

Company Registration No. 08050701 (England and Wales)

**Fluorsid British Fluorspar Limited**  
**Annual Report And Financial Statements**  
**For The Year Ended 31 December 2020**

# FLUORSID BRITISH FLUORSPAR LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr P J Robinson	
	Mr L Metzinger	(Appointed 1 July 2020)
	Mr I Gelain	(Appointed 1 July 2020)
<b>Company number</b>	08050701	
<b>Registered office</b>	Cavendish Mill Stoney Middleton Hope Valley Derbyshire S32 4TH	
<b>Auditors</b>	Davies McLennan Limited 93 Wellington Road North Stockport Cheshire SK4 2LR	

# FLUORSID BRITISH FLUORSPAR LIMITED

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# FLUORSID BRITISH FLUORSPAR LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

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

During 2020 the company concentrated its efforts on its primary mining/processing activities. Following introduction of strict Covid 19 Health & Hygiene policies at the beginning of the year the company continuously operated both Milldam Mine and Cavendish Mill successfully throughout the year.

Ore production was maintained generally at 2019 production levels and Fluorspar concentrate production was 27,000 tonnes which was a very good result taking into account Covid 19 restrictions.

Development of a new decline from sub-level 4 to sub-level 5 at the eastern end of the mine to the base of the mine (volcanic horizon) was completed. Ore production during 2020 was principally mined from the deeper section of the vein at the eastern end of sub-level 4 and 5.

Periodic ground collapses continued above the Milldam workings due to the deterioration of historical lead mining working surface entrances (Shafts, Adits and Soufs). The most recent ground deterioration was located in the Silence Heritage Trust land above the Eastern part of the mine.

During the year the Peak Park commissioned a mining/geotechnical consultant to review the surface land collapses. The consultant put forward theories that concluded that the Milldam workings were a contributory factor to the surface ground collapse which are not proven.

The company also undertook a separate review of the ground collapses using our technical services team and external ground control and blasting advisors. We concluded there was no evidence to support the Peak Park consultant's theories and no evidence to support our workings contributed to the surface problems

As a post balance sheet event in July 2021 it was agreed with the Mining Inspectorate and Peak Park that we would cease mining operations in the Eastern part of the Mine beneath the Silence Trust Heritage land and develop a new working area in the Western part of the mine. This new underground development work will limit production during 2021 and incur mid mine life Capital Expenditure.

Mineral tailings from Cavendish Mill continued to be processed to produce a restoration grade sand for the ongoing progressive infill restoration of the Longstone Edge Quarry workings.

Closure management of Tailings Dam 4 which is now used as a water management, wetland feature is ongoing. The terms of a 106 Planning agreement for the restoration of Longstone Edge was agreed during the year and should be completed shortly.

Watersaw Mine was placed on Care and Maintenance for at least the duration of the Covid -19 Pandemic in order to minimise cost and deployment of all mining resources to the operation of Milldam Mine.

### **Principal risks and uncertainties**

The principal risks within the business as a primary industry (mining and mineral processing) are as follows:

1. Geological and unforeseen mining risks
2. Processing the ore to achieve an economic recovery and saleable mineral grade
3. Sustainable disposal of the mineral waste stream
4. Market risk for the sale of the mineral products
5. Covid 19 Pandemic virus

# FLUORSID BRITISH FLUORSPAR LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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### Other information and explanations

Subsequent to the year end, the Coronavirus Covid-19 global pandemic continues to affect trading businesses globally and within the UK. The speed and severity of the impact has been unprecedented. Consequently, the UK Government has introduced considerable measures to help business through this extremely challenging time which the company has not required to any great extent.

The company as an essential, rural primary industry continues to operate on a restricted basis in accordance with approved Covid-19 Health & Hygiene guidelines during the period of the Pandemic. The full impact of Covid-19 on the company is however currently unknown due to the multiple uncertainties. These uncertainties are primarily in respect of the period over which Coronavirus impact will be felt by the company and the wider economy.

To date the company has been able to operate within a reasonable variance of the budget forecast for the 2021 period. However, the Covid-19 uncertainties mean that the company is unable to reasonably forecast or sensitise its likely results over the forthcoming 12 months.

On behalf of the board

Mr P J Robinson  
**Director**

17 January 2022

# FLUORSID BRITISH FLUORSPAR LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

### Principal activities

The principal activities of the company are:

- Mining Vein Mineral (Fluorspar) Mining by Underground and Openpit Methods
- Processing Polymetals mined ores principally Fluorspar
- Sale of Industrial mineral products principally Fluorspar
- Trading Industrial Mineral Products principally for the Fluorsid Group raw material requirements.

### Results and dividends

The results for the year are set out on page 8.

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

### Directors

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

Mr L Di Donato	(Resigned 1 July 2020)
Mr P J Robinson	
Mr L Metzinger	(Appointed 1 July 2020)
Mr I Gelain	(Appointed 1 July 2020)

### Auditor

The auditors, Davies McLennon Ltd, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Statement of disclosure to auditor

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

On behalf of the board

Mr P J Robinson

**Director**

17 January 2022

## **FLUORSID BRITISH FLUORSPAR LIMITED**

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

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

# FLUORSID BRITISH FLUORSPAR LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLUORSID BRITISH FLUORSPAR LIMITED

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### Opinion

We have audited the financial statements of Fluorsid British Fluorspar Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.



# FLUORSID BRITISH FLUORSPAR LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF FLUORSID BRITISH FLUORSPAR LIMITED

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### 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 and the directors' report.

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

- adequate accounting records have not been kept, 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;

## **FLUORSID BRITISH FLUORSPAR LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF FLUORSID BRITISH FLUORSPAR LIMITED**

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To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions;

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Graham Davies BA FCA (Senior Statutory Auditor)**  
**For and on behalf of Davies McLennon Limited**

17 January 2022

**Chartered Accountants**  
**Statutory Auditor**

93 Wellington Road North  
Stockport  
Cheshire  
SK4 2LR

## FLUORSID BRITISH FLUORSPAR LIMITED

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
<b>Turnover</b>	<b>3</b>	8,562,506	8,345,311
Cost of sales		(7,089,031)	(5,882,362)
<b>Gross profit</b>		<u>1,473,475</u>	<u>2,462,949</u>
Administrative expenses		(1,661,586)	(2,682,043)
Other operating income		275,185	171,103
<b>Operating profit/(loss)</b>	<b>4</b>	<u>87,074</u>	<u>(47,991)</u>
Interest payable and similar expenses	<b>7</b>	(42,692)	(59,161)
<b>Profit/(loss) before taxation</b>		<u>44,382</u>	<u>(107,152)</u>
Tax on profit/(loss)	<b>8</b>	(2,134)	-
<b>Profit/(loss) for the financial year</b>		<u><u>42,248</u></u>	<u><u>(107,152)</u></u>

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

# FLUORSID BRITISH FLUORSPAR LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Intangible assets	9	484,693		723,744	
Tangible assets	10	5,857,131		4,364,900	
			<u>6,341,824</u>		<u>5,088,644</u>
<b>Current assets</b>					
Stocks	11	627,341		1,286,259	
Debtors	12	8,675,327		5,996,681	
Cash at bank and in hand		97,578		150	
			<u>9,400,246</u>		<u>7,283,090</u>
<b>Creditors: amounts falling due within one year</b>	13	(16,100,427)		(12,646,905)	
			<u>(6,700,181)</u>		<u>(5,363,815)</u>
<b>Net current liabilities</b>					
			<u>(6,700,181)</u>		<u>(5,363,815)</u>
<b>Total assets less current liabilities</b>			<u>(358,357)</u>		<u>(275,171)</u>
<b>Provisions for liabilities</b>	15		<u>(712,479)</u>		<u>(837,913)</u>
<b>Net liabilities</b>			<u>(1,070,836)</u>		<u>(1,113,084)</u>
<b>Capital and reserves</b>					
Called up share capital	17	100,000		100,000	
Profit and loss reserves		(1,170,836)		(1,213,084)	
			<u>(1,070,836)</u>		<u>(1,113,084)</u>
<b>Total equity</b>			<u>(1,070,836)</u>		<u>(1,113,084)</u>

The financial statements were approved by the board of directors and authorised for issue on 17 January 2022 and are signed on its behalf by:

Mr P J Robinson  
Director

Company Registration No. 08050701

# FLUORSID BRITISH FLUORSPAR LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 January 2019</b>	100,000	(1,105,932)	(1,005,932)
<b>Year ended 31 December 2019:</b>			
Loss and total comprehensive income for the year	-	(107,152)	(107,152)
<b>Balance at 31 December 2019</b>	100,000	(1,213,084)	(1,113,084)
<b>Year ended 31 December 2020:</b>			
Profit and total comprehensive income for the year	-	42,248	42,248
<b>Balance at 31 December 2020</b>	100,000	(1,170,836)	(1,070,836)

# FLUORSID BRITISH FLUORSPAR LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	22	2,414,985		378,300	
Interest paid		(42,692)		(59,161)	
Income taxes paid		(2,134)		-	
<b>Net cash inflow from operating activities</b>		<b>2,370,159</b>		<b>319,139</b>	
<b>Investing activities</b>					
Purchase of intangible assets		-		(28,241)	
Purchase of tangible fixed assets	(2,538,700)			(601,885)	
Proceeds on disposal of tangible fixed assets		-		353,363	
<b>Net cash used in investing activities</b>		<b>(2,538,700)</b>		<b>(276,763)</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>					
			(168,541)		42,376
Cash and cash equivalents at beginning of year		(1,658,433)		(1,700,809)	
<b>Cash and cash equivalents at end of year</b>		<b>(1,826,974)</b>		<b>(1,658,433)</b>	
<b>Relating to:</b>					
Cash at bank and in hand		97,578		150	
Bank overdrafts included in creditors payable within one year		(1,924,552)		(1,658,583)	

# FLUORSID BRITISH FLUORSPAR LIMITED

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

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### 1 Accounting policies

#### Company information

Fluorsid British Fluorspar Limited is a private company limited by shares incorporated in England and Wales. The registered office is Cavendish Mill, Stoney Middleton, Hope Valley, Derbyshire, S32 4TH.

#### 1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

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

#### 1.2 Going concern

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

Historically the company has had operating losses, negative cash flow from operations, and working capital deficiencies. The current financial statements show an improvement both in terms of operating revenues, cash flow generated and working capital; furthermore, the budget and the forecast for the next 12 months shows positive EBITDA.

The directors will continue to adopt the going concern basis of accounting in preparing the financial statement.

The directors have prepared projections which indicate that operationally the company can perform profitably from its future trading, however, given the level of existing debts there is the need for an injection of working capital into the business.

The company operates two annual rolling credit facilities and one longer term facility. The directors believe that these facilities will be renewed as and when the current facilities expire. This will allow the company to continue trading at current levels.

The directors are of the opinion that with the bank funding and projections of the future profitable trading the company will continue to operate for a period of at least twelve months from the date of approval of these accounts. Accordingly, these accounts have been prepared on a going concern basis.

#### 1.3 Turnover

Turnover represents amounts receivable for goods net of VAT and trade discounts.

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

# FLUORSID BRITISH FLUORSPAR LIMITED

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

### 1 Accounting policies

(Continued)

#### 1.4 Intangible fixed assets other than goodwill

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

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

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

Software	20% straight line
Mineral extraction rights	See note 1.18

#### 1.5 Tangible fixed assets

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

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

Freehold land and buildings	2% straight line
Plant and machinery	10-20% straight line
Fixtures, fittings and equipment	10% straight line
Motor vehicles	20% straight line

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

Included within freehold land and buildings are mines and quarries that are to be depreciated over the length of the planning consents.

#### 1.6 Impairment of fixed assets

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

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

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



# FLUORSID BRITISH FLUORSPAR LIMITED

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

### 1 Accounting policies

(Continued)

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

#### 1.7 Stocks

The Crude Ore stock value is calculated on the monthly extraction cost of the ore extracted from Milldam Mine, Tearsall, Longstone Edge (i.e. departmental wages and salaries, depreciation, maintenance, etc.), and at the cost of purchase for the tributors.

Reagents are evaluated at cost.

Caf2 filtercake is evaluated at the industrial cost of production which includes:

- cost of raw materials (crude ore, reagents)
- direct and indirect costs of production referring to the Mill (utilities, maintenance, wages and salaries, depreciation, laboratory, etc.).

#### 1.8 Cash and cash equivalents

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

#### 1.9 Financial instruments

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

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

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

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

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

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# FLUORSID BRITISH FLUORSPAR LIMITED

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

### 1 Accounting policies

(Continued)

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

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

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

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

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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

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

#### **Basic financial liabilities**

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

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

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

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# FLUORSID BRITISH FLUORSPAR LIMITED

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

### 1 Accounting policies

(Continued)

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

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

#### **1.10 Equity instruments**

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

#### **1.11 Taxation**

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

##### ***Current tax***

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

##### ***Deferred tax***

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

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

#### **1.12 Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

# FLUORSID BRITISH FLUORSPAR LIMITED

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

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### 1 Accounting policies

(Continued)

#### 1.13 Employee benefits

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

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

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

#### 1.14 Retirement benefits

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

#### 1.15 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

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

#### 1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.17 Foreign exchange

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

#### 1.18 Restoration costs

Provisions for restoration costs are made to reflect the costs of remedial work, relating to the closure of the various mining sites. The amount provided represents the expected costs of restoring sites to their natural state based on survey measures carried out at the balance sheet date. The charge to the profit and loss account represents the movement on the restoration costs provision during the year. The provisions are calculated by the company's technical services team who are considered best placed to estimate the restoration costs.

#### 1.19 Mineral extraction rights

Mineral extraction rights comprise the price paid for the mining rights plus estimated obligations arising from mine restoration commitments at the date of acquiring the mines. Mineral extraction rights are amortised on a straight line basis over the period of the planning consents granted for mineral extraction or, if lower, the estimated period of extraction, based on the estimated reserves and rate of extraction.

# FLUORSID BRITISH FLUORSPAR LIMITED

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

### 2 Judgements and key sources of estimation uncertainty

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

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

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Restoration costs

Restoration costs are valued by local experts based on a number of factors which can not be easily determined. Calculation of these provisions requires judgements to be made, which include forecast consumer demand, competitive and economic environment and inventory loss trends as well as cost of equivalent raw materials.

#### Depreciation

Depreciation on land and buildings includes depreciation on mines and quarries. The depreciation of such assets involves a degree of judgement as the depreciation is based on a number of factors of which not all are known. Calculation of these rates is primarily based on the quantity of crude ore in the ground to be mined/quarried. This level is consistently assessed and the depreciation rates altered accordingly depending on how much ore is extracted each year.

#### Amortisation

Amortisation of the mineral extraction rights involves a degree of judgement as the amortisation is based on a number of factors of which not all are known. Calculation of these rates is primarily based on the quantity of crude ore in the ground to be mined/quarried as well as the period over which the extraction rights have been granted. These levels are consistently assessed and the amortisation rates altered accordingly.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020	2019
	£	£
<b>Turnover analysed by class of business</b>		
Products	8,562,506	8,345,311
	<u>          </u>	<u>          </u>
	2020	2019
	£	£
<b>Other revenue</b>		
Grants received	5,201	-
	<u>          </u>	<u>          </u>

# FLUORSID BRITISH FLUORSPAR LIMITED

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

### 3 Turnover and other revenue (Continued)

	2020 £	2019 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	784,576	570,891
Rest of Europe	7,777,930	7,774,420
	<u>8,562,506</u>	<u>8,345,311</u>

### 4 Operating profit/(loss)

	2020 £	2019 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange gains	(35,448)	(61,598)
Government grants	(5,201)	-
Fees payable to the company's auditor for the audit of the company's financial statements	5,720	5,700
Depreciation of owned tangible fixed assets	1,046,469	890,187
Profit on disposal of tangible fixed assets	-	(2,030)
Amortisation of intangible assets	239,051	238,107
Operating lease charges	95,530	74,940
	<u>1,345,121</u>	<u>1,155,306</u>

### 5 Employees

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

	2020 Number	2019 Number
Directors	3	2
Administrative	3	3
Cost of sales	57	58
	<u>63</u>	<u>63</u>
Total	<u>63</u>	<u>63</u>

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	1,331,394	1,300,482
Social security costs	183,610	243,937
Pension costs	55,530	45,580
	<u>1,570,534</u>	<u>1,589,999</u>

# FLUORSID BRITISH FLUORSPAR LIMITED

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

### 6 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	67,106	48,000

### 7 Interest payable and similar expenses

	2020 £	2019 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Other interest on financial liabilities	42,692	59,161

### 8 Taxation

	2020 £	2019 £
<b>Current tax</b>		
Adjustments in respect of prior periods	2,134	-

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

	2020 £	2019 £
Profit/(loss) before taxation	44,382	(107,152)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	8,433	(20,359)
Unutilised tax losses carried forward	-	20,359
Adjustments in respect of prior years	2,134	-
Tax losses utilised in current year	(8,433)	-
Taxation charge for the year	2,134	-

# FLUORSID BRITISH FLUORSPAR LIMITED

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

### 8 Taxation

(Continued)

The company has estimated losses of £2,700,000 (2019 - £4,500,000) available for carry forward against future trading profits.

The UK corporation tax rate was 19% throughout the year.

On 3 March 2021, the Chancellor of the Exchequer announced that the main rate of corporation tax in the United Kingdom will rise to 25% with effect from 1 April 2023 for companies earning annual taxable profits in excess of £250,000. Companies earning annual taxable profits of £50,000 or less will continue to pay corporation tax at 19% with a marginal rate adjustment for companies earning annual taxable profits between the two levels. These changes had not been substantively enacted at the balance sheet date and therefore no adjustment has been made to deferred taxation balances to accounts for this change.

### 9 Intangible fixed assets

	Software	Mineral extraction rights	Total
	£	£	£
<b>Cost</b>			
At 1 January 2020 and 31 December 2020	28,241	2,338,627	2,366,868
<b>Amortisation and impairment</b>			
At 1 January 2020	4,704	1,638,420	1,643,124
Amortisation charged for the year	5,648	233,403	239,051
At 31 December 2020	10,352	1,871,823	1,882,175
<b>Carrying amount</b>			
At 31 December 2020	17,889	466,804	484,693
At 31 December 2019	23,537	700,207	723,744



# FLUORSID BRITISH FLUORSPAR LIMITED

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

### 10 Tangible fixed assets

	Freehold land and buildings	Plant and fixtures, machinery and equipment	fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2020	4,863,754	4,863,190	71,087	62,343	9,860,374
Additions	2,037,225	483,220	14,255	4,000	2,538,700
At 31 December 2020	6,900,979	5,346,410	85,342	66,343	12,399,074
<b>Depreciation and impairment</b>					
At 1 January 2020	2,655,766	2,739,760	62,447	37,501	5,495,474
Depreciation charged in the year	468,231	559,975	12,132	6,131	1,046,469
At 31 December 2020	3,123,997	3,299,735	74,579	43,632	6,541,943
<b>Carrying amount</b>					
At 31 December 2020	3,776,982	2,046,675	10,763	22,711	5,857,131
At 31 December 2019	2,207,988	2,123,430	8,640	24,842	4,364,900

### 11 Stocks

	2020 £	2019 £
Raw materials and consumables	553,048	1,237,716
Finished goods and goods for resale	74,293	48,543
	627,341	1,286,259

### 12 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	6,603,662	2,975,377
Other debtors	382,131	885,116
Prepayments and accrued income	1,689,534	2,136,188
	8,675,327	5,996,681

# FLUORSID BRITISH FLUORSPAR LIMITED

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

### 13 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans and overdrafts	14	1,924,552	1,658,583
Trade creditors		754,435	1,653,944
Taxation and social security		79,407	85,422
Other creditors		12,935,490	8,977,186
Accruals and deferred income		406,543	271,770
		<u>16,100,427</u>	<u>12,646,905</u>

### 14 Loans and overdrafts

	2020 £	2019 £
Bank overdrafts	<u>1,924,552</u>	<u>1,658,583</u>
Payable within one year	<u>1,924,552</u>	<u>1,658,583</u>

Bank overdrafts are secured against the assets of the company.

### 15 Provisions for liabilities

	2020 £	2019 £
Restoration provision	<u>712,479</u>	<u>837,913</u>
Movements on provisions:		<b>Restoration provision £</b>
At 1 January 2020		837,913
Reversal of provision		<u>(125,434)</u>
At 31 December 2020		<u>712,479</u>

The restoration provision represents management's best fair value estimate of the company's year end liability based on past experience and industry averages for similar restoration projects.

# FLUORSID BRITISH FLUORSPAR LIMITED

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

### 16 Retirement benefit schemes

	2020	2019
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	55,530	45,580

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the year end £nil (2019 - £nil) was included in creditors due within one year.

### 17 Share capital

	2020	2019	2020	2019
	Number	Number	£	£
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	100,000	100,000	100,000	100,000

### 18 Financial commitments, guarantees and contingent liabilities

At the year end the company had guaranteed bonds amounting to £500,000 to the Peak District National Park Authority in relation to restoration works on two of the company's sites. These bonds are secured against the company's freehold land and buildings.

### 19 Operating lease commitments

#### Lessee

The operating leases represent leases of land, buildings and equipment from third parties. The leases are negotiated over terms of 3 - 20 years and rentals are fixed for 3 - 5 years as some leases have rent review clauses within the agreement.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Within one year	332,200	300,600
Between two and five years	324,500	349,500
	656,700	650,100

# FLUORSID BRITISH FLUORSPAR LIMITED

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

### 20 Related party transactions

#### Transactions with related parties

During the year the company purchased services from Land Regeneration Management Limited, of which Mr P J Robinson is a director, amounting to £134,944 (2019 - £127,473).

### 21 Ultimate controlling party

At the year end the ultimate parent company was Fluorsid Group s.r.l, incorporated in Italy. The ultimate controlling party is Tommaso Giuliani, by virtue of his majority shareholding in Fluorsid Group s.r.l.

### 22 Cash generated from operations

	2020 £	2019 £
Profit/(loss) for the year after tax	42,248	(107,152)
<b>Adjustments for:</b>		
Taxation charged	2,134	-
Finance costs	42,692	59,161
Gain on disposal of tangible fixed assets	-	(2,030)
Amortisation and impairment of intangible assets	239,051	238,107
Depreciation and impairment of tangible fixed assets	1,046,469	890,187
Decrease in provisions	(125,434)	(100,993)
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	658,918	(1,012,987)
Increase in debtors	(2,678,646)	(4,662,810)
Increase in creditors	3,187,553	5,076,817
<b>Cash generated from operations</b>	<b>2,414,985</b>	<b>378,300</b>

### 23 Analysis of changes in net debt

	1 January 2020 £	Cash flows £	31 December 2020 £
Cash at bank and in hand	150	97,428	97,578
Bank overdrafts	(1,658,583)	(265,969)	(1,924,552)
	<u>(1,658,433)</u>	<u>(168,541)</u>	<u>(1,826,974)</u>

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.