit to date
The Group has incurred aggregate losses since its inception, and it is therefore not possible to evaluate its prospects based on past performance. Since the Group intends to continue investing in the various projects described in this Document, the Directors anticipate making further losses until at least the financial period ending 31 March 2021. There can be no certainty that the Group will achieve or sustain profitability or achieve or sustain positive cash flow from its activities.

Reliance on third parties
The Group places a degree of reliance on third parties. Termination of an arrangement (whether formal or informal) with a third party, a change in the terms of a third party contract or a supplier experiencing technical difficulties could result in the Group's access to services being restricted or interrupted, which in turn may have an adverse effect on the Group's business, prospects, results of operations and financial condition.

The Group's objectives may not be fulfilled
The value of an investment in the Group is dependent upon the Group achieving the aims set out in this Document. There can be no guarantee that the Group will achieve the level of success that the Board expects.

The technology utilised by the Group may become obsolete
The business of the Group will rely upon its fuel emulsion and fuel conditioning technologies. Like any company using technology, the Group is at risk from developments that make the technologies it utilises obsolete or less attractive. The Group's inability to offer technology that is desirable to its counterparties, such as customers in the shipping, power generation and fuel emulsion industries, could consequently limit its ability to retain existing counterparties and attract new ones. This would adversely affect the Group's ability to generate revenue and negatively impact its operating results.

Market risk
The marketability of the products is vulnerable to numerous factors beyond the control of the Group. These include any price volatility of the constituents of the products

Commercial risks
There is a risk that the Group will not achieve a commercial return due to major unanticipated change in a key variable or, more likely, the aggregate impact of changes to several variables which results in sustained depressed margins. The Group's competitive position could be affected by changes to government regulations concerning taxation, duties, specifications, importation and exportation of hydrocarbon fuels and environmental aspects.

Competition risks
There is a risk that new competition could emerge with similar technologies. This could result, over time, in further price competition and a pressure on margins beyond that assumed in the Group's business planning, thereby reducing the Group's profits.

Joint venture parties and contractors
The Directors are unable to predict the risk of financial failure or non-compliance with respective obligations or default by a participant in any joint venture in which the Group is, or may become a party; insolvency or other managerial failure by any of the contractors used by the Group in its fuel processing and distribution activities; or insolvency or other managerial failure by any of the other service providers used by the Group for any activity.

Insurance risks
The Group insures its operations in accordance with industry practice and insures the risks it considers appropriate for the Group's needs and for its circumstances. Insurance cover will not be available for every risk faced by the Group, including inventory risk.

Although the Board intends that the Group and/or its partners and counter-parties should carry adequate insurance with respect to its operations in accordance with industry practice, in certain circumstances, the Group's or the partner's and counter-parties' insurance may not cover or be adequate to cover the consequences of such events. In addition, the Group may be subject to liability for pollution, or other hazards against which the Group or its partners and counterparties may elect not to insure because of high premium costs or other reasons. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of operations of the Group.

Intellectual property risks
The Group's business relies on a combination of trademarks, copyrights, know-how, common law or statutory copyright protection and contractual restrictions to establish and protect its brands, designs and trade secrets. The protection provided by these intellectual property rights, confidentiality laws and contractual restrictions is limited and varies between the UK and other countries. Any third party may challenge the Group's intellectual property and the Group may incur substantial costs in defending any claims relating to its intellectual property rights.

Whilst the Group has taken all reasonable steps to register and protect its intellectual property, including benefiting from contracts with established multinational industry partners, there can be no guarantee that any applications for registered intellectual property rights will be granted or that the Group's intellectual property rights and contractual provisions will be adequate to prevent misappropriation, infringement or other unauthorised use of the Group's intellectual property by third parties. In addition, despite steps taken by the Group to protect its proprietary rights, third parties may attempt to copy aspects of the Group's products and seek to use information that the Group regards as proprietary. Competitors may also independently develop similar technologies, processes or operations of the Group. There is a risk that the Group's means of protecting its intellectual property rights may not be adequate and weaknesses or failures in this area could adversely affect the Group's business. However, even if competitors did develop the same effect through a different chemical process, in operational terms the Group would be significantly advanced by comparison.

Environmental risks
There is a risk that the Group will not achieve a commercial return due to major unanticipated change in a key variable or, more likely, the aggregate impact of changes to several variables which results in sustained depressed margins. The Group's competitive position could be affected by changes to government regulations concerning taxation, duties, specifications, importation and exportation of hydrocarbon fuels and environmental aspects.

Further, the Group may require approval from the relevant authorities before it can undertake activities which are likely to impact the environment. Failure to obtain such approvals may prevent or delay the Group from undertaking its desired activities. The Group is unable to predict definitively the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Group's cost of doing business, or affect its operations in any area.

Currency risk

The Group reports its financial results in Pounds Sterling, while many contracts in the oil and gas industry are principally denominated in United States Dollars and production costs may be denominated in Euros. Fluctuations in exchange rates between currencies in which the Group operates may cause fluctuations in its financial results and may have an adverse effect on income and/or asset values.

Corporate and regulatory formalities
The conduct of petroleum processing and distribution requires compliance by the Group with numerous procedures and formalities in many different national jurisdictions. It may not in all cases be possible to comply with or obtain waivers of all such formalities.

Economic, political, judicial, administrative, taxation or other regulatory factors
The Group may be adversely affected by changes in economic, political, judicial, administrative, taxation or other regulatory factors, in the areas in which the Group operates and conducts its principal activities.

Dependence on Management
The Group's ability to provide returns to Shareholders and achieve its investment objective is dependent on the performance of the executive management team. The loss of the services of certain employees could have a materially adverse effect upon the Group's business and financial condition.

Covid-19
Starting prior to the year end, but predominantly post year end there has been a significant global pandemic which has had significant knock on effects for the majority of the world's population, by way of the measures governments are taking to tackle the issue. This represents a risk to the Group's operations by restricting travel, the potential to detriment the health and wellbeing of its employees, as well as the effects that this might have on the ability of the Group to finance and advance its operations in the time frames envisaged.

Financial Performance Review
The Group is not yet selling (other than small trial volumes) to customers and so has no income other than bank interest. Consequently, the Group is not expected to report profits until it starts generating meaningful levels of revenues The principal financial key performance indicators ('KPIs') monitored by the Board concern levels and usage of cash.

The four main financial KPIs for the Group allow it to monitor costs and plan future sales and marketing activities and are as follows:

- Revenue £12,184 (2019: £0)
- Cash and cash equivalents £87,734 (2019: £206,841)
- Funds raised £1,457,199 (2019: £0)
- Administration expenses (cash basis) £1,868,064 (2019: £547,804)
- Additions to intangible asset £0 (2019: £2,185)

KPI's are not GAAP measurements and are not intended to be a substitute for these measures. The KPI's used by the Group may not be the same as those used by other companies and so should not be used as such.

Revenue increased during the period as a result of some initial sales to a sales and marketing agent in anticipation of further sales opportunities.

The Group held cash balances of £87,734 as at the end of the year compared to £206,841 in the prior year. Following the year end the Company raised a further £230,000 by way of a placing of new ordinary shares to continue to advance its business plan.

Fundraising
In May 2019 the Company closed an advanced subscription round of £568,000 at 42.5 pence per share followed by a placing of £185,000 at 50 pence per share in December 2019 as part of the IPO.

Non-Financial Key Performance Indicators ('KPIs')
The Board monitors the following non-financial KPIs on a regular basis:

Health and Safety – number of reported incidents
There were no significant reportable incidents in the current or prior year.

Operational performance
Good progress was made during the year despite the delays encountered by the Covid-19 Pandemic, with key relationships enhanced and significant steps made towards obtaining new customers.

Financial Review

- Loss before taxation increased by 242% to £1,889,866 (2019: £552,094)
- Cash and cash equivalents decreased by 58% to £87,734 (2019: £206,841)
- Intangible assets decreased by 5% to £8,680,881 (2019: £9,089,078)
- Net assets decreased by 9% to £8,586,920 (2019: £9,434,370)
- Loss per share (pence) £2.28

Loss for the year
The loss for the year increased to £1,878,273 from £538,926 in 2019 primarily due to an increase in the level of expenditure as a direct result of the IPO and associated advisers costs in running a publicly traded company.
The Group has continued to keep a tight control on its administrative costs and is focussing as much of its resource as possible on advancing testing, intellectual property registration and sales and marketing expenditure.

Cash and cash equivalents
The Group held cash and cash equivalents of £87,734 compared to £206,841 in the prior year. The decrease in cash was driven by the expenditure on the IPO offset by funds raised as part of the placing undertaken at the same time.

Net Assets
The net assets of the Group principally comprise the capitalised intangible assets relating to its intellectual property and science and know how behind its emulsification products. net assets have decreased to £8,586,920 from £9,434,370 as a direct result of the amortisation of the intangible asset offset by additional funds raised during the period as a result of the IPO.

The strategic report was approved by the board on …. September 2020 and is signed on its behalf by Simon Retter

....
Mr S Retter
Director
....
The directors present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the Group continued to be that of the procurement of orders from customers wishing to use two fuel emulsifier products previously developed by the Group and now owned under licence to Nouryon BV. Nouryon BV will manufacture and deliver the products exclusively to SulNOx's customers anywhere in the world.

The Group plans to conduct trials with customers who are bulk users of heavy fuel oil such as those in shipping and power generation and also large users of diesel such as mine operators and other large scale commercial users.

More information may be found on the Group's website www.sulnoxgroup.com.

The Group is domiciled in the United Kingdom.

Going concern
The financial statements have been prepared on the going concern basis, which assumes the Group will continue to be able to meet its liabilities as they fall due for the foreseeable future.

At the end of the year the Group is in a significant net asset position of £8,586,920 which is broadly consistent with £8,700,555 in the prior period.

The Group is currently still in the pre revenue stage of its development and as such is reliant on the cash resources it currently has until a date that future revenues materialise. Should the Group fail to generate meaningful revenues over the next 12 months then there will likely be a requirement for further funding to be obtained to continue the development of the business. The directors are of the opinion that should further funding be required there is a reasonable chance that further shareholder support could be forthcoming, but due to this reliance on external factors, there exists a material uncertainty as to the Groups ability to continue as a going concern.

Additionally, the directors would like to note that the Coronavirus disease was declared a pandemic on 11th March 2020, shortly before the end of the financial reporting period, therefore the full implications for the Group are unclear at the date of signing these accounts. Whilst it is therefore difficult to evaluate the likely effect on the Group's trade, customers, suppliers, employees and the wider economy, the directors have assessed information available to conclude that the Group is a going concern.

Results and dividends
The results for the year are set out on page 18.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

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

Mr S Retter	(Appointed 11 April 2019)
Mr G V Lyon	(Appointed 17 December 2019)
Mr N Nelson	(Resigned 21 September 2020)
Ms I Petersen	
Mr G Bostock	(Resigned 22 July 2019)
Mr R Florescu	(Resigned 14 May 2019)
Mr S Bamford	(Resigned 28 May 2020)
Mr R Weinberg	(Resigned 31 May 2019)

Directors' remuneration
During the year the Group paid Directors’ remuneration totalling £88,992 (2019: £0) for qualifying services.

Directors' share options
Details of directors' share options are as follows:

	At 1 April 2019	Granted	Exercised	At 31 March 2020	Exercise date	Date from which exercisable	Expiry date
Simon Retter		250,000		250,000		31/03/2019	31/03/2029
Simon Retter		250,000		250,000		17/12/2019	31/03/2029
Nicholas Nelson		350.000		350,000		14/05/2019	14/05/2029
Nicholas Nelson		325,000		325,000		17/12/2019	14/05/2029
Nicholas Nelson		325,000		325,000		02/01/2020	14/05/2029

Substantial shareholders

The Company has been informed that on 31st March 2020 the following shareholders held substantial holdings in the issued ordinary shares of the Company.

Nistad Group AS: 12,500,000 (14.6%)
Mr S Bamford: 9,125,000 (10.6%)
Mr J Redman Jnr: 7,500,000 (8.8%)
Mr R Leggatt: 7,170,000 (8.4%)
Mr G Bostock and Ms B Shortt: 7,929,058 (9.2%)
Mr R Weinberg and Ms J Graham: 7,697,661 (9%)
Sungold Escrow Nominees Ltd and Ms A Bravo: 4,778,735 (5.6%)

Financial instruments

A review of the risks to the business have been included in the strategic report on pages 3 to 8.

Research and development

The Group undertakes research and development and has chosen to capitalise qualifying expenditure in non-current assets. This is noted in more detail in the accounting policies.

Post reporting date events

On 19th May 2020, the Company concluded a fundraising round and successfully raised funds totalling £230,000.

The Company also announced in May 2020 that it plans to raise further funds generating a minimum of £100,000.

There are no other significant events to report.

Future developments

An indication of likely future developments in the business have been included in the strategic report on pages 3 to 8.

Changes in presentation of the financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). Previous periods were prepared in accordance with Financial Reporting Standard 102 (FRS 102).

The Company became listed on the Aquis Exchange (AQSE) Growth Market during the year and this resulted in the need to report under IFRS.

There were no transition adjustments arising from this change.

Auditor

Shipleys LLP were appointed as auditor to the Company and in accordance with section 489 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at Annual General Meeting.

Corporate governance

The Directors are committed to implementing and maintaining high standards of corporate governance, and intend, so far as is practicable given the Company's size and nature, to comply with the UK Corporate Governance Code and the QCA Corporate Governance Code. In particular, the Board will ensure that there is a clear allocation of responsibilities between the running of the Board and the executive roles (at the level of the Board and Senior Management) responsible for the running of the Company's business. The Board shall at all times include one independent non-executive director, and at the date of this Document, Ingeborg Majken Korsgård Petersen and Graham Lyon both qualify as being independent.

Due to the size and nature of the Company, audit and risk management issues will be addressed by the Directors as a whole, rather than by separate committees. As the Company develops, the Board will consider establishing separate audit and risk management committees and will consider developing further policies and procedures, which reflect the principles of good governance.

The Company has adopted a share dealing code for dealings in securities of the Company by the Directors and Persons Discharging Managerial Responsibility which is appropriate for a company whose shares are traded on the Aquis Exchange Growth Market. This will constitute the Company's share dealing policy for the purpose of compliance with UK Legislation including the Market Abuse Regulation and Rule 71 of the Aquis Exchange Rules. It should be noted that the insider dealing legislation set out in the UK Criminal Justice Act 1993, as well as provisions relating to market abuse, will apply to the Company and dealings in Ordinary Shares.

The Company has adopted an anti-bribery and anti-corruption policy and also implemented appropriate procedures to ensure that the Board, employees and consultants comply with the UK Bribery Act 2010.

The Directors have established financial controls and reporting procedures, which are considered appropriate given the size of and structure of the Company. These controls will be reviewed in the light of an investment or acquisition and adjusted accordingly.

The Company has put in place procedures to comply with the Company's General Data Protection Regulation (GPDR) obligations relating to personal data, including adopting a GDPR Privacy notice for employees, workers and contractors and a new Privacy Standard.

Internal controls

The Board recognises the importance of both financial and non-financial controls and has reviewed the Group's control environment and any related shortfalls during the year. Since the Group was established, the Directors are satisfied that, given the current size and activities of the Group, adequate internal controls have been implemented. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in light of the current activity and proposed future developments of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

Risk Management

The Board considers risk assessment to be important in achieving its strategic objectives. The Board's current assessment of the principle risks are set out in the Strategic Report and are monitored by the Board at their meetings.

Relations with shareholders

The Board is committed to providing effective communication with the shareholders of the Group. Significant developments are disseminated through stock exchange announcements and regular updates on the Company website. The Board views the Annual General Meeting as a forum for communication between the Group and its shareholders and encourages their participation in its agenda. As part of the Group's AGM Horizonte releases the results of the votes in a transparent fashion to all of the Group's stakeholders.

Statement of directors' responsibilities

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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 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.

The directors are also responsible for the maintenance and integrity of the SulNOx Group Plc website. Legislation in in the United Kingdom governing the preparation and dissemination of the financial statement may differ from legislation in other jurisdictions.

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms 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 he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board

....
Mr S Retter
Director

Date: ....

INDEPENDENT AUDITORS REPORT

Opinion

We have audited the financial statements of SulNOx Group plc (the 'parent company)' and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated and Company Statement of Financial Position, Consolidated and Company Statement of Changes in Equity, Consolidated and Company Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.
In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2020 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and, as regards the group financial statements, Article 4 of the IAS Regulation.

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 group and the parent 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 as applied to listed public interest entities, 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Material uncertainty relating to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the Company's ability to continue as a going concern. The conditions described in note 2 indicate the existence of material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance on our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	**Our response to the risk**	**Our response and observation**
Risk that group is not going concern There is a risk that the Group may not be considered a going concern.	We read the Directors' assessment of the Going Concern and ability to continue operating for at least twelve months after the approval of the these financial statement. We compared this assessment to our own understanding of the risks, and the nature of the Group's operations, products and customer base.	The disclosures in the financial statements adequately reflect the Directors' conclusions around the uncertainties relating to the going concern assumption.
Risk of fraud in revenue recognition There is a risk that revenue is materially understated due to fraud.	We reviewed the Group's revenue recognition policies and how they are applied. Revenue was then tested on a sample basis to confirm that transactions have been appropriately recorded in line with IFRS 15.	Revenue was recognized in accordance with the Group's accounting policy and we concluded that no evidence of fraud or other understatement was identified.
Risk that intangible assets have been overstated There is a risk that the intangible assets have been overstated and that they have no cash generating value and the risk that they have been incorrectly disclosed in the accounts.	We reviewed the Group's forecast and valuation of intangible assets and scrutinised the assumptions and predictions. The intangibles asset value was reviewed and impairment was considered,	The intangible value is correctly recongised in the financial statement and no evidence was found to suggest the value was overstated
Risk that management is able to override controls Journals can be posted that significantly alter the financial statements.	*Risk that management override controls* We examined journals posted around the year end, specifically focusing on areas which are more easily manipulated.	No evidence of management override during the year and this has not led to a material misstatement. All transactions and journals in line with business

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be charged or influenced. We use materiality both in planning and in the scope of our audit work and in evaluating the results of our work.

We determine materiality for the Group to be £154,422 and this financial benchmark, which has been used throughout the audit, was determined by way of a standard formula being applied to key financial results and balances presented in the financial statements. Where considered relevant the materiality is adjusted to suit the specific risk profile of the Group.

Performance materiality is the application of materiality at the individual account or balance level set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality. Performance materiality was set at 75% of the above materiality levels.

An overview of the scope of our audit

Our group audit was scoped by obtaining an understanding of the group and its environment, including the group's system of internal control, and assessing the risks of material misstatement in the financial statements at the group level.

Whilst SulNOx Group plc is a company registered in England & Wales and its head office is located in the UK.

Our group audit scope focused on the group's principal operating subsidiary, being SulNOx Research & Development Ltd and SulNOx Fuel Fusion Ltd, which was subject to a full scope audit together with the parent company. Shipleys LLP performed the audit of the parent company and subsidiaries.

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.

We have nothing to report in respect of these matters.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the 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 or 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 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 and the part of the directors' remuneration report to be audited 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 set out on page 12, 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 either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Other matters which we are required to address

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our 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.

Stewart Jell (Senior Statutory Auditor)
For and on behalf of Shipleys LLP,
Chartered Accountants and Statutory Auditor
10 Orange Street
Haymarket
London
WC2H 7DQ

GROUP INCOME STATEMENT

	Notes	Year ended 31 March 2020 £	Period ended 31 March 2019 £
Revenue	**3**	12,184	-
Cost of sales		(32,493)	-
Gross loss		(20,309)	-
Distribution costs		(1,493)	(4,290)
Administrative expenses		(1,868,064)	(547,804)
Operating loss	**4**	(1,889,866)	(552,094)
Income tax expense	**8**	11,593	13,168
Loss for the year attributable to equity shareholders		(1,878,273)	(538,926)

The income statement has been prepared on the basis that all operations are continuing operations.

Loss per share		
Basic	(2.28)	(0.66)
Diluted	(2.28)	(0.66)

GROUP STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March 2020 £	Period ended 31 March 2019 £
Loss for the year	(1,878,273)	(538,926)
Other comprehensive income:	-	-
Total other comprehensive income for the year	-	-
Total comprehensive income for the year	(1,878,273)	(538,926)

GROUP STATEMENT OF FINANCIAL POSITION

	Notes	2020 £	2019 £
Non-current assets			
Intangible assets	**11**	8,680,881	9,089,078

Tangible assets	**12**	4,704	6,272
		8,685,585	9,095,350
Current assets			
Trade and other receivables	**17**	21,119	9,297
Inventories	**16**	111,438	
Cash and cash equivalents		87,734	206,841
		220,291	216,138
Total assets		8,905,876	9,311,488
Current liabilities			
Trade and other payables	**22**	273,956	494,394
Loans	**19**	45,000	116,539
		318,956	610,933
Net current assets/(liabilities)		(98,665)	(334,795)
Total liabilities		318,956	610,933
Net assets		8,586,920	8,700,555
Equity			
Called up share capital	**24**	1,695,782	1,631,118
Share premium account	**25**	10,781,690	9,389,155
Share based compensation reserve	**26**	307,439	-
Retained earnings	**27**	(4,197,991)	(2,319,718)
Total equity		8,586,920	8,700,555

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

....
Mr S Retter
Director

Company Registration No. 08449586

COMPANY STATEMENT OF FINANCIAL POSITION

	Notes	2020 £	2019 £
Non-current assets			
Intangible assets	**11**	8,679,545	9,079,545
Investments	**14**	408,150	408,150
		9,087,695	9,487,695
Current assets			
Trade and other receivables	**17**	563,458	176,675
Cash and cash equivalents		70,168	-
		633,626	176,675
Total assets		9,721,321	9,664,370
Current liabilities			
Trade and other payables	**22**	49,273	230,000
Loans	**19**	45,000	-
		94,273	230,000
Net current assets/(liabilities)		539,353	(53,325)
Total liabilities		94,273	230,000
Net assets		9,627,048	9,434,370
Equity			
Called up share capital	**24**	1,695,782	1,631,118
Share premium account	**25**	10,781,690	9,389,155
Share based compensation reserve	**26**	307,439	-
Retained earnings	**27**	(3,157,863)	(1,585,903)
Total equity		9,627,048	9,434,370

The Parent Company loss for the year was £1,571,960 (2019 period: £320,455).

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

....
Mr S Retter
Director

Company Registration No. 08449586

GROUP STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital	Share premium account	Share based compensation reserve	Retained earnings	Total
		£	£	£	£	£
Balance at 1 July 2018		1,631,118	9,389,155	-	(1,780,792)	9,239,481
Period ended 31 March 2019:						
Loss and total comprehensive income for the period		-	-	-	(538,926)	(538,926)
Balance at 31 March 2019		1,631,118	9,389,155	-	(2,319,718)	8,700,555
Year ended 31 March 2020:						
Loss and total comprehensive income for the year		-	-	-	(1,878,273)	(1,878,273)
Issue of share capital (net of costs)	**24&25**	64,664	1,392,535	-	-	1,457,199
Issue of share based payments	**26**	-	-	307,439	-	307,439
Balance at 31 March 2020		1,695,782	10,781,690	307,439	(4,197,991)	8,586,920

COMPANY STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital	Share premium account	Share based compensation reserve	Retained earnings	Total
		£	£	£	£	£
Balance at 1 July 2018		1,631,118	9,389,155	-	(1,265,448)	9,754,825
Period ended 31 March 2019:						
Loss and total comprehensive income for the period		-	-	-	(320,455)	(320,455)
Balance at 31 March 2019		1,631,118	9,389,155	-	(1,585,903)	9,434,370
Year ended 31 March 2020:						
Loss and total comprehensive income for the year		-	-	-	(1,571,960)	(1,571,960)
Issue of share capital	**24&25**	64,664	1,392,535	-	-	1,457,199
Issue of share based payments	**26**	-	-	307,439	-	307,439
Balance at 31 March 2020		1,695,782	10,781,690	307,439	(3,157,863)	9,627,048

GROUP STATEMENT OF CASH FLOWS

	Notes	2020		2019	
		£	£	£	£
Cash flows from operating activities					
Cash (absorbed)/generated by operations	**34**		(1,516,360)		88,449
Tax received			11,593		13,168
Net cash outflow from operating activities			(1,504,767)		101,617
Investing activities					
Purchase of intangible assets		-		(2,185)	
Purchase of property, plant and equipment		-		(2,239)	
Net cash generated used in investing activities			-		(4,424)
Financing activities					
Proceeds from issue of shares		1,476,849		-	
Share issue costs		(19,650)		-	

Proceeds from loans		-		101,981	
Repayment of loans		(71,539)		-	
Net cash generated from/(used in) financing activities			1,385,660		101,981
Net (decrease)/increase in cash and cash equivalents			(119,107)		199,174
Cash and cash equivalents at beginning of year			206,841		7,667
Cash and cash equivalents at end of year			87,734		206,841

COMPANY STATEMENT OF CASH FLOWS		**2020**		**2019**	
	Notes	**£**	**£**	**£**	**£**
Cash flows from operating activities					
Cash absorbed by operations	**35**		(1,387,031)		-
Net cash outflow from operating activities			(1,387,031)		-
Financing activities					
Proceeds from issue of shares		1,476,849		-	
Share issue costs		(19,650)		-	
Net cash generated from/(used in) financing activities			1,457,199		-
Net increase in cash and cash equivalents			70,168		-
Cash and cash equivalents at beginning of year			-		-
Cash and cash equivalents at end of year			70,168		-

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Company information

SulNOx Group PLC is a public Company limited by shares, domiciled and incorporated in England and Wales. The registered office is 10-12 Orange Street, London, UK, WC2H 7DQ. The Group currently operates under a full working from home policy and therefore there is no formal trading address. The Group's principal activities and nature of its operations are disclosed in the strategic report and the directors' report.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the “Group”). The Parent Company financial statements present information about the Company as a separate entity and not about its Group.

The Group consists of SulNOx Gruop PLC and its subsidiaries:

Sulnox Research and Development Limited
Sulnox Fuel Fusion Limited

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

These financial statements for the year ended 31 March 2020 are the first financial statements of SulNOX Group PLC prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS 1 has consequently been applied.

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The following exemptions have been taken in these financial statements:

- Business combinations – Business combinations that took place prior to the transition date of 1st July 2018 have not been restated.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, the Group takes into consideration potential voting rights. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Change in subsidiary ownership and loss of control

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Where the Group loses control of a subsidiary, the assets and liabilities are derecognised along with any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

1 Accounting policies

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

Parent Company Income Statement
The Parent Company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual Income Statement.

1.3 Going concern

The financial statements have been prepared on the going concern basis, which assumes the Group will continue to be able to meet its liabilities as they fall due for the foreseeable future.

At the end of the year the Group is in a significant net asset position of £8,586,920 which is broadly consistent with £8,700,555 in the prior period. Forecasts have been prepared for the next 12 months which show trading profits and positive cash flow.

The group is currently still in the pre revenue stage of its development and as such is reliant on the cash resources it currently has until a date that future revenues materialise. Should the Group fail to generate meaningful revenues over the next 12 months then there will likely be a requirement for further funding to be obtained to continue the development of the business. The directors are of the opinion that should further funding be required there is a reasonable chance that further shareholder support could be forthcoming, but due to this reliance on external factors, there exists a material uncertainty as to the Groups ability to continue as a going concern.

Additionally, the directors would like to note that the Coronavirus disease was declared a pandemic on 11th March 2020, shortly before the end of the financial reporting period, therefore the full implications for the Group are unclear at the date of signing these accounts. Whilst it is therefore difficult to evaluate the likely effect on the Group's trade, customers, suppliers, employees and the wider economy, the directors have assessed information available to conclude that the Group is a going concern.

1.4 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Revenue from the provision of the principal activities is recognised by reference to the stage of completion of the transaction at the reporting date where the amount of revenue can be measured reliably and sufficient work has been completed with certainty to ensure that the economic benefit will flow to the Group.

1 Accounting policies

1.5 Goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less impairment losses.

The gain on a bargain purchase is recognised in profit or loss in the period of the acquisition.

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. An impairment loss recognised for goodwill is not subsequently reversed.

Amortisation is provided at 20% straight line.

Goodwill arising on acquisitions before the date of transition to IFRS has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date.

1.6 Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

- Development costs - 4% straight line
- Trademarks - 25% straight line

Useful lives are also examined on an annual basis and adjustments, where applicable are made on a prospective basis. The Group does not have any intangible assets with indefinite lives.

1.7 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.8 Property, plant and equipment

Property, plant and equipment 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:

Computer equipment	25% reducing balance
Research and development	25% reducing balance

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 income statement.

1.9 Non-current investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the Company. 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 tangible and intangible assets

At each reporting 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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.

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 Inventories

Inventories 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 inventories to their present location and condition.

Inventories 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.

Cost is calculated using the weighted average method.

1.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

1 Accounting policies

1.13 Financial assets

Financial assets are recognised in the Group's statement of financial position when the Group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognized initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

The fair values of other financial assets at FVTPL are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Impairment of financial assets

Financial assets, other than those requiring measurement at fair value through profit or 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 of the investment have been affected.

In determining whether financial assets are impaired the Group considers the following:

- significant financial difficulty of the counterparty
- default or delinquency in interest or principal payments
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments or observable changes in national to local economic conditions that correlate with default on receivables.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1 Accounting policies

1.14 Financial liabilities

The Group recognises financial debt when the Group becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including loans, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Group's obligations are discharged, cancelled, or they expire.

1.15 Equity instruments

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

1.16 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 income statement 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.

1 Accounting policies

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary 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 income statement, 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 when the Group has 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.

1.17 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 inventories or non-current 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 Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.18 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

In the case of options granted, fair value is measured by a Black-Scholes pricing model.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Critical accounting estimates and judgements

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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements:

Bad debt provisions

Trade receivables are reviewed for impairment, where necessary, provisions for old debts are included in the financial statements. Calculation of these provisions requires judgements to be made, which include an estimation of the recoverable amounts.

Inventories

Inventories are valued at the lower cost and net realisable value. New realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment and inventory loss trends.

3 Revenue

An analysis of the Group's revenue is as follows:

	Year ended 2020	Period ended 2019

	£	£
Revenue analysed by class of business		
Fuel Emulsifier Products	12,184	-

	Year ended 2020 £	Period ended 2019 £
Revenue analysed by geographical market		
United Kingdom	12,184	-

Revenue is all derived from the Group's principal activities as noted in the director's report.

4 Operating loss

	Year ended 2020 £	Period ended 2019 £
Operating loss for the year is stated after charging/(crediting):		
Depreciation of property, plant and equipment	1,568	520
Amortisation of intangible assets (included within administrative expenses)	402,459	331,992
Cost of inventories recognised as an expense	32,493	-
Impairment loss recognised on trade receivables	-	288
Impairment loss recognised on intangible assets	5,738	-
Share-based payments	307,439	-

The amortisation and impairment of intangible assets is included within administration expenses.

5 Auditor's remuneration

	Year ended 2020	Period ended 2019
Fees payable to the Company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the Company	15,000	10,000
	15,000	10,000
For other services		
Tax services	20,750	-
Other services	41,846	-
Total non-audit fees	62,596	-

During the year, the Group incurred non-audit fees from its auditor in respect of listing support, payroll implementation, general business consultancy and prior year corporation tax services. Non-audit services were provided prior to the Company's listing on the Aquis Exchange Growth Market.

6 Employees

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

	Group		Company	
	Year ended 2020	Period ended 2019	Year ended 2020	Year ended 2019
	5	-	5	-

Their aggregate remuneration comprised:

	Group		Company	
	Year ended 2020	Period ended 2019	Year ended 2020	Year ended 2019
	£	£	£	£
Wages and salaries	396,431	-	396,431	-
Social security costs	3,932	-	3,932	-
	400,363	-	400,363	-

7 Directors' remuneration

	Year ended 2020	Period ended 2019
	£	£
Remuneration for qualifying services	88,992	-

As total directors' remuneration was less than £200,000 in both the current and the previous years, there is no disclosure with regard to the highest paid director.

8 Income tax expense

	Continuing operations	Continuing operations
	Year ended 2020	Period ended 2019
	£	£
Current tax		
Adjustments in respect of prior periods	(11,593)	(13,168)
Total UK current tax	(11,593)	(13,168)

The charge for the year can be reconciled to the loss per the income statement as follows:

	2020	2019
	£	£
Loss before taxation	(1,889,866)	(552,094)

Expected tax credit based on a corporation tax rate of 19.00% (2019: 19.00%)	(359,075)	(104,898)
Effect of expenses not deductible in determining taxable profit	58,413	591
Unutilised tax losses carried forward	300,662	14,794
Adjustment in respect of prior years	11,593	13,168
Permanent capital allowances in excess of depreciation	-	99
Amortisation on assets not qualifying for tax allowances	-	63,078
Taxation credit for the year	(11,593)	(13,168)

The Group have unused tax losses of £3,378,706 (2019: £1,797,846). A deferred tax asset has not been recognised in respect of these losses because it is not yet probable that the losses will be utilised in future periods. Therefore, the Group has an unrecognised deferred tax asset of £641,060 (2019: £341,591).

9 Loss per share

	2020 £	2019 £
Number of shares		
Weighted average number of ordinary shares for basic earnings per share	82,483,470	81,555,920
Loss		
Continuing operations		
Loss for the period from continued operations	(1,878,273)	(538,926)
Loss for basic and diluted loss per share being net loss attributable to equity shareholders of the Company for continued operations	(1,878,273)	(538,926)
Loss per share for continuing operations		
Basic and diluted per share (pence)	(2.28)	(0.66)
Basic and diluted loss per share		
From continuing operations (pence)	(2.28)	(0.66)
	(2.28)	(0.66)

The loss attributable to equity holders (holders of ordinary shares) of the Company for the purpose of calculating the fully diluted loss per share is identical to that used for calculating the loss per share. The exercise of share options would have the effect of reducing the loss per share and is therefore anti-dilutive under the terms of IAS 33 'Earnings per Share'.

10 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2020 £	2019 £
In respect of:		
Intangible assets	5,738	-

Recognised in:		
Administrative expenses	5,738	-

11 Intangible assets

Group	Goodwill	Patents & licences	Development costs	Total
	£	£	£	£
Cost				
At 1 July 2018	43,424	-	10,045,984	10,089,408
Additions	-	2,185	-	2,185
At 31 March 2019	43,424	2,185	10,045,984	10,091,593
At 31 March 2020	43,424	2,185	10,045,984	10,091,593
Amortisation and impairment				
At 1 July 2018	34,740	-	635,783	670,523
Charge for the year	8,684	303	323,005	331,992
At 31 March 2019	43,424	303	958,788	1,002,515
Charge for the year	-	546	401,913	402,459
Impairment loss	-	-	5,738	5,738
At 31 March 2020	43,424	849	1,366,439	1,410,712
Carrying amount				
At 31 March 2020	-	1,336	8,679,545	8,680,881
At 31 March 2019	-	1,882	9,087,196	9,089,078

Company	Goodwill	Patents & licences	Development costs	Total
	£	£	£	£
Cost				
At 1 July 2018	-	-	10,000,000	10,000,000
At 31 March 2019	43,424	-	10,000,000	10,000,000
At 31 March 2020	43,424	-	10,000,000	10,000,000
Amortisation and impairment				
At 1 July 2018	-	-	600,000	600,000
Charge for the year	-	-	320,455	320,455
At 31 March 2019	-	-	920,455	920,455
Charge for the year	-	-	400,000	400,000
At 31 March 2020	43,424	-	1,320,455	1,320,455
Carrying amount				

At 31 March 2020	-	-	8,679,545	8,679,545
At 31 March 2019	-	-	9,079,545	9,079,545

11 Intangible assets

Previously, the Company (and therefore Group) acquired from Technologies & Systems, the exclusive rights to a suite of Emulsion Technologies developed over the previous 25 years, for a consideration of £10,000,000 in cash, to be paid at the rate of £1,000,000 per year for 10 years, subject to terms and conditions.

In a subsequent agreement dated 18th October 2013, the outstanding consideration was satisfied by the placement of shares at value of £1.50 each and the Company (Group) assumed unencumbered ownership of the Emulsification Technologies.

Goodwill of £43,424 arises on consolidation as a consequence of the Company's acquisition of subsidiary Sulnox Research and Development Ltd. The goodwill has been fully amortised in prior periods.

12 Property, plant and equipment

Group	Computer equipment	Research & Development	Total
	£	£	£
Cost			
At 1 July 2018	6,098	174,157	180,255
Additions	2,239	-	2,239
At 31 March 2019	8,337	174,157	182,494
At 31 March 2020	8,337	174,157	182,494
Accumulated depreciation and impairment			
At 1 July 2018	1,545	174,157	175,702
Charge for the year	520	-	520
At 31 March 2019	2,065	174,157	176,222
Charge for the year	1,568	-	1,568
At 31 March 2020	3,633	174,157	177,790
Carrying amount			
At 31 March 2020	4,704	-	4,704
At 31 March 2019	6,272	-	6,272

Company	Computer equipment	Research & Development	Total
	£	£	£
Cost			
At 31 March 2019	174,157	174,157	174,157
At 31 March 2020	174,157	174,157	174,157
Accumulated depreciation and impairment			
At 31 March 2019	174,157	174,157	174,157

At 31 March 2020	174,157	174,157	174,157
Carrying amount			
At 31 March 2020	-	-	-
At 31 March 2019	-	-	-

13 Financial instruments recognised in the statement of financial position

	Group		Company	
	2020	2019	2020	2019
Held for trading:	£	£	£	£
Current financial assets				
Trade and other receivables	4,442	4,442	548,925	176,675
Cash and cash equivalents	87,734	206,841	70,168	-
	92,176	211,283	619,093	176,675
Current financial liabilities				
Trade and other payables	317,128	610,933	54,273	205,000
	317,128	610,933	54,273	205,000

14 Investments

Group

The Group does not hold any investments.

Company	Current		Non-current	
	2020	2019	2020	2019
	£	£	£	£
Investments in subsidiaries	-	-	408,150	408,150

The Company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

The Company's investments are not impaired.

The Company had owned a 50.1% shareholding in Sulnox Retail Limited before the entity was dissolved on 20 August 2019. The investment was fully impaired in previous periods. Sulnox Retail Limited had been dormant since incorporation.

15 Subsidiaries

Details of the Company's subsidiaries at 31 March 2020 are as follows:

Name of undertaking	Registered office	Principal activities	% Held	
			Direct	Voting

Sulnox Fuel Fusion Ltd	10 Orange Street, Haymarket, London, WC2H 7DQ	Fuel emulsifier products	100.00	100.00
Sulnox Research & Development Ltd	10 Orange Street, Haymarket, London, WC2H 7DQ	Fuel emulsifier products	100.00	100.00

16 Inventories

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Finished goods	111,438	-	-	-

17 Trade and other receivables

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
VAT recoverable	14,975	4,856	14,533	-
Amounts owed by fellow group undertakings	-	-	543,613	173,065
Other receivables	6,144	4,441	5,312	3,610
	21,119	9,297	563,458	176,675

Amounts due from subsidiaries are repayable on demand, unsecured and do not attract any interest.

18 Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

No significant receivable balances are impaired at the reporting end date.

19 Loans

	Group		Company	
	2020	2019	2020	2019
			£	£
Unsecured loans at amortised cost				
Directors' loans	45,000	116,539	45,000	-

Analysis of loans

Loans are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Current liabilities	45,000	116,539	45,000	-

Director loans are unsecured, repayable on demand and are not interest bearing.

20 Fair value of financial liabilities

The directors consider that the carrying amounts of financial liabilities carried at amortised cost in the financial statements approximate to their fair values.

21 Liquidity risk

The Group seeks to manage financial risk by ensuring that sufficient liquidity is available to meet foreseeable needs.

22 Trade and other payables

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Trade payables	96,399	100,275	6,715	-
Accruals	101,276	35,000	40,000	25,000
Other payables	76,281	359,119	2,558	205,000
	273,956	494,394	49,273	230,000

23 Share-based payment transactions

During the year the Company implemented an equity settled share based payment plan for certain consultants, employees and directors.

The options issued during the year were issued before the initial public offering of the shares on the Aquis Stock Exchange and are exercisable at par value which is £0.02 per share.

The options awarded vest as follows:

700,000 options: on grant
575,000 options: on the Company listing
325,000 options: on achieving certain Group sales targets

The options have no forfeiture provisions

The table below summarises the options granted, exercised, and cancelled during the year.

	Number of share options		Weighted average exercise price	
	2020	2019	2020	2019
			£	£
Outstanding at 1 April 2019	-	-	-	-
Granted in the period	1,600,000	-	0.02	-
Outstanding at 31 March 2020	1,600,000	-	0.02	-
Exercisable at 31 March 2020	1,275,000	-	0.02	-

The options outstanding at 31 March 2020 had an exercise price of £0.02 and a remaining contractual life of 10 years.

During the year, options were granted on 30 May 2019. The weighted average fair value of the options on the measurement date was £0.24. The weighted average fair values of the options on the measurement date was £388,344. Fair value was measured using the Black-Scholes option pricing model.

Inputs were as follows:

	2020	2019
Weighted average share price	0.5	-
Weighted average exercise price	0.02	-
Expected volatility	50%	-
Expected life	10	-
Risk free rate	2.83%	-

Given the Company is newly listed on a stock exchange and there is a lack of available historic trading data for its shares, volatility was calculated based upon the anticipated volatility of newly listed companies of a similar market capitalisation and number of shareholders

23 Share-based payment transactions

Liabilities and expenses

Costs recognised in the year total £307,439 (2019: £nil).

24 Share capital

Company	**2020**	**2019**
	£	**£**
Ordinary share capital		
Issued and fully paid		
84,789,093 Ordinary shares of 2p each	1,695,782	1,631,118

The Company has only one class of ordinary share which carry no right to fixed income.

Reconciliation of movements during the year:

	Number
At 1 April 2019	81,555,920
Issue of fully paid shares	3,233,173
At 31 March 2020	84,789,093

Current year changes to Ordinary share capital

On 17 December 2019 the Company issued 1,863,173 ordinary shares of 0.02p at a price of £0.425p per share and 1,370,000 ordinary shares at a price of £0.50p per share for working capital purposes.

25 Share premium account

Group and Company	**2020**	**2019**
	£	**£**
At the beginning of the year	9,389,155	9,389,155
Issue of new shares	1,412,185	-
Share issue expenses	(19,650)	-
At the end of the year	10,781,690	9,389,155

Share premium represents the premium arising on issue of equity shares, net of issue costs.

26 Share based compensation reserve

	Share based compensation reserve
Group and Company	**£**

Balance at 1 July 2018	-
Balance at 31 March 2019	-
Additions	307,439
Balance at 31 March 2020	307,439

The share-based compensation reserve represents the credit arising on the charge for share options calculated in accordance with IFRS 2.

27 Retained earnings

	Group		Company	
	2020	**2019**	**2020**	**2019**
	£	**£**	**£**	**£**
At the beginning of the year	(2,319,718)	(1,780,792)	(1,585,903)	(1,265,448)
Loss for the year	(1,878,273)	(538,926)	(1,571,960)	(320,455)
At the end of the year	(4,197,991)	(2,319,718)	(3,157,863)	(1,585,903)

The retained earnings reserve represents all current and prior period cumulative profits and losses.

28 Capital commitments

At 31 March 2020 the Company had no capital commitments.

29 Capital risk management

The Company is not subject to any externally imposed capital requirements.

30 Events after the reporting date

On 19 May 2020 the Company issued a further 575,000 ordinary shares of 0.02p at a price of £0.4p per share for working capital purposes.

There are no additional significant post balance sheet events.

31 Related party transactions

Group and Company

Remuneration of key management personnel
The remuneration of the Directors, who are the key management personnel of the Company, is set out on page 35.

Group

Other transactions with directors

Former director Mr G Bostock, who resigned from his directorships on 22nd July 2019, converted debt into equity in the Company on 17th December 2019. The debt cancelled was £101,600. During the prior period, Mr G Bostock paid expenses on behalf of the Group totalling £123,908, repayment of £13,958 was made and therefore a balance of £116,539 was owed to Mr G Bostock at the period end. £14,939 remains outstanding at the current year end.

A former director of the Company, Mr R Weinberg, who resigned from his directorship on 31st May 2019, also converted debt into equity in the Company on 17th December 2019 date. The debt cancelled was £102,600. Also during the prior period, Mr R Weinberg paid expenses on behalf of the Group totalling £121,107, repayment of £10,390 was made and therefore a balance of £118,685 was owed to Mr Weinberg at the period end. £15,175 remains outstanding at the current year end.

During the year, expenses totalling £47,313 (2019 period: £31,500) were paid to Mr J Redman who is the son of Mr J Redman MBE, a former director in SulNOx Group PLC, he resigned from his directorship on 12 November 2018. These expenses related to consultancy fees and at the period end £4,363 (2019: £nil) remained outstanding to Mr J Redman.

Also during the year expenses totalling £54,482 (2019 period: £nil) were paid to former director Mr G Bostock. These expenses related to consultancy fees and at the period end £45,000 (2019: £nil) remained outstanding to Mr G Bostock.

Company

Transactions with Group undertakings

During the year the Company made loans to its subsidiaries totalling £370,548 (2019: £173,065). At the year end the amount owed to the Company was £543,613 (2019: £173,065). All inter-group debt is repayable on demand, unsecured and not subject to interest.

32 Directors' transactions

Group

During the year, expenses totalling £17,059 (2019: £nil) was paid to director Mr N Nelson. These expenses related to consultancy fees and at the period end £nil (2019: £nil) remained outstanding to Mr N Nelson.

During the year director Mr S Bamford made advances to the Group totalling £30,500 (2019: £nil). At the year end £30,500 (2019: £nil) remained outstanding to Mr S Bamford.

At the balance sheet date unpaid salaries were payable to director Mr S Retter and Mr Nelson totalling £14,000 (2019: £nil) and £7,500 (£2019: £nil) respectively. These amounts are included in creditors as directors' loans.

Company

During the year director Mr S Bamford made advances to the Group totalling £23,500 (2019: £nil). At the year end £23,500 (2019: £nil) remained outstanding to Mr S Bamford.

At the balance sheet date unpaid salaries were payable to director Mr S Retter and Mr Nelson totalling £14,000 (2019: £nil) and £7,500 (£2019: £nil) respectively. These amounts are included in creditors as directors' loans.

33 Controlling party

In the opinion of the directors there is no ultimate controlling party by virtue of a majority shareholding.

34 Cash absorbed by operations - Group

	2020 £	2019 £
Loss for the year after tax	(1,878,273)	(538,926)
Adjustments for:		
Taxation charged	(11,593)	(13,168)
Amortisation and impairment of intangible assets	408,197	331,992
Equity settled share based payment expense	307,439	-
Depreciation and impairment of property, plant and equipment	1,568	520
Movements in working capital:		
Increase in inventories	(111,438)	-
Increase in trade and other receivables	(11,822)	(2,411)
(Decrease)/increase in trade and other payables	(220,438)	310,442
Cash absorbed by operations	(1,516,360)	88,449

35 Cash absorbed by operations - Company

	2020	2019
	£	£
Loss for the year after tax	(1,571,960)	(320,455)
Adjustments for:		
Amortisation and impairment of intangible assets	400,000	320,455
Equity settled share based payment expense	307,439	-
Movements in working capital:		
Increase in trade and other receivables	(386,783)	(173,065)
(Decrease)/increase in trade and other payables	(135,727)	173,065
Cash absorbed by operations	(1,387,031)	-