

REGISTERED NUMBER: 00644260 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
TROLEX LIMITED**

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for the Year Ended 31 December 2021

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TROLEX LIMITED
COMPANY INFORMATION
for the Year Ended 31 December 2021

DIRECTORS: J Pierce-Jones
G Pierce-Jones
L Pierce-Jones
P Brian

REGISTERED OFFICE: Newby Road
Hazel Grove
Stockport
Cheshire
SK7 5DY

REGISTERED NUMBER: 00644260 (England and Wales)

AUDITORS: Moss & Williamson Limited
Chartered Accountants
Statutory Auditor
Booth Street Chambers
Ashton-under-Lyne
Lancashire
OL6 7LQ

**STRATEGIC REPORT
for the Year Ended 31 December 2021**

The directors present their strategic report for the year ended 31 December 2021.

REVIEW OF BUSINESS

Troxex Limited delivers best in class safety technology to ensure workers in challenging environments are never put at risk. It is a leading designer and manufacturer of innovative products for gas and dust detection, connector solutions and strata monitoring systems in the hazardous industrial, mining and tunnelling markets.

With the continuing Pandemic and relating global supply chain issues playing a part, Trolex made a strategic effort to sustain current business whilst continuing on its world first technology development. Overhauls of manufacturing systems in quarter 2 caused some delays, the majority of which were recovered before the year end.

A number of key development projects continue with patented world first technologies and improvement of existing technologies to allow Trolex to look for growth and security in the marketplace in years to come.

These development and improvement projects place Trolex in a much stronger position for visibility and diversity for 2022 onwards.

For the year ended 31 December 2021 the company reported a turnover of £6.5m (2020:£7.2m) and operating profit of £43,536 (2020: loss of £340,112)

Troxex Limited believes it is imperative to adapt to economic and environmental changes, it strongly believes in continuous improvement in all of its business processes and is continually analysing businesses processes in order to reduce costs and create efficiencies without jeopardising the quality, performance and delivery of the goods manufactured.

PRINCIPAL RISKS AND UNCERTAINTIES

The company works in challenging and hazardous environments with principal risks being the global issues surrounding the general mining and gas markets.

Troxex continues to operate in the mining and industrial markets but also diversifying with new products into the construction arena is a focus for the future. Mining remains strong in all areas and appears to be increasing in minerals and metals.

The Recently developed conflict between Russia and Ukraine may impact the sales volumes into these regions. Diversification and new products will mitigate the majority of this risk and at this point in time it is unclear how trading will develop.

As always, it is the responsibility of the shareholders and directors to constantly review and mitigate risk through monitoring of trade markets, supply chain and technology development and this is regularly reviewed by the Trolex Board and Management Team.

ON BEHALF OF THE BOARD:

G Pierce-Jones - Director

27 September 2022

**REPORT OF THE DIRECTORS
for the Year Ended 31 December 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2021.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

J Pierce-Jones
G Pierce-Jones
L Pierce-Jones
P Brian

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Moss & Williamson Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

G Pierce-Jones - Director

27 September 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TROLEX LIMITED

Opinion

We have audited the financial statements of Trolex Limited (the 'company') for the year ended 31 December 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF TROLEX LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions were held with, and enquiries made of the directors and management with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements.

We obtained an understanding of the legal and regulatory framework that the company operates in, and the principal risks of non-compliance with laws and regulations which we identified as being significant to the company related to UK Financial Reporting Standards, Company Law, UK Tax Legislation and Health & Safety regulation. We considered the extent to which the non-compliance with these regulations would have an impact on the accounts.

The audit procedures we undertook in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) included, but not limited to:

- enquiries of directors and management about procedures for compliance with laws and regulations
- enquiring of directors and management as to whether they had any knowledge of actual, suspected or alleged fraud
- addressing the risk of fraud through management override of controls by performing journal entry testing

No instances of material non-compliance were identified. However, there are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud lies with the directors.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
TROLEX LIMITED**

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 a Report of the Auditors 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.

D Evans FCA (Senior Statutory Auditor)
for and on behalf of Moss & Williamson Limited
Chartered Accountants
Statutory Auditor
Booth Street Chambers
Ashton-under-Lyne
Lancashire
OL6 7LQ

27 September 2022

INCOME STATEMENT
for the Year Ended 31 December 2021

	Notes	2021 £	2020 £
TURNOVER	3	6,449,653	7,247,859
Cost of sales		<u>2,238,499</u>	<u>2,912,087</u>
GROSS PROFIT		4,211,154	4,335,772
Administrative expenses		<u>4,167,618</u>	<u>4,810,758</u>
		43,536	(474,986)
Other operating income	4	<u>-</u>	<u>134,874</u>
OPERATING PROFIT/(LOSS)	6	43,536	(340,112)
Interest payable and similar expenses	7	<u>61,110</u>	<u>44,865</u>
LOSS BEFORE TAXATION		(17,574)	(384,977)
Tax on loss	8	<u>(154,983)</u>	<u>(192,370)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>137,409</u>	<u>(192,607)</u>

The notes form part of these financial statements

OTHER COMPREHENSIVE INCOME
for the Year Ended 31 December 2021

Notes	2021 £	2020 £
PROFIT/(LOSS) FOR THE YEAR	137,409	(192,607)
OTHER COMPREHENSIVE INCOME		
Scheme asset return less interest income	103,000	34,000
Experience gains/(losses)	34,000	2,000
Changes in actuarial assumptions	189,000	(297,000)
Change in irrecoverable surplus	(356,000)	231,000
Income tax relating to components of other comprehensive income	<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	<u>(30,000)</u>	<u>(30,000)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>107,409</u>	<u>(222,607)</u>

BALANCE SHEET
31 December 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Intangible assets	9		379,608		468,927
Tangible assets	10		2,719,263		2,745,157
Investments	11		24,947		31,179
			<u>3,123,818</u>		<u>3,245,263</u>
CURRENT ASSETS					
Stocks	12	1,420,937		1,247,460	
Debtors	13	1,451,615		1,619,700	
Cash at bank and in hand		176,169		416,639	
		<u>3,048,721</u>		<u>3,283,799</u>	
CREDITORS					
Amounts falling due within one year	14	1,977,549		2,192,855	
NET CURRENT ASSETS			<u>1,071,172</u>		<u>1,090,944</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,194,990		4,336,207
CREDITORS					
Amounts falling due after more than one year	15		(1,098,911)		(1,352,813)
PROVISIONS FOR LIABILITIES	19		(22,945)		(17,669)
NET ASSETS			<u>3,073,134</u>		<u>2,965,725</u>
CAPITAL AND RESERVES					
Called up share capital	20		61,739		61,739
Share premium	21		29,779		29,779
Revaluation reserve	21		577,619		577,619
Capital redemption reserve	21		98,606		98,606
Retained earnings	21		2,305,391		2,197,982
SHAREHOLDERS' FUNDS			<u>3,073,134</u>		<u>2,965,725</u>

The financial statements were approved by the Board of Directors and authorised for issue on 27 September 2022 and were signed on its behalf by:

G Pierce-Jones - Director

STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 December 2021

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 January 2020	61,739	2,420,589	29,779
Changes in equity			
Total comprehensive income	-	(222,607)	-
Balance at 31 December 2020	<u>61,739</u>	<u>2,197,982</u>	<u>29,779</u>
Changes in equity			
Total comprehensive income	-	107,409	-
Balance at 31 December 2021	<u>61,739</u>	<u>2,305,391</u>	<u>29,779</u>
	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 January 2020	577,619	98,606	3,188,332
Changes in equity			
Total comprehensive income	-	-	(222,607)
Balance at 31 December 2020	<u>577,619</u>	<u>98,606</u>	<u>2,965,725</u>
Changes in equity			
Total comprehensive income	-	-	107,409
Balance at 31 December 2021	<u>577,619</u>	<u>98,606</u>	<u>3,073,134</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2021**

1. STATUTORY INFORMATION

Trox Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The functional currency of Trolex Limited is considered to be pounds sterling as this is the currency of the primary economic environment in which the company operates.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

Preparation of consolidated financial statements

The financial statements contain information about Trolex Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Trolex Group Limited, 10a Newby Road Industrial Estate, Newby Road, Hazel Grove, Stockport, Cheshire, SK7 5DY.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a businesses in 2015 is amortised over its expected useful life of 10 years. Annual impairment reviews are carried out.

Patents and licences

Patents and licences are amortised at rates calculated to write off the assets on a straight line basis over their estimated useful economic lives. Impairment of intangible assets is reviewed where circumstances indicate that the carrying value of an asset may not be fully recoverable.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on valuation
Plant and machinery	- at varying rates on cost
Motor vehicles	- 25% on cost

Freehold buildings are depreciated at 2% on valuation. Freehold land is not depreciated.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Stock and work in progress

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued**Pension costs and other post-retirement benefits**

The company operates two funded pension schemes, these schemes fall within the following categories:

Defined Contribution Scheme

The company operates a defined contribution pension scheme for the benefit of qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge for the year represents contributions payable by the company to the fund.

Defined Benefit Scheme

The company also operates a defined benefit scheme for certain employees, providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company and invested at the discretion of the trustees under the terms of the definitive trust deed.

The regular pension cost is charged to profit and loss account and is based on the expected pension costs over the service lives of the employees. Contributions to the pension plan are paid according to the advice of actuaries.

A pension surplus or deficit is recorded as the difference between the present value of the scheme liabilities and the fair value of the scheme assets. The Company's share of pension surplus is recognised to the extent that the company is able to recover a surplus through reduced contributions in the future or through refunds from the scheme.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

3. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2021	2020
	£	£
Europe	3,427,857	3,753,884
America/Canada	639,961	1,343,319
Africa	58,703	92,419
Asia/Middle East	508,365	425,764
Australia/New Zealand	1,814,767	1,632,473
	<u>6,449,653</u>	<u>7,247,859</u>

4. OTHER OPERATING INCOME

	2021	2020
	£	£
Government grants	<u>-</u>	<u>134,874</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

5. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	2,705,791	3,061,066
Social security costs	275,871	320,711
Other pension costs	169,743	229,391
	<u>3,151,405</u>	<u>3,611,168</u>

The average number of employees during the year was as follows:

	2021	2020
Office and Management	29	33
Technical/Engineers	27	14
Operatives	13	28
	<u>69</u>	<u>75</u>

	2021	2020
	£	£
Directors' remuneration	<u>404,910</u>	<u>498,139</u>

Information regarding the highest paid director is as follows:

	2021	2020
	£	£
Emoluments etc	<u>172,060</u>	<u>166,535</u>

6. OPERATING PROFIT/(LOSS)

The operating profit (2020 - operating loss) is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation - owned assets	196,998	189,295
Profit on disposal of fixed assets	(307)	(540)
Goodwill amortisation	89,319	89,319
Auditors' remuneration	<u>15,000</u>	<u>14,000</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank interest	<u>61,110</u>	<u>44,865</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

8. TAXATION**Analysis of the tax credit**

The tax credit on the loss for the year was as follows:

	2021 £	2020 £
Current tax:		
UK corporation tax	(160,259)	(183,980)
Deferred tax-Timing difference	<u>5,276</u>	<u>(8,390)</u>
Tax on loss	<u>(154,983)</u>	<u>(192,370)</u>

UK corporation tax has been charged at 19% (2020 - 19%).

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Loss before tax	<u>(17,574)</u>	<u>(384,977)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(3,339)	(73,146)
Effects of:		
Expenses not deductible for tax purposes	4,605	1,627
Depreciation in excess of capital allowances	10,815	20,846
Utilisation of tax losses	(1,106)	-
Enhanced capital allowances	(160,258)	(135,997)
Pension provision	<u>(5,700)</u>	<u>(5,700)</u>
Total tax credit	<u>(154,983)</u>	<u>(192,370)</u>

Tax effects relating to effects of other comprehensive income

	Gross £	2021 Tax £	Net £
Scheme asset return less interest income	103,000	-	103,000
Experience gains/(losses)	34,000	-	34,000
Changes in actuarial assumptions	189,000	-	189,000
Change in irrecoverable surplus	<u>(356,000)</u>	-	<u>(356,000)</u>
	<u>(30,000)</u>	-	<u>(30,000)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

8. TAXATION - continued

	Gross £	2020 Tax £	Net £
Scheme asset return less interest income	34,000	-	34,000
Experience gains/(losses)	2,000	-	2,000
Changes in actuarial assumptions	(297,000)	-	(297,000)
Change in irrecoverable surplus	231,000	-	231,000
	<u>(30,000)</u>	<u>-</u>	<u>(30,000)</u>

9. INTANGIBLE FIXED ASSETS

	Goodwill £	Intangible assets £	Totals £
COST			
At 1 January 2021 and 31 December 2021	<u>893,192</u>	<u>32,341</u>	<u>925,533</u>
AMORTISATION			
At 1 January 2021	424,265	32,341	456,606
Amortisation for year	89,319	-	89,319
At 31 December 2021	<u>513,584</u>	<u>32,341</u>	<u>545,925</u>
NET BOOK VALUE			
At 31 December 2021	<u>379,608</u>	<u>-</u>	<u>379,608</u>
At 31 December 2020	<u>468,927</u>	<u>-</u>	<u>468,927</u>

10. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 January 2021	2,234,192	2,548,361	34,574	4,817,127
Additions	-	171,104	-	171,104
Disposals	-	(6,514)	-	(6,514)
At 31 December 2021	<u>2,234,192</u>	<u>2,712,951</u>	<u>34,574</u>	<u>4,981,717</u>
DEPRECIATION				
At 1 January 2021	166,500	1,879,227	26,243	2,071,970
Charge for year	18,500	172,249	6,249	196,998
Eliminated on disposal	-	(6,514)	-	(6,514)
At 31 December 2021	<u>185,000</u>	<u>2,044,962</u>	<u>32,492</u>	<u>2,262,454</u>
NET BOOK VALUE				
At 31 December 2021	<u>2,049,192</u>	<u>667,989</u>	<u>2,082</u>	<u>2,719,263</u>
At 31 December 2020	<u>2,067,692</u>	<u>669,134</u>	<u>8,331</u>	<u>2,745,157</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

10. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 December 2021 is represented by:

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
Valuation in 2003	313,754	-	-	313,754
Valuation in 2006	508,189	-	-	508,189
Valuation in 2008	(300,000)	-	-	(300,000)
Valuation in 2011	37,176	-	-	37,176
Cost	<u>1,675,073</u>	<u>2,712,951</u>	<u>34,574</u>	<u>4,422,598</u>
	<u>2,234,192</u>	<u>2,712,951</u>	<u>34,574</u>	<u>4,981,717</u>

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2021	31,179
Impairments	(6,232)
At 31 December 2021	<u>24,947</u>
NET BOOK VALUE	
At 31 December 2021	<u>24,947</u>
At 31 December 2020	<u>31,179</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Trolex Nome Limited

Registered office: England

Nature of business: Holding of intellectual property

Class of shares:	% holding
Ordinary	80.00

12. STOCKS

	2021 £	2020 £
Stocks	1,420,937	968,661
Work-in-progress	-	278,799
	<u>1,420,937</u>	<u>1,247,460</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

13.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
		2021	2020
		£	£
	Trade debtors	1,014,837	988,810
	Other debtors	130,966	147,602
	Tax	160,259	183,980
	VAT	76,337	144,092
	Prepayments and accrued income	69,216	155,216
		<u>1,451,615</u>	<u>1,619,700</u>
14.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
		2021	2020
		£	£
	Bank loans and overdrafts (see note 16)	229,699	83,817
	Hire purchase contracts (see note 17)	-	5,753
	Trade creditors	807,813	703,543
	Social security and other taxes	468,402	961,793
	Other creditors	217,673	206,530
	Accruals & deferred income	253,962	231,419
		<u>1,977,549</u>	<u>2,192,855</u>
15.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
		2021	2020
		£	£
	Bank loans (see note 16)	1,098,911	1,181,944
	Other creditors	-	170,869
		<u>1,098,911</u>	<u>1,352,813</u>
16.	LOANS		
	An analysis of the maturity of loans is given below:		
		2021	2020
		£	£
	Amounts falling due within one year or on demand:		
	Bank overdrafts	149,141	-
	Bank loans	80,558	83,817
		<u>229,699</u>	<u>83,817</u>
	Amounts falling due between one and two years:		
	Bank loans - 1-2 years	83,215	86,160
	Amounts falling due between two and five years:		
	Bank loans - 2-5 years	<u>1,015,696</u>	<u>1,095,784</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

17. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Net obligations repayable:		
Within one year	<u>-</u>	<u>5,753</u>

18. SECURED DEBTS

The following secured debts are included within creditors:

	2021 £	2020 £
Bank overdraft	149,141	-
Bank loans	<u>1,179,469</u>	<u>1,265,761</u>
	<u>1,328,610</u>	<u>1,265,761</u>

The bank overdraft and the bank loan are secured by mortgage debenture over the company's assets and by legal mortgage over the following properties:

10 & 10a Newby Road, Hazel Grove, Stockport, Cheshire

19. PROVISIONS FOR LIABILITIES

	2021 £	2020 £
Deferred tax	<u>22,945</u>	<u>17,669</u>
		Deferred tax
		£
Balance at 1 January 2021		17,669
Charge to Income Statement during year		<u>5,276</u>
Balance at 31 December 2021		<u>22,945</u>

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2021	2020
Number:	Class:	Nominal value:	£	£
1,234,722	Ordinary	£0.05	<u>61,739</u>	<u>61,739</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

21. RESERVES

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 January 2021	2,197,982	29,779	577,619	98,606	2,903,986
Profit for the year	137,409				137,409
Actuarial profit/(loss)	326,000	-	-	-	326,000
Pension surplus not recognised	(356,000)	-	-	-	(356,000)
At 31 December 2021	<u>2,305,391</u>	<u>29,779</u>	<u>577,619</u>	<u>98,606</u>	<u>3,011,395</u>

22. EMPLOYEE BENEFIT OBLIGATIONS

This note relates to the Trolex Staff Pension Scheme (the Scheme), which is a final salary pension scheme and was closed to new entrants with effect from 1 April 1997. Employed members continue to accrue benefits that are linked to final pensionable salary and service at date of retirement (or date of leaving the Scheme if earlier).

The Scheme assets are held in a separate trustee-administered fund to meet long-term pension liabilities to past and present employees. The trustees are required to act in the best interests of the Scheme's beneficiaries.

The liabilities of the Scheme are measured by discounting the best estimate of future cashflows to be paid out by the Scheme using the projected unit method, which is an accrued benefits valuation method in which the liabilities make allowance for projected salaries.

The last actuarial valuation was carried out by the Scheme Actuary as at 31 December 2018, updated to 31 December 2021. The results of their calculations and the assumptions they have adopted are shown below. The employer has agreed to pay the expenses of operating the Scheme, including any Pension Protection Fund and Pensions Regulator levies, and the cost of insurance of death-in-service benefits. It is estimated that total employer contributions of £30,000 will be paid to the Scheme in the year ending 31 December 2022 (excluding expenses, levies and insurance premiums).

The amounts recognised in the balance sheet are as follows:

	Defined benefit pension plans	
	2021 £	2020 £
Present value of funded obligations	(3,354,000)	(3,219,000)
Fair value of plan assets	<u>3,354,000</u>	<u>3,219,000</u>
	-	-
Present value of unfunded obligations	-	-
Deficit	-	-
Net liability	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

22. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Current service cost	-	-
Past service cost	-	-
	<u>-</u>	<u>-</u>
Actual return on plan assets	<u>143,000</u>	<u>87,000</u>

Changes in the present value of the defined benefit obligation are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Opening defined benefit obligation	3,219,000	3,123,000
Interest cost	40,000	53,000
Actuarial losses/(gains)	(223,000)	295,000
Benefits paid	(38,000)	(21,000)
Unrecognised surplus	356,000	(231,000)
	<u>3,354,000</u>	<u>3,219,000</u>

Changes in the fair value of scheme assets are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Opening fair value of scheme assets	3,219,000	3,123,000
Contributions by employer	30,000	30,000
Expected return	40,000	53,000
Actuarial gains/(losses)	103,000	34,000
Benefits paid	(38,000)	(21,000)
	<u>3,354,000</u>	<u>3,219,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2021

22. EMPLOYEE BENEFIT OBLIGATIONS - continued

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Scheme assets return and experience gains/(losses)	137,000	36,000
Changes in actuarial assumptions and change in irrecoverable surplus	<u>(167,000)</u>	<u>(66,000)</u>
	<u>(30,000)</u>	<u>(30,000)</u>

The major categories of scheme assets as amounts of total scheme assets are as follows:

	Defined benefit pension plans	
	2021	2020
	£	£
Equities	793,000	1,875,000
Bonds	390,000	363,000
Gilts	1,806,000	457,000
Property	-	126,000
Other	339,000	-
Cash and Deposits	26,000	398,000
	<u>3,354,000</u>	<u>3,219,000</u>

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2021	2020
Discount rate	2.00%	1.40%
Rate of increase in prices (RPI)	3.30%	3.00%
Rate of statutory revaluation	2.50%	2.20%
Pension increases	3.15%	2.90%

The expected return on assets, under FRS 102, is set equal to the discount rate used to calculate the liabilities (1.4%). Increase in pensions in payment, and deferred pensions subject to statutory revaluation, have been assumed to increase in line with future price inflation.

The mortality assumptions adopted for the purposes of the calculations as at 31 December 2021 is as follows: S3PXA yob projected using the CMI 20209 model with long-term improvement rates of 1.5% pa males, 1% pa females

Average life expectancies	2021	2020
Male future life expectancy at age 65 for 55 year old (in years)	22.8	22.8

Members are assumed to retire at the earliest age at which they can take their full pension unreduced. No allowance is included for members commuting their benefits at retirement.

23. ULTIMATE PARENT COMPANY

Trox Group Limited is regarded by the directors as being the company's ultimate parent company.

24. **RELATED PARTY DISCLOSURES**

Control

The The company was under the control of Mr J Pierce - Jones, a director of the company, throughout the current year.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.