

**GROUP STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020  
FOR  
TROLEX GROUP LIMITED**

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for the Year Ended 31 December 2020**

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**TROLEX GROUP LIMITED**  
**COMPANY INFORMATION**  
**for the Year Ended 31 December 2020**

**DIRECTORS:**

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

**REGISTERED OFFICE:**

10a Newby Road  
Hazel Grove  
Stockport  
Cheshire  
SK7 5DY

**REGISTERED NUMBER:**

08237689 (England and Wales)

**AUDITORS:**

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

**GROUP STRATEGIC REPORT  
for the Year Ended 31 December 2020**

The directors present their strategic report of the company and the group for the year ended 31 December 2020.

**REVIEW OF BUSINESS**

The sole trading subsidiary, Trolex Ltd 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.

For the year ended 31 December 2020 the company reported a turnover of £7.2m. This is a decrease of 15.3% on the previous year.

The group continues to invest heavily in new innovative and strategic products for sale in new diverse markets and industries, providing real world benefits to its customers.

Trolex Group Limited believes it is imperative to adapt to economic and environmental changes, it strongly believes in continuous improvement in all of its business processes. The supply chain and production are two areas that the group is continually analysing in order to reduce costs and create efficiencies without jeopardising the quality, performance and delivery of the goods manufactured.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The sole trading subsidiary, Trolex Limited works in challenging and hazardous environments with principal risks being the global issues surrounding the general mining and gas markets.

The impact of COVID-19 in some parts of the world has resulted in large tunnelling and construction projects being postponed and in some cases cancelled. COVID-19 has affected some countries with varying level of severity, some of our customers have been locked down for lengthy periods of time.

**ON BEHALF OF THE BOARD:**

G Pierce-Jones - Director

29 September 2021

**REPORT OF THE DIRECTORS  
for the Year Ended 31 December 2020**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2020.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2020.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

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

Other changes in directors holding office are as follows:

G D Christopher - resigned 23 October 2020

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 group'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 group's auditors are aware of that information.

**REPORT OF THE DIRECTORS  
for the Year Ended 31 December 2020**

**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

29 September 2021

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

### **Opinion**

We have audited the financial statements of Trolex Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 group's and of the parent company affairs as at 31 December 2020 and of the group's loss 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 group 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 group's and the parent 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 Group 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 Group 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 Group 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 GROUP LIMITED**

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

### **Responsibilities of directors**

As explained more fully in the 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.



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

### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **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

29 September 2021

**CONSOLIDATED  
INCOME STATEMENT  
for the Year Ended 31 December 2020**

	Notes	2020 £	2019 £
<b>TURNOVER</b>	3	<b>7,247,859</b>	8,590,686
Cost of sales		<u>2,912,087</u>	<u>2,965,275</u>
<b>GROSS PROFIT</b>		<b>4,335,772</b>	5,625,411
Administrative expenses		<u>4,810,758</u>	<u>5,648,249</u>
		(474,986)	(22,838)
Other operating income		<u>134,874</u>	<u>-</u>
<b>OPERATING LOSS</b>	5	<b>(340,112)</b>	(22,838)
Interest payable and similar expenses	6	<u>44,865</u>	<u>55,865</u>
<b>LOSS BEFORE TAXATION</b>		<b>(384,977)</b>	(78,703)
Tax on loss	7	<u>(192,370)</u>	<u>(163,883)</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(192,607)</b>	85,180
(Loss)/profit attributable to: Owners of the parent		<u>(192,607)</u>	<u>85,180</u>

**CONSOLIDATED  
OTHER COMPREHENSIVE INCOME  
for the Year Ended 31 December 2020**

Notes	2020 £	2019 £
<b>(LOSS)/PROFIT FOR THE YEAR</b>	<b>(192,607)</b>	<b>85,180</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Scheme asset return less interest income	<b>34,000</b>	298,000
Experience gains/(losses)	<b>2,000</b>	9,000
Changes in Actuarial Assumptions	<b>(297,000)</b>	(126,000)
Changes in recoverable surplus	<b>231,000</b>	(211,000)
Income tax relating to components of other comprehensive income	<u>-</u>	<u>-</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>	<b><u>(30,000)</u></b>	<b><u>(30,000)</u></b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b><u>(222,607)</u></b>	<b><u>55,180</u></b>
Total comprehensive income attributable to: Owners of the parent	<b><u>(222,607)</u></b>	<b><u>55,180</u></b>

**CONSOLIDATED BALANCE SHEET**  
**31 December 2020**

	Notes	2020 £	£	2019 £	£
<b>FIXED ASSETS</b>					
Intangible assets	9		500,106		589,425
Tangible assets	10		2,745,157		2,830,286
Investments	11		-		-
			<u>3,245,263</u>		<u>3,419,711</u>
<b>CURRENT ASSETS</b>					
Stocks	12	1,247,460		1,317,586	
Debtors	13	1,619,700		1,694,946	
Cash at bank and in hand		<u>416,639</u>		<u>16,453</u>	
		3,283,799		3,028,985	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>2,199,395</u>		<u>1,741,114</u>	
<b>NET CURRENT ASSETS</b>			<u>1,084,404</u>		<u>1,287,871</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,329,667</u>		<u>4,707,582</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		(1,352,813)		(1,499,731)
<b>PROVISIONS FOR LIABILITIES</b>	19		<u>(17,669)</u>		<u>(26,059)</u>
<b>NET ASSETS</b>			<u>2,959,185</u>		<u>3,181,792</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		69,149		69,149
Share premium	21		29,779		29,779
Revaluation reserve	21		577,619		577,619
Capital redemption reserve	21		98,606		98,606
Other reserves	21		68,805		68,805
Retained earnings	21		<u>2,115,227</u>		<u>2,337,834</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>2,959,185</u>		<u>3,181,792</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2021 and were signed on its behalf by:

G Pierce-Jones - Director

**COMPANY BALANCE SHEET**  
**31 December 2020**

	Notes	2020 £	£	2019 £	£
<b>FIXED ASSETS</b>					
Intangible assets	9		-		-
Tangible assets	10		-		-
Investments	11		<u>62,840</u>		<u>62,840</u>
			<u>62,840</u>		<u>62,840</u>
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>7,644</u>		<u>7,644</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(7,644)</u>		<u>(7,644)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>55,196</u>		<u>55,196</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		69,149		69,149
Other reserves	21		68,805		68,805
Retained earnings	21		<u>(82,758)</u>		<u>(82,758)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>55,196</u>		<u>55,196</u>
Company's profit for the financial year			<u>-</u>		<u>-</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2021 and were signed on its behalf by:

G Pierce-Jones - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the Year Ended 31 December 2020

	Called up share capital £	Retained earnings £	Share premium £	
Balance at 1 January 2019	69,149	2,282,654	29,779	
Changes in equity				
Total comprehensive income	-	55,180	-	
Balance at 31 December 2019	69,149	2,337,834	29,779	
Changes in equity				
Total comprehensive income	-	(222,607)	-	
Balance at 31 December 2020	69,149	2,115,227	29,779	
	Revaluation reserve £	Capital redemption reserve £	Other reserves £	Total equity £
Balance at 1 January 2019	577,619	98,606	68,805	3,126,612
Changes in equity				
Total comprehensive income	-	-	-	55,180
Balance at 31 December 2019	577,619	98,606	68,805	3,181,792
Changes in equity				
Total comprehensive income	-	-	-	(222,607)
Balance at 31 December 2020	577,619	98,606	68,805	2,959,185

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
for the Year Ended 31 December 2020

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Other reserves £</b>	<b>Total equity £</b>
<b>Balance at 1 January 2019</b>	69,149	(82,758)	68,805	55,196
<b>Changes in equity</b>				
<b>Balance at 31 December 2019</b>	69,149	(82,758)	68,805	55,196
<b>Changes in equity</b>				
<b>Balance at 31 December 2020</b>	69,149	(82,758)	68,805	55,196

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT**  
for the Year Ended 31 December 2020

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	777,194	232,697
Interest paid		(44,865)	(55,865)
Tax paid		189,942	162,325
Net cash from operating activities		<u>922,271</u>	<u>339,157</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(104,166)	(292,171)
Sale of tangible fixed assets		540	-
Net cash from investing activities		<u>(103,626)</u>	<u>(292,171)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(39,620)	(76,432)
Capital repayments in year		(31,872)	(38,332)
Net cash from financing activities		<u>(71,492)</u>	<u>(114,764)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>747,153</u>	<u>(67,778)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	(330,514)	(262,736)
<b>Cash and cash equivalents at end of year</b>	2	<u>416,639</u>	<u>(330,514)</u>

The notes form part of these financial statements



**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**  
for the Year Ended 31 December 2020

**1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2020	2019
	£	£
Loss before taxation	(384,977)	(78,703)
Depreciation charges	278,614	272,572
Profit on disposal of fixed assets	(540)	-
Pension costs	(30,000)	(30,000)
Finance costs	44,865	55,865
	<u>(92,038)</u>	<u>219,734</u>
Decrease/(increase) in stocks	70,126	(49,974)
Decrease in trade and other debtors	69,284	61,483
Increase in trade and other creditors	729,822	1,454
<b>Cash generated from operations</b>	<u><b>777,194</b></u>	<u><b>232,697</b></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2020**

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	416,639	16,453
Bank overdrafts	-	(346,967)
	<u><b>416,639</b></u>	<u><b>(330,514)</b></u>

**Year ended 31 December 2019**

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	16,453	7,287
Bank overdrafts	(346,967)	(270,023)
	<u><b>(330,514)</b></u>	<u><b>(262,736)</b></u>

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**  
for the Year Ended 31 December 2020

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.1.20 £	Cash flow £	At 31.12.20 £
<b>Net cash</b>			
Cash at bank and in hand	16,453	400,186	416,639
Bank overdrafts	<u>(346,967)</u>	<u>346,967</u>	<u>-</u>
	<u>(330,514)</u>	<u>747,153</u>	<u>416,639</u>
<b>Debt</b>			
Finance leases	(37,625)	31,872	(5,753)
Debts falling due within 1 year	(76,905)	(6,912)	(83,817)
Debts falling due after 1 year	<u>(1,228,476)</u>	<u>46,532</u>	<u>(1,181,944)</u>
	<u>(1,343,006)</u>	<u>71,492</u>	<u>(1,271,514)</u>
<b>Total</b>	<u>(1,673,520)</u>	<u>818,645</u>	<u>(854,875)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
for the Year Ended 31 December 2020**

**1. STATUTORY INFORMATION**

Troxle Group 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 General 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.

**Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and subsidiaries controlled by the Company drawn up to 31 December 2018.

**Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 2015, is being amortised evenly over its estimated useful life of ten years.

**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

**Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2020**

**2. ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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.

**Pension costs and other post-retirement benefits**

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

**Defined Contribution Scheme**

The group 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 group 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 group's share of pension surplus is recognised to the extent that the group is able to recover a surplus through reduced contributions in the future or through refunds from the scheme.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2020**

**2. ACCOUNTING POLICIES - continued****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 group.

An analysis of turnover by geographical market is given below:

	2020	2019
	£	£
Europe	3,753,884	5,271,078
America/Canada	1,343,319	1,056,000
Africa	92,419	159,988
Asia/Middle East	425,764	542,844
Australia/New Zealand	1,632,473	1,560,776
	<u>7,247,859</u>	<u>8,590,686</u>

**4. EMPLOYEES AND DIRECTORS**

	2020	2019
	£	£
Wages and salaries	3,061,066	3,387,307
Social security costs	320,711	348,842
Other pension costs	229,391	225,174
	<u>3,611,168</u>	<u>3,961,323</u>

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

	2020	2019
Office and Management	33	31
Technical/Engineers	14	19
Operatives	28	29
	<u>75</u>	<u>79</u>

	2020	2019
	£	£
Directors' remuneration	<u>498,139</u>	<u>627,778</u>

Information regarding the highest paid director is as follows:

	2020	2019
	£	£
Emoluments etc	<u>166,535</u>	<u>160,470</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2020**

**5. OPERATING LOSS**

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

	2020	2019
	£	£
Depreciation - owned assets	189,295	179,366
Profit on disposal of fixed assets	(540)	-
Goodwill amortisation	89,319	89,319
Intangible assets amortisation	-	3,887
Auditors' remuneration	<u>14,000</u>	<u>15,650</u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2020	2019
	£	£
Bank interest	<u>44,865</u>	<u>55,865</u>

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

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

	2020	2019
	£	£
Current tax:		
UK corporation tax	(183,980)	(189,942)
Deferred tax	(8,390)	26,059
Tax on loss	<u>(192,370)</u>	<u>(163,883)</u>

**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:

	2020	2019
	£	£
Loss before tax	<u>(384,977)</u>	<u>(78,703)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(73,146)	(14,954)
Effects of:		
Expenses not deductible for tax purposes	1,627	5,848
Depreciation in excess of capital allowances	20,846	22,826
Enhanced capital allowances	(135,997)	(171,903)
Pension provision	(5,700)	(5,700)
Total tax credit	<u>(192,370)</u>	<u>(163,883)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2020**

**7. TAXATION - continued****Tax effects relating to effects of other comprehensive income**

	<b>2020</b>		
	<b>Gross £</b>	<b>Tax £</b>	<b>Net £</b>
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)
Changes in recoverable surplus	231,000	-	231,000
	<u>(30,000)</u>	<u>-</u>	<u>(30,000)</u>

  

	<b>2019</b>		
	<b>Gross £</b>	<b>Tax £</b>	<b>Net £</b>
Scheme asset return less interest income	298,000	-	298,000
Experience gains/(losses)	9,000	-	9,000
Changes in Actuarial Assumptions	(126,000)	-	(126,000)
Changes in recoverable surplus	(211,000)	-	(211,000)
Share options	<u>(30,000)</u>	<u>-</u>	<u>(30,000)</u>

**8. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

**9. INTANGIBLE FIXED ASSETS****Group**

	<b>Goodwill £</b>	<b>Intangible assets £</b>	<b>Totals £</b>
<b>COST</b>			
At 1 January 2020 and 31 December 2020	<u>924,371</u>	<u>32,341</u>	<u>956,712</u>
<b>AMORTISATION</b>			
At 1 January 2020	334,946	32,341	367,287
Amortisation for year	89,319	-	89,319
At 31 December 2020	<u>424,265</u>	<u>32,341</u>	<u>456,606</u>
<b>NET BOOK VALUE</b>			
At 31 December 2020	<u>500,106</u>	<u>-</u>	<u>500,106</u>
At 31 December 2019	<u>589,425</u>	<u>-</u>	<u>589,425</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
for the Year Ended 31 December 2020

**10. TANGIBLE FIXED ASSETS****Group**

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 January 2020	2,223,372	2,468,526	56,826	4,748,724
Additions	10,820	93,346	-	104,166
Disposals	-	(13,511)	(22,252)	(35,763)
At 31 December 2020	<u>2,234,192</u>	<u>2,548,361</u>	<u>34,574</u>	<u>4,817,127</u>
<b>DEPRECIATION</b>				
At 1 January 2020	148,000	1,728,192	42,246	1,918,438
Charge for year	18,500	164,546	6,249	189,295
Eliminated on disposal	-	(13,511)	(22,252)	(35,763)
At 31 December 2020	<u>166,500</u>	<u>1,879,227</u>	<u>26,243</u>	<u>2,071,970</u>
<b>NET BOOK VALUE</b>				
At 31 December 2020	<u>2,067,692</u>	<u>669,134</u>	<u>8,331</u>	<u>2,745,157</u>
At 31 December 2019	<u>2,075,372</u>	<u>740,334</u>	<u>14,580</u>	<u>2,830,286</u>

**11. FIXED ASSET INVESTMENTS****Company**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2020 and 31 December 2020	<u>62,840</u>
<b>NET BOOK VALUE</b>	
At 31 December 2020	<u>62,840</u>
At 31 December 2019	<u>62,840</u>

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

**Subsidiaries****Trox Limited**

Registered office: United Kingdom

Nature of business: Supply of equipment and monitoring sensors.

Class of shares:	%
Ordinary	holding 100.00



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2020**

**11. FIXED ASSET INVESTMENTS - continued****Trolex Sales Limited**

Registered office: United Kingdom  
 Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

**Trolex Rail Limited**

Registered office: United Kingdom  
 Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

**Rock Mechanics Technology Limited**

Registered office: United Kingdom  
 Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

**Trolex Nome Limited**

Registered office: England  
 Nature of business: Holding of intellectual property

	%
Class of shares:	holding
Ordinary	80.00

**12. STOCKS**

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Stocks	<b>968,661</b>	1,142,337
Work-in-progress	<b>278,799</b>	175,249
	<u><b>1,247,460</b></u>	<u>1,317,586</u>

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>988,810</b>	1,166,624
Other debtors	<b>147,602</b>	132,070
Tax	<b>183,980</b>	189,942
VAT	<b>144,092</b>	87,639
Prepayments and accrued income	<b>155,216</b>	118,671
	<u><b>1,619,700</b></u>	<u>1,694,946</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2020**

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 16)	<b>83,817</b>	423,872	-	-
Hire purchase contracts (see note 17)	<b>5,753</b>	31,370	-	-
Trade creditors	<b>703,541</b>	746,130	-	-
Amounts owed to group undertakings	-	-	<b>1,103</b>	1,103
Social security and other taxes	<b>961,793</b>	108,843	-	-
Other creditors	<b>213,072</b>	190,317	<b>6,541</b>	6,541
Accrued expenses	<b>231,419</b>	240,582	-	-
	<u><b>2,199,395</b></u>	<u>1,741,114</u>	<u><b>7,644</b></u>	<u>7,644</u>

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank loans (see note 16)	<b>1,181,944</b>	1,228,476
Hire purchase contracts (see note 17)	-	6,255
Other creditors	<b>170,869</b>	265,000
	<u><b>1,352,813</b></u>	<u>1,499,731</u>

**16. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Amounts falling due within one year or on demand:		
Bank overdrafts	-	346,967
Bank loans	<u><b>83,817</b></u>	<u>76,905</u>
	<u><b>83,817</b></u>	<u>423,872</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u><b>86,160</b></u>	<u>79,337</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u><b>1,095,784</b></u>	<u>253,884</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>-</u>	<u>895,255</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2020**

**17. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

**Group**

	<b>Hire purchase</b>	<b>contracts</b>
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Net obligations repayable:		
Within one year	<b>5,753</b>	31,370
Between one and five years	<b>-</b>	6,255
	<b><u>5,753</u></b>	<b><u>37,625</u></b>

**18. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank overdraft	<b>-</b>	346,967
Bank loans	<b>1,265,761</b>	1,305,381
	<b><u>1,265,761</u></b>	<b><u>1,652,348</u></b>

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

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

**19. PROVISIONS FOR LIABILITIES**

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Deferred tax	<b><u>17,669</u></b>	<b><u>26,059</u></b>
<b>Group</b>		
		<b>Deferred tax</b>
		<b>£</b>
Balance at 1 January 2020		26,059
Credit to Income Statement during year		<b>(8,390)</b>
Balance at 31 December 2020		<b><u>17,669</u></b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
for the Year Ended 31 December 2020

**20. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £	2019 £
1,234,772	Ordinary	£0.05	61,739	61,739
98,800	A	£0.05	4,940	4,940
49,400	B	£0.05	2,470	2,470
			<u>69,149</u>	<u>69,149</u>

**21. RESERVES****Group**

	Retained earnings £	Share premium £	Revaluation reserve £
At 1 January 2020	2,337,834	29,779	577,619
Deficit for the year	(192,607)		
Actuarial profit/(loss)	(261,000)	-	-
Pension surplus not recognised	231,000	-	-
At 31 December 2020	<u>2,115,227</u>	<u>29,779</u>	<u>577,619</u>

**Group**

	Capital redemption reserve £	Other reserves £	Totals £
At 1 January 2020	98,606	68,805	3,112,643
Deficit for the year			(192,607)
Actuarial profit/(loss)	-	-	(261,000)
Pension surplus not recognised	-	-	231,000
At 31 December 2020	<u>98,606</u>	<u>68,805</u>	<u>2,890,036</u>

**Company**

	Retained earnings £	Other reserves £	Totals £
At 1 January 2020	(82,758)	68,805	(13,953)
Profit for the year	-		-
At 31 December 2020	<u>(82,758)</u>	<u>68,805</u>	<u>(13,953)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2020**

**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 2013, updated to 31 December 2015. 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 2020 (excluding expenses, levies and insurance premiums).

The amounts recognised in the balance sheet are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Present value of funded obligations	<b>(3,219,000)</b>	(3,123,000)
Fair value of plan assets	<b>3,219,000</b>	3,123,000
	<hr/>	<hr/>
Present value of unfunded obligations	-	-
Deficit	-	-
Net liability	<hr/>	<hr/>

The amounts recognised in profit or loss are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Current service cost	-	-
Past service cost	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
Actual return on plan assets	<b>87,000</b>	369,000

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2020**

**22. EMPLOYEE BENEFIT OBLIGATIONS - continued**

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

	<b>Defined benefit pension plans</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Opening defined benefit obligation	<b>3,123,000</b>	2,795,000
Interest cost	<b>53,000</b>	71,000
Actuarial losses/(gains)	<b>295,000</b>	117,000
Benefits paid	<b>(21,000)</b>	(71,000)
Unrecognised surplus	<b>(231,000)</b>	211,000
	<u><b>3,219,000</b></u>	<u>3,123,000</u>

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

	<b>Defined benefit pension plans</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Opening fair value of scheme assets	<b>3,123,000</b>	2,795,000
Contributions by employer	<b>30,000</b>	30,000
Expected return	<b>53,000</b>	71,000
Actuarial gains/(losses)	<b>34,000</b>	298,000
Benefits paid	<b>(21,000)</b>	(71,000)
	<u><b>3,219,000</b></u>	<u>3,123,000</u>

The amounts recognised in other comprehensive income are as follows:

	<b>Defined benefit pension plans</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Scheme assets return and experience gains/(losses)	<b>36,000</b>	307,000
Changes in actuarial assumptions and change in irrecoverable surplus	<b>(66,000)</b>	(337,000)
	<u><b>(30,000)</b></u>	<u>(30,000)</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2020**

**22. EMPLOYEE BENEFIT OBLIGATIONS - continued**

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

	<b>Defined benefit pension plans</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Equities	<b>1,875,000</b>	1,601,000
Bonds	<b>363,000</b>	399,000
Gilts	<b>457,000</b>	411,000
Property	<b>126,000</b>	127,000
Cash and deposits	<b>398,000</b>	585,000
	<b><u>3,219,000</u></b>	<b><u>3,123,000</u></b>

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

	<b>2020</b>	<b>2019</b>
Discount rate	<b>1.40%</b>	2.10%
Rate of increase in prices (RPI)	<b>3.00%</b>	3.20%
Rate of statutory revaluation	<b>2.20%</b>	2.20%
Pension increases	<b>2.20%</b>	3.10%

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 2020 is as follows: S3PXA yob projected using the CMI 2019 model with long-term improvement rates of 1.5% pa males, 1% pa females

Average life expectancies

	<b>2020</b>	<b>2019</b>
Male future life expectancy at age 65 for 55 year old (in years)	22.8	22.7

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. RELATED PARTY DISCLOSURES****Control**

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

**Transactions**

The company traded on normal commercial terms with the following company, in which Mr J Pierce Jones had an interest:

	<b>Sales</b>	<b>Purchases</b>	<b>Debtors</b>	<b>Creditors</b>
	<b>in the year</b>	<b>in the year</b>	<b>at 31/12/2020</b>	<b>at 31/12/2020</b>
Sentro Limited	-	-	1,396	-





**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 December 2020**

**24. SHARE-BASED PAYMENT TRANSACTIONS**

In October 2014 the company introduced a share option scheme which qualifies as an Enterprise Management Incentive. This scheme replaced a scheme set up in 2012 which has been cancelled. The options are exercisable when company turnover conditions are satisfied in respect of a particular year. The option is forfeited if the employee leaves the company before the options vest.

Details of the share options outstanding during the year are as follows:

	No. of A shares	No. of B shares
Outstanding at start of year	86,450	43,225
Granted during year	-	-
Exercised in the year	-	-
Outstanding at end of year	86,450	43,225

Date of grant	Vesting period	Market value at date of grant	Weighted average exercise price
2 October 2014	87 months	£0.45	£0.05

No options were granted during the year. The total charge to the profit and loss account in the year in respect of share based payments was £Nil (2019: £Nil).

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