

REGISTERED NUMBER: 00644260 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
FOR
TROLEX LIMITED**

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for the Year Ended 31 December 2019

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TROLEX LIMITED
COMPANY INFORMATION
for the Year Ended 31 December 2019

DIRECTORS: J Pierce-Jones
G Pierce-Jones
L Pierce-Jones
G D Christopher
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 2019**

The directors present their strategic report for the year ended 31 December 2019.

REVIEW OF BUSINESS

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 2019 the company increased turnover to over £8.5m an increase of 6.8% on the previous year.

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

COVID-19 has created a lot of uncertainty as it has affected different parts of the world with differing results, some regions have been put into lockdown which has resulted in large projects being cancelled or postponed.

The directors are assessing the impact of COVID-19 and have determined the company can withstand its anticipated impact.

ON BEHALF OF THE BOARD:

G Pierce-Jones - Director

8 September 2020

**REPORT OF THE DIRECTORS
for the Year Ended 31 December 2019**

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2019.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

J Pierce-Jones
G Pierce-Jones
L Pierce-Jones
G D Christopher
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

8 September 2020

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 2019 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 2019 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information 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 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.

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.

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.

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

8 September 2020

INCOME STATEMENT
for the Year Ended 31 December 2019

	Notes	2019 £	2018 £
TURNOVER	3	8,590,686	8,042,820
Cost of sales		<u>2,965,275</u>	<u>2,634,857</u>
GROSS PROFIT		5,625,411	5,407,963
Administrative expenses		<u>5,648,249</u>	<u>5,210,528</u>
OPERATING (LOSS)/PROFIT	5	(22,838)	197,435
Interest payable and similar expenses	6	<u>55,865</u>	<u>54,952</u>
(LOSS)/PROFIT BEFORE TAXATION		(78,703)	142,483
Tax on (loss)/profit	7	<u>(163,883)</u>	<u>(162,325)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>85,180</u>	<u>304,808</u>

The notes form part of these financial statements

OTHER COMPREHENSIVE INCOME
for the Year Ended 31 December 2019

Notes	2019 £	2018 £
PROFIT FOR THE YEAR	85,180	304,808
OTHER COMPREHENSIVE INCOME		
Scheme asset return less interest income	298,000	(266,000)
Experience gains/(losses)	9,000	(7,000)
Changes in actuarial assumptions	(126,000)	236,000
Change in irrecoverable surplus	(211,000)	7,000
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>55,180</u>	<u>274,808</u>

BALANCE SHEET
31 December 2019

	Notes	2019		2018	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		558,246		651,452
Tangible assets	9		2,830,286		2,717,481
Investments	10		<u>31,179</u>		<u>31,179</u>
			3,419,711		3,400,112
CURRENT ASSETS					
Stocks	11	1,317,586		1,267,612	
Debtors	12	1,694,946		1,728,812	
Cash in hand		<u>16,453</u>		<u>7,287</u>	
		3,028,985		3,003,711	
CREDITORS					
Amounts falling due within one year	13	<u>1,734,574</u>		<u>1,511,358</u>	
NET CURRENT ASSETS			1,294,411		1,492,353
TOTAL ASSETS LESS CURRENT LIABILITIES			4,714,122		4,892,465
CREDITORS					
Amounts falling due after more than one year	14		(1,499,731)		(1,759,313)
PROVISIONS FOR LIABILITIES	18		<u>(26,059)</u>		<u>-</u>
NET ASSETS			<u>3,188,332</u>		<u>3,133,152</u>
CAPITAL AND RESERVES					
Called up share capital	19		61,739		61,739
Share premium	20		29,779		29,779
Revaluation reserve	20		577,619		577,619
Capital redemption reserve	20		98,606		98,606
Retained earnings	20		<u>2,420,589</u>		<u>2,365,409</u>
SHAREHOLDERS' FUNDS			<u>3,188,332</u>		<u>3,133,152</u>

The financial statements were approved by the Board of Directors and authorised for issue on 8 September 2020 and were signed on its behalf by:

G Pierce-Jones - Director

STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 December 2019

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 January 2018	61,739	2,090,601	29,779
Changes in equity			
Total comprehensive income	-	274,808	-
Balance at 31 December 2018	<u>61,739</u>	<u>2,365,409</u>	<u>29,779</u>
Changes in equity			
Total comprehensive income	-	55,180	-
Balance at 31 December 2019	<u>61,739</u>	<u>2,420,589</u>	<u>29,779</u>
	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 January 2018	577,619	98,606	2,858,344
Changes in equity			
Total comprehensive income	-	-	274,808
Balance at 31 December 2018	<u>577,619</u>	<u>98,606</u>	<u>3,133,152</u>
Changes in equity			
Total comprehensive income	-	-	55,180
Balance at 31 December 2019	<u>577,619</u>	<u>98,606</u>	<u>3,188,332</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2019**

1. STATUTORY INFORMATION

Troxex 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 Troxex 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 Troxex 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, Troxex 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 2019

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 2019

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 (2018 - profit) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2019	2018
	£	£
Europe	5,271,078	4,980,193
America/Canada	1,056,000	939,477
Africa	159,988	42,171
Asia/Middle East	542,844	457,883
Australia/New Zealand	1,560,776	1,623,096
	<u>8,590,686</u>	<u>8,042,820</u>

4. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Wages and salaries	3,387,307	3,167,253
Social security costs	348,842	341,187
Other pension costs	225,174	217,925
	<u>3,961,323</u>	<u>3,726,365</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2019

4. EMPLOYEES AND DIRECTORS - continued

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

	2019	2018
Office and Management	31	30
Technical/Engineers	19	18
Operatives	<u>29</u>	<u>28</u>
	<u>79</u>	<u>76</u>

	2019	2018
	£	£
Directors' remuneration	<u>627,778</u>	<u>663,403</u>

Information regarding the highest paid director is as follows:

	2019	2018
	£	£
Emoluments etc	<u>160,470</u>	<u>165,230</u>

5. OPERATING (LOSS)/PROFIT

The operating loss (2018 - operating profit) is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation - owned assets	179,366	155,658
Profit on disposal of fixed assets	-	(1,536)
Goodwill amortisation	89,319	89,319
Patents and licences amortisation	3,887	6,468
Auditors' remuneration	<u>15,650</u>	<u>18,500</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Bank interest	<u>55,865</u>	<u>54,952</u>

7. TAXATION

Analysis of the tax credit

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

	2019	2018
	£	£
Current tax:		
UK corporation tax	(189,942)	(162,325)
Deferred tax-Timing difference	<u>26,059</u>	-
Tax on (loss)/profit	<u>(163,883)</u>	<u>(162,325)</u>

UK corporation tax has been charged at 19% .

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2019

7. TAXATION - continued**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:

	2019	2018
	£	£
(Loss)/profit before tax	<u>(78,703)</u>	<u>142,483</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(14,954)	27,072
Effects of:		
Expenses not deductible for tax purposes	5,848	4,988
Depreciation in excess of capital allowances	22,826	190
Enhanced capital allowances	(171,903)	(188,875)
Pension provision	(5,700)	(5,700)
Total tax credit	<u>(163,883)</u>	<u>(162,325)</u>

Tax effects relating to effects of other comprehensive income

	2019	2018	
	Gross £	Tax £	Net £
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)
Change in irrecoverable surplus	<u>(211,000)</u>	-	<u>(211,000)</u>
	<u>(30,000)</u>	-	<u>(30,000)</u>
	Gross £	Tax £	Net £
Scheme asset return less interest income	(266,000)	-	(266,000)
Experience gains/(losses)	(7,000)	-	(7,000)
Changes in actuarial assumptions	236,000	-	236,000
Change in irrecoverable surplus	7,000	-	7,000
	<u>(30,000)</u>	-	<u>(30,000)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2019

8. INTANGIBLE FIXED ASSETS

	Goodwill £	Patents and licences £	Totals £
COST			
At 1 January 2019 and 31 December 2019	<u>893,192</u>	<u>32,341</u>	<u>925,533</u>
AMORTISATION			
At 1 January 2019	245,627	28,454	274,081
Amortisation for year	<u>89,319</u>	<u>3,887</u>	<u>93,206</u>
At 31 December 2019	<u>334,946</u>	<u>32,341</u>	<u>367,287</u>
NET BOOK VALUE			
At 31 December 2019	<u>558,246</u>	<u>-</u>	<u>558,246</u>
At 31 December 2018	<u>647,565</u>	<u>3,887</u>	<u>651,452</u>

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 January 2019	2,180,775	2,218,952	56,826	4,456,553
Additions	<u>42,597</u>	<u>249,574</u>	<u>-</u>	<u>292,171</u>
At 31 December 2019	<u>2,223,372</u>	<u>2,468,526</u>	<u>56,826</u>	<u>4,748,724</u>
DEPRECIATION				
At 1 January 2019	129,500	1,573,575	35,997	1,739,072
Charge for year	<u>18,500</u>	<u>154,617</u>	<u>6,249</u>	<u>179,366</u>
At 31 December 2019	<u>148,000</u>	<u>1,728,192</u>	<u>42,246</u>	<u>1,918,438</u>
NET BOOK VALUE				
At 31 December 2019	<u>2,075,372</u>	<u>740,334</u>	<u>14,580</u>	<u>2,830,286</u>
At 31 December 2018	<u>2,051,275</u>	<u>645,377</u>	<u>20,829</u>	<u>2,717,481</u>

Cost or valuation at 31 December 2019 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>1,664,253</u>	<u>2,468,526</u>	<u>56,826</u>	<u>4,189,605</u>
	<u>2,223,372</u>	<u>2,468,526</u>	<u>56,826</u>	<u>4,748,724</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2019

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2019 and 31 December 2019	<u>31,179</u>
NET BOOK VALUE	
At 31 December 2019	<u>31,179</u>
At 31 December 2018	<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

11. STOCKS

	2019 £	2018 £
Stocks	1,142,337	1,065,739
Work-in-progress	<u>175,249</u>	<u>201,873</u>
	<u>1,317,586</u>	<u>1,267,612</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	1,166,624	1,156,886
Other debtors	132,070	197,995
Tax	189,942	162,325
VAT	87,639	96,211
Prepayments and accrued income	<u>118,671</u>	<u>115,395</u>
	<u>1,694,946</u>	<u>1,728,812</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Bank loans and overdrafts (see note 15)	423,872	345,671
Hire purchase contracts (see note 16)	31,370	41,809
Trade creditors	746,131	613,302
Social security and other taxes	108,843	105,519
Other creditors	183,776	125,553
Accruals & deferred income	<u>240,582</u>	<u>279,504</u>
	<u>1,734,574</u>	<u>1,511,358</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2019

14.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
		2019	2018
		£	£
	Bank loans (see note 15)	1,228,476	1,306,165
	Hire purchase contracts (see note 16)	6,255	34,148
	Other creditors	265,000	419,000
		<u>1,499,731</u>	<u>1,759,313</u>
15.	LOANS		
	An analysis of the maturity of loans is given below:		
		2019	2018
		£	£
	Amounts falling due within one year or on demand:		
	Bank overdrafts	346,967	270,023
	Bank loans	76,905	75,648
		<u>423,872</u>	<u>345,671</u>
	Amounts falling due between one and two years:		
	Bank loans - 1-2 years	<u>79,337</u>	<u>78,912</u>
	Amounts falling due between two and five years:		
	Bank loans - 2-5 years	<u>253,884</u>	<u>253,894</u>
	Amounts falling due in more than five years:		
	Repayable by instalments		
	Bank loans more 5 yr by instal	<u>895,255</u>	<u>973,359</u>
16.	LEASING AGREEMENTS		
	Minimum lease payments under hire purchase fall due as follows:		
		2019	2018
		£	£
	Net obligations repayable:		
	Within one year	31,370	41,809
	Between one and five years	6,255	34,148
		<u>37,625</u>	<u>75,957</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2019

17. SECURED DEBTS

The following secured debts are included within creditors:

	2019 £	2018 £
Bank overdrafts	346,967	270,023
Bank loans	<u>1,305,381</u>	<u>1,381,813</u>
	<u><u>1,652,348</u></u>	<u><u>1,651,836</u></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

18. PROVISIONS FOR LIABILITIES

	2019 £	2018 £
Deferred tax	<u>26,059</u>	<u>-</u>
		Deferred tax
		£
Provided during year		<u>26,059</u>
Balance at 31 December 2019		<u>26,059</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
1,234,722	Ordinary	£0.05	<u>61,739</u>	<u>61,739</u>

20. RESERVES

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 January 2019	2,365,409	29,779	577,619	98,606	3,071,413
Profit for the year	85,180				85,180
Actuarial profit/(loss)	181,000	-	-	-	181,000
Pension surplus not recognised	(211,000)	-	-	-	(211,000)
At 31 December 2019	<u>2,420,589</u>	<u>29,779</u>	<u>577,619</u>	<u>98,606</u>	<u>3,126,593</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2019

21. 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:

	Defined benefit pension plans	
	2019	2018
	£	£
Present value of funded obligations	(3,123,000)	(2,795,000)
Fair value of plan assets	3,123,000	2,795,000
	<u>-</u>	<u>-</u>
Present value of unfunded obligations	-	-
Deficit	-	-
Net liability	<u>-</u>	<u>-</u>

The amounts recognised in profit or loss are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Current service cost	-	-
Past service cost	-	-
	<u>-</u>	<u>-</u>
Actual return on plan assets	369,000	(199,000)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2019

21. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2019	2018
	£	£
Opening defined benefit obligation	2,795,000	2,968,000
Interest cost	71,000	67,000
Actuarial losses/(gains)	117,000	(229,000)
Benefits paid	(71,000)	(4,000)
Unrecognised surplus	211,000	(7,000)
	<u>3,123,000</u>	<u>2,795,000</u>

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

	Defined benefit pension plans	
	2019	2018
	£	£
Opening fair value of scheme assets	2,795,000	2,968,000
Contributions by employer	30,000	30,000
Expected return	71,000	67,000
Actuarial gains/(losses)	298,000	(266,000)
Benefits paid	(71,000)	(4,000)
	<u>3,123,000</u>	<u>2,795,000</u>

The amounts recognised in other comprehensive income are as follows:

	Defined benefit pension plans	
	2019	2018
	£	£
Scheme assets return and experience gains/(losses)	307,000	(273,000)
Changes in actuarial assumptions and change in irrecoverable surplus	(337,000)	243,000
	<u>(30,000)</u>	<u>(30,000)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2019

21. EMPLOYEE BENEFIT OBLIGATIONS - continued

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

	Defined benefit pension plans	
	2019	2018
	£	£
Equities	1,601,000	1,416,000
Gilts and Bonds	411,000	594,000
Property	127,000	358,000
Other	399,000	134,000
Cash and Deposits	585,000	293,000
	<u>3,123,000</u>	<u>2,795,000</u>

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

	2019	2018
Discount rate	2.10%	3.00%
Rate of increase in prices (RPI)	3.20%	3.40%
Rate of statutory revaluation	2.20%	2.40%
Pension increases	3.10%	3.40%

The expected return on assets, under FRS 102, is set equal to the discount rate used to calculate the liabilities (2.1%). 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 2019 is as follows:

S3PXA job projected using the CMI 2018 model with long-term improvement rates of 1.5% pa males, 1% pa females

Average life expectancies

	2019	2018
Male future life expectancy at age 65 for 55 year old (in years)	22.7	22.9

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.

22. ULTIMATE PARENT COMPANY

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

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2019

23. 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.

Transactions

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

	Sales in the year £	Purchases in the year £	Debtors at 31/12/2019 £	Creditors at 31/12/2019 £
Sentro Limited	-	-	1,396	-

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