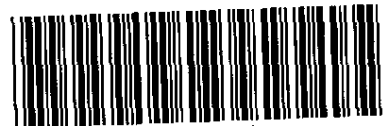


COMPANY REGISTRATION NUMBER: 07311366

TROY (UK) LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2021

THURSDAY



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COMPANIES HOUSE

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

COMPANY INFORMATION

Directors	Mrs A J Kilbride Mr P P Kilbride Mr W D Hobbs Mr R Pymm Mr D L Cornish Mr J E Chadwick Mr D C Jackson Mr B M Spalding Mrs W S Jones Mr C Taylor Mr E Y W Thomas Mr P D Watts	 (Appointed 24 February 2020, Resigned 7 May 2021) (Appointed 7 May 2021) (Appointed 7 May 2021) (Resigned 1 March 2021)
Company number	07311366	
Registered office	Skypark 1 Tiger Moth Road Clyst Honiton Exeter, Devon EX5 2FW	
Business address	Skypark 1 Tiger Moth Road Clyst Honiton Exeter, Devon EX5 2FW	
Auditors	Westcotts (SW) LLP 26-28 Southernhay East Exeter Devon EX1 1NS	

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

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TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

STRATEGIC REPORT
YEAR ENDED 31 DECEMBER 2021

Financial review

The performance of the group is detailed in the statement of comprehensive income on page 12.

Annual sales revenue has increased by £45.4m (22%) from 2020. This growth was in part driven from organic growth from existing and new members / customers but also supported by the groups 'Owned Member' distributor, United Tooling Solutions Ltd continuing the vertical integration strategy with the acquisition of two additional businesses in March and April 2021. Operating from key strategic locations enabled UTS to increase its geographic presence across the national market sector whilst adding to the Group's customer product and market offering. Drake Tooling and Abrasives Limited and Kelvin Powertools Limited were existing members of UTS' ultimate parent company, Troy (UK) Limited, continuing its strategy of vertical integration into the Group owned member network where there is clear value that fits with collective growth plans.

With the Coronavirus global pandemic continuing to disrupt trade in the first half of 2021 the Group saw lower activity in some key sectors. Over the counter trade sales continued to be suppressed and significantly down versus pre-pandemic levels, driven from lower footfall. Account based customers also traded down compared to pre-pandemic levels, with the field sales teams not being able to fully operate as site visits were very much restricted. The business closely followed Government guidelines and made necessary adjustments to all sites to keep its people and customers safe.

During this period of disruption, the Group participated in the UK Government's Coronavirus support scheme and as a result there were no redundancies made with the full workforce returning to work by the third quarter of the year. Losses related to the period of disruption were largely offset by the income received from the Job Retention Scheme therefore driving little overall impact to financial performance.

Sales bounced back strongly in the second half of the year as trade activity grew and customers in sectors that were running on limited operations returned to full production capacity. Growth in the Personal Protective Equipment (PPE) category seen since the start of the pandemic largely remained at higher sustainable levels as the business continued to support existing customers to keep their operations running.

A key strength of the business is its lack of supplier and customer concentration, supplying a wide variety of customers of different sizes, in different industry sectors across ranging geographies from many suppliers. The Directors were pleased to see how the organisation's flat management structure enabled the business to show its agility in adapting to a different way of operating and supporting all customers in their changing needs. This support and continued supply further cemented strong relationships and added to Troy's growing reputation in the industry as a reliable supplier of choice.

Despite the disruption caused by the pandemic Troy Group made investments in key talent at the end of the year to support its growth across all areas of the business in to 2022. There continued to be significant investments in digital and IT infrastructure supporting the integration of new businesses into the Group, as well as the provision of enhanced data driven insight for the business' growing customer base. While net expenses grew 21% versus 2020, this was still below the 22% sales growth seen. There was an increase in operating profit in 2021 of £1,570,478 to £2,150,934.

Financial risk management objectives and policies

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

STRATEGIC REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

Financial risk is monitored by the directors with appropriate policies being implemented to identify, evaluate and reduce exposure wherever possible.

The main business risks are around the recoverability of trade debtors, however the directors have implemented robust policies to ensure that appropriate credit checks are carried out and limits are continually assessed. Exposure to credit risk is further mitigated by the group insuring against its debtor book.

At the balance sheet date, the directors believe all key risks have been covered.

Future developments

The Directors were delighted to announce three further acquisitions in the wider Group in the early part of 2022 enhancing the collective market offering. Two of the acquisitions being existing members of Troy (UK) Ltd sharing many of the organisations core values, fitting very well within the Group's growth plans. The third business is an online offering to bolt onto existing over the counter business in UTS, supporting customer shift and demand for omni-channel supplier requirements.

Environmental and social matters

The Directors recognise global warming as the greatest systemic threat to our planet and, as UN Secretary General António Guterres stated at COP26, that business has a vital role in addressing climate change.

Global warming cannot be addressed unless we understand its causes; no organisation can reduce its footprint until it knows what factors drive it.

Troy is leading the engineering industry by investing and developing improved Scope 3 climate footprint reporting for customers including tonnes of CO2 equivalent per product supplied. This vital step will enable customers to understand their carbon footprint and to work with Troy to consider how to reduce it.

Troy is headquartered in Exeter, one of the world's leading centres of climate research with over a thousand climate scientists working across the University of Exeter and the Met Office, including the UK's only five of the top twenty-one globally ranked in the field. With a longstanding relationship with the University of Exeter, including with its climate specialists, Troy is well placed to maintain its leadership in this field.

Whilst development in emissions reporting is one of the Group's most significant contribution to the fight against climate change, the business is also taking direct actions to reduce its own footprint. The Group are in the process of replacing all company cars and vans with Electric Vehicles. The Group has already reduced the consumption of paper by digitising invoicing, and plan to continue doing so by ending the production of paper catalogues and directories.

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

STRATEGIC REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

A prime social contribution of Troy is championing independent merchants, which are a vital force in the economy. Each business unit within the Group has close relationships with its customers, enabling them to support Britain's engineering industry. Sitting at the heart of their communities, providing employment across a full spectrum of roles, the Group offer apprenticeships and training across every corner of the country; in less advantaged areas their role in the economy and in society is especially important.

Troy is very active in supporting green initiatives and positions a high value in its Corporate and Social Responsibilities. Employees are supported and encouraged to be active in local communities throughout the year, led by an internal committee.

Section 172 (1) statement

The Board of Troy (UK) Ltd take care to have regard to the impact of its decisions and actions on all stakeholders. By considering the long-term consequences of such decisions, it aims to drive sustainable success of the group. Our key stakeholders and how we engage with them are detailed below.

Shareholders

As an owner managed business, our shareholders are key to the decision making, guiding the strategic goals of the group. Monthly group board meetings as well regular face to face meetings on operational and financial performance, keep them informed, to ensure decisions can be made to maximise the success of the company and return on their investments.

Colleagues

The people are at the centre of the group's success. The directors are keen to ensure colleague engagement across the group and enable them to be successful in their own right, as well as part of a team. Annual engagement surveys are undertaken as well as weekly briefing meetings, listening groups and colleague newsletters. At the start of each year every colleague has an annual performance review where specific learning, development and training requirements are identified. These are reviewed and updated at the half year mark so that we can ensure our colleagues are taking advantage of opportunities available to them. We have also introduced a new Employee Assistance Programme (EAP), a confidential programme that provides our colleagues with support to assist their mental, physical, social and financial well-being.

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

STRATEGIC REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

Customers (Membership)

The Groups customer base is made up of independent industrial supplies distributors, trade and DIY customers.

Troy's buying group vision is to build a better future for it's members, independent distributors of industrial supplies. This vision is at the core of every decision we make. We aim to achieve this vision through working in partnership with market-leading manufacturers and specialist suppliers to ensure our members have high-quality products at highly competitive prices, with all the services they need to get their products in front of the right customers. Our team of business development managers are in constant communication through regular site visits, emails, and telephone calls to provide specialist industry knowledge, and ensure that these customers have everything they need to achieve their own goals.

Our distribution arm of the group serves trade and DIY customers, with the intention of holding a diverse product range to ensure they meet the broad needs of these customers. The central distribution site holds a vast range of products further supported with local stock holding within the branch network, supporting customer specific requirements, utilising a fleet of delivery vehicles and national couriers. Exceptional support and service is provided with product in the right place at the right time, while leveraging national buying power combined with a local service.

Suppliers

The Group recognises that our network of suppliers are fundamental to the success of the group. By building and maintaining strong relationships with our suppliers, we can negotiate the best commercial terms whilst accessing a broad range of high-quality products that meet our customer's specific needs. Continuous communication between directors of the company and the suppliers through site visits, emails, and telephone calls enables us to ensure that our suppliers are conducting themselves to the high standard we expect, and that both parties are benefitting from the relationship. Our suppliers are also regularly consulted about our marketing campaigns, with the opportunity for them to offer special deals throughout the year, including exhibiting at our annual trade show and Connect events, attended by our customer network of independent distributors. This enables us to ensure their products are promoted in line with their own strategic goals.

Community & the environment

The Group are committed to operating in a manner that reduces its impact on the environment and climate change. The group board of directors meet quarterly to discuss issues and recognise opportunities that can directly reduce impact on the environment. We also focus on supporting our local communities including creating opportunities to recruit and develop people local to our branch network. Our newly opened head office was chosen specifically because it was located within an enterprise zone; where business rates generated from within the zone are reinvested locally to further support increased productivity and economic growth. Hybrid and all electric cars form part of the Group's vehicle fleet as well as investments made in the latest video conferencing technology to drive a lower carbon footprint from its operations.

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

STRATEGIC REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

Government & regulators

We are committed to maintaining a high level of conduct throughout all of our business operations. We communicate with relevant government organisations and regulators through a range of dialogue including meetings and conferences. The board keep up to date with changes and developments in laws and regulations, to ensure these are taken into account when considering strategic decision making. The Group are always looking to improve processes and compliance using the latest international standards.

Directors

Of the ten directors, nine are male and one is female.

This report was approved by the board of directors on ~~22 September 2022~~ and signed on behalf of the board by:



P P Kilbride
Director

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

DIRECTORS REPORT
YEAR ENDED 31 DECEMBER 2021

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

Principal place of business

Troy (UK) Limited is a company incorporated and domiciled in England and has its registered office and principal place of business at Skypark, 1 Tiger Moth Road, Clyst Honiton, Exeter, Devon, EX5 2FW.

Results and appropriations

The results and the state of affairs of the group for the year are set out in the financial statements on page 13 onwards.

Directors

The directors who served the company during the year were as follows:

A J Kilbride	
P P Kilbride	
W D Hobbs	
R Pymm	
D L Cornish	
J E Chadwick	
D C Jackson	
B M Spalding	
W S Jones	(Resigned 7 May 2021)
C Taylor	(Appointed 7 May 2021)
Mr E Y W Thomas	(Appointed 7 May 2021)
Mr P D Watts	(Resigned 1 March 2021)

Dividends

Particulars of dividends are detailed in note 15 to the financial statements.

Future developments

The directors are of the opinion that the group is in a good financial position and remain confident the group will continue to grow in 2022/23.

Financial Instruments

The group assesses its opportunities and risks in the market place including areas such as competition, market trends and health and safety policies in order to maintain and extend its business activities.

Events after the end of the reporting period

Particulars of events after the reporting period are detailed in note 36 to the financial statements.

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

DIRECTORS REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

Streamlined Energy and Carbon Reporting

This is the second year that the Company has been required to report under the Government policy Streamlined Energy and Carbon Reporting (SECR), as implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Consumption (kWh) and Greenhouse gas emissions (tCO₂e)

	Consumption (kWh)		Consumption (tCO₂e)	
	2021	2020 (restated)	2021	2020 (restated)
Grid-supplied Electricity (scope 1)	522,935	352,953	133.66	90.21
Gaseous and other Fuels (scope 2)	567,578	585,806	277.34	286.24
Transportation	1,866,753	1,120,140	747.73	448.68
Total	2,957,266	2,058,899	1,158.73	825.13

Note

Scope 1: consumption and emissions relate to indirect emissions relating to the consumption of purchased electricity in day to day business operations.

Scope 2: consumption and emissions relate to direct combustion of natural gas.

Intensity Metrics

	2021	2020 (restated)
tCO ₂ e/£m Turnover	5.51	3.92
tCO ₂ /FTE	5.52	3.93

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

DIRECTORS REPORT (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

Statement of directors responsibilities

The directors are responsible for preparing the strategic report, directors 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 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 22 September 2022 and signed on behalf of the board by:



P P Kilbride
Director

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
TROY (UK) LIMITED
YEAR ENDED 31 DECEMBER 2021

Opinion

We have audited the financial statements of Troy (UK) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group statement of comprehensive income, the group and company statement of financial position, the group and company statement of changes in equity, the group statement of cash flows and related notes, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS102 "The Financial Reporting Standard applicable in the UK and Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's 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

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

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

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

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
TROY (UK) LIMITED (CONTINUED)
YEAR ENDED 31 DECEMBER 2021**

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matter 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the Directors responsibilities, 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.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
TROY (UK) LIMITED (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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 IASs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management. We communicated identified laws and regulations throughout our team, and remained alert to any indications of non-compliance throughout the audit.
- The company is subject to laws and regulations that govern the preparation of the financial statements, including financial reporting legislation, and other companies legislation. The company is also subject to other laws and regulations where the consequences of non-compliance could have a material impact on the amounts or disclosures within the financial statements, including employment, anti-bribery, anti-money laundering and certain aspects of companies legislation.
- Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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 auditor's report.

This report is made solely to the company's shareholders, 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 shareholders 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 group and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
TROY (UK) LIMITED (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

Westcotts LLP

Shona Godefroy FCCA (Senior Statutory Auditor)

For and on behalf of
Westcotts (SW) LLP
Chartered Accountants and Statutory Auditor
26-28 Southernhay East
Exeter
Devon
EX1 1NS

27 September 2022

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	3	255,764,261	210,351,797
Cost of sales		(237,222,687)	(197,557,383)
Gross profit		18,541,574	12,794,414
Distribution costs		(421,726)	(80,632)
Administrative expenses		(16,705,164)	(12,205,314)
Other operating income	4	1,145,230	1,062,010
Operating profit	5	2,559,914	1,570,478
Profit/(Loss) from shares in group undertakings	9	1,126	(22,812)
Other interest receivable and similar income	10	19,771	75,317
Amounts written off investments	11	(11,212)	(56,058)
Interest payable and similar charges	12	(839,874)	(783,639)
Profit on ordinary activities before taxation		1,729,725	783,286
Tax on profit on ordinary activities	13	(836,705)	(198,628)
Profit for the financial year		<u>893,020</u>	<u>584,658</u>
Revaluation of tangible assets		-	362,262
Non-controlling interests		586,668	(251,464)
Purchase of non-controlling interest		(471,468)	-
Non-controlling interest on shares relinquished		-	(128,693)
Other comprehensive income for the year		<u>115,200</u>	<u>(17,895)</u>
Total comprehensive income for the year		<u>1,008,220</u>	<u>566,763</u>

All the activities of the company are from continuing operations.

The notes on pages 23 to 58 form part of these financial statements.

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

GROUP

	Note	2021 £	£	2020 £	£
Fixed assets					
Other intangible assets	16	25,136		27,262	
Intangible fixed assets	16	21,021,063		12,594,697	
Tangible assets	17	6,851,311		5,366,631	
Fixed asset investments	18	90,095		101,307	
			27,987,605		18,089,897
Current assets					
Stocks	19	20,293,973		15,877,564	
Debtors	20	56,480,236		49,278,252	
Cash at bank and in hand		3,042,967		1,599,726	
			79,817,176		66,755,542
Creditors: amounts falling due within one year	21	(81,863,105)		(69,984,348)	
Net current liabilities			(2,045,929)		(3,228,806)
Total assets less current liabilities			25,941,676		14,861,091
Creditors: amounts falling due after more than one year	22	(21,742,357)		(11,443,045)	
Provisions for liabilities					
Deferred taxation	24	(881,928)		(175,874)	
Net assets			3,317,391		3,242,172
Capital and reserves					
Called up share capital	28	115,125		95,000	
Share premium account	29	42,866		-	
Revaluation reserve	29	445,704		445,704	
Capital redemption reserve	29	5,000		5,000	
Profit and loss account	29	2,708,696		1,900,476	
Net equity attributable to owners of the parent company			3,317,391		2,446,180
Non-controlling interests			-		795,992
Total equity			3,317,391		3,242,172

The notes on pages 23 to 58 form part of these financial statements.

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

STATEMENT OF FINANCIAL POSITION (CONTINUED)
31 DECEMBER 2021

These financial statements were approved by the board of directors and authorised for issue on ~~22 September 2022~~ and are signed on behalf of the board by:



P P Kilbride
Director

Company registration number: 07311366

The notes on pages 23 to 58 form part of these financial statements.

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

STATEMENT OF FINANCIAL POSITION (CONTINUED)
31 DECEMBER 2021

COMPANY		2021		2020	
	Note	£	£	£	£
Fixed assets					
Intangible assets	16	3,264,901		3,516,047	
Tangible assets	17	4,363,450		3,750,117	
Fixed asset investments	18	186,210		186,210	
			7,814,561		7,452,374
Current assets					
Stocks	19	9,282,771		9,031,500	
Debtors	20	58,181,776		52,275,470	
Cash at bank and in hand		1,878,630		1,135,690	
		69,343,177		62,442,660	
Creditors: amounts falling due within one year	21	(65,096,211)		(58,984,299)	
Net current assets		4,246,966		3,458,361	
Total assets less current liabilities		12,061,527		10,910,735	
Creditors: amounts falling due after more than one year	22	(7,683,930)		(6,993,427)	
Provisions for liabilities	24	(521,860)		(27,962)	
Net assets		3,855,737		3,889,346	
Capital and reserves					
Called up share capital	28	115,125		95,000	
Share premium account	29	42,866		-	
Revaluation reserve	29	83,442		83,442	
Capital redemption reserve	29	5,000		5,000	
Profit and loss account	29	3,609,304		3,705,904	
Net equity		3,855,737		3,889,346	

The notes on pages 23 to 58 form part of these financial statements.

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

STATEMENT OF FINANCIAL POSITION (CONTINUED)
31 DECEMBER 2021

These financial statements were approved by the board of directors and authorised for issue on ~~22 September 2022~~ and are signed on behalf of the board by:



P P Kilbride
Director

Company registration number: 07311366

The notes on pages 23 to 58 form part of these financial statements.

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2021

Group	Called up share capital £	Share premium account	ShareRevaluation reserve £	Profit and loss account £	Capital redemption reserve £	Total shareholders equity £	Non- controlling interests £	Total equity £
At 1 January 2020	95,000	-	83,442	1,845,975	5,000	2,029,417	30,899	2,060,316
Profit for the year	-	-	-	584,658	-	584,658	-	584,658
Other comprehensive income for the year:								
Revaluation	-	-	362,262	-	-	362,262	-	362,262
Non-controlling interest on sale of shares	-	-	-	(128,693)	-	(128,693)	128,693	-
Non-controlling interest at acquisition	-	-	-	-	-	-	685,827	685,827
Non-controlling interest	-	-	-	(251,464)	-	(251,464)	251,464	-
Total comprehensive income for the year	-	-	362,262	204,501	-	566,763	1,065,984	1,632,747
Dividends paid and payable	-	-	-	(150,000)	-	(150,000)	(300,891)	(450,891)
At 31 December 2020	95,000	-	445,704	1,900,476	5,000	2,446,180	795,992	3,242,172

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2021

Group	Called up share capital £	Share premium account	Revaluation reserve £	Profit and loss account £	Capital redemption reserve £	Total shareholders' equity £	Non- controlling interests £	Total equity £
At 1 January 2021	95,000	-	445,704	1,900,476	5,000	2,446,180	795,992	3,242,172
Profit for the year	-	-	-	893,020	-	893,020	-	893,020
Other comprehensive income for the year:								
Non-controlling interest on purchase of minority interest	-	-	-	(471,468)	-	(471,468)	-	(471,468)
Non-controlling interest at acquisition	-	-	-	-	-	-	-	-
Non-controlling interest	-	-	-	586,668	-	586,668	(586,668)	-
Total comprehensive income for the year	-	-	-	1,008,220	-	1,008,220	(586,668)	421,552
Issue of shares	20,125	42,866	-	-	-	62,991	-	62,991
Dividends paid and payable	-	-	-	(200,000)	-	(200,000)	(209,324)	(409,324)
Total investments and distributions	20,125	42,866	-	200,000	-	(137,009)	(209,324)	(346,333)
At 31 December 2021	115,125	42,866	445,704	2,708,696	5,000	3,317,391	-	3,317,391

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2021

Company	Called up share capital £	Share premium account	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Total shareholders equity £
At 1 January 2020	95,000	-	83,442	5,000	3,697,561	3,881,003
Profit for the year	-	-	-	-	158,343	158,343
Total comprehensive income for the year	-	-	-	-	158,343	158,343
Dividends paid and payable	-	-	-	-	(150,000)	(150,000)
Total investments by and distributions to owners	-	-	-	-	(150,000)	(150,000)
At 31 December 2020	95,000	-	83,442	5,000	3,705,905	3,889,347
Profit for the year	-	-	-	-	103,399	103,399
Total comprehensive income for the year	-	-	-	-	103,399	103,399
Issue of shares	20,125	42,866	-	-	-	62,991
Dividends paid and payable	-	-	-	-	(200,000)	(200,000)
Total investments by and distributions to owners	20,125	42,866	-	-	(200,000)	(137,009)
At 31 December 2021	115,125	42,866	83,442	5,000	3,609,304	3,855,737

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	893,020	584,658
<i>Adjustments for:</i>		
Depreciation of tangible assets	688,768	567,223
Amortisation of intangible assets	909,053	548,721
Amounts written off investments	11,212	56,058
Income from shares in group undertakings	(1,126)	-
Other interest receivable and similar income	(19,771)	(75,317)
Interest payable and similar charges	430,894	783,639
Gain on disposal of tangible assets	(3,540)	(6,876)
Tax on profit on ordinary activities	836,705	198,628
Accrued expenses/(income)	(2,047,311)	3,396,171
<i>Changes in:</i>		
Stocks	(932,437)	(4,668,487)
Trade and other debtors	(2,996,356)	(7,409,895)
Trade and other creditors	(2,387,885)	13,365,901
Cash generated from operations	(4,618,774)	7,340,424
Interest paid	(430,894)	(783,639)
Interest received	19,771	75,317
Tax paid/received	924,274	428,372
Net cash (used in)/from operating activities	<u>(4,105,623)</u>	<u>7,060,474</u>
Cash flows from investing activities		
Purchase of tangible assets	(1,346,892)	(2,080,715)
Proceeds from sale of tangible assets	65,310	62,465
Purchase of intangible assets	(12,545,086)	(7,675,928)
Purchase of other investments	-	(2)
Non controlling interest on acquisition	-	685,827
Purchase of non-controlling interest	(471,470)	-
Net cash used in investing activities	<u>(14,298,138)</u>	<u>(9,008,353)</u>

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	£
Cash flows from financing activities		
Proceeds from issue of ordinary shares	62,991	-
Proceeds from borrowings	13,807,828	(170,878)
Net receipts from finance lease liabilities	6,385,507	3,087,005
Equity dividends paid	(200,000)	(450,891)
Dividends to non controlling interests	(209,324)	-
Net cash from financing activities	<u>19,847,002</u>	<u>2,465,236</u>
Net increase in cash and cash equivalents	1,443,241	517,357
Cash and cash equivalents at beginning of year	1,599,726	1,082,369
Cash and cash equivalents at end of year	<u>3,042,967</u>	<u>1,599,726</u>

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2021

1. General information

The company is a private company limited by shares, registered in England. The address of the registered office is Skypark, 1 Tiger Moth Road, Clyst Honiton, Exeter, Devon, EX5 2FW. The principal activity of the group is that of a buying and distribution group in the industrial supply sector.

Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

2. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Consolidation

The group financial statements consolidate the accounts of Troy (UK) Limited and all its subsidiary undertakings made up to 31 December each year; the group statement of comprehensive income includes the results of all subsidiary undertakings for the period from the date of their acquisition and up to the date of disposal.

Turnover and profits arising on trading between group companies are excluded.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowings or current liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Valuation of land and buildings. As described in note 17 to the financial statements, land and buildings are stated at fair value based on the valuations performed by an independent professional valuer Michael Lloyds BSC (Hons) MRICS of Stratton Creber Property Consultants with recent experience in the location and category of property valued. The valuer used observable market prices adjusted as necessary for any difference in the future, location or condition of the specific asset on 24 October 2012. The directors are of the opinion the valuation as at 31 December 2021 is not materially different from the 2012 valuation.

A provision for the diminuation in stock valuation is calculated each year based on the usage of each stock line. The stock is then written down further by a general amount that the directors seem appropriate.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at a revalued amount, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Purchased goodwill	- 20 Years
Other intangible assets	- 15% straight line

Negative goodwill is released to the statement of comprehensive income over the period in which the group expects to benefit from the assets which has been deemed to be 5 years.

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Land and buildings held and used in the Company's own activities are stated in the statement of financial position at their revalued amounts. The revalued amounts equate to the fair value at the date of revaluation, less any depreciation or impairment losses subsequently accumulated. Revaluations are carried out regularly so that the carrying amounts do not materially differ from using the fair value at the date of the statement of financial position.

Any revaluation increase or decrease on land and buildings is credited to the property revaluation reserve.

Once a revalued property is sold or retired any attributable revaluation surplus that is remaining in the property revaluation reserve is transferred to retained earnings. No transfer is made from the revaluation reserve to retained earnings unless an asset is derecognised.

Short Leasehold, Plant & Machinery, Fixtures, fittings & equipment, Motor vehicles and IT equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is charged to profit or loss so as to write off their value, over their estimated useful lives, using the straight line method. Assets held under finance leases are depreciated in the same manner as owned assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	5 years
Fittings fixtures and equipment	-	5 years
Motor vehicles	-	5 years
IT equipment	-	5 to 10 years

Depreciation has not been provided on buildings as it is considered immaterial due to the long economic life of the building and the fact that residual value is expected to exceed book value.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Fixed asset investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	5 years
Fittings fixtures and equipment	-	5 years
Motor vehicles	-	5 years
IT equipment	-	5 to 10 years

Depreciation has not been provided on buildings as it is considered immaterial due to the long economic life of the building and the fact that residual value is expected to exceed book value.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Fixed asset investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

Hire purchase and finance leases

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stocks to their present location and condition.

Hire purchase and finance leases

Assets held under finance leases are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

3. Turnover

Turnover arises from:

	2021	2020
	£	£
Troy core sales	210,699,702	179,799,630
Trojan sales	1,527,231	1,682,106
Safe Stock Solutions sales	642,795	771,845
United Tooling Solutions sales	32,691,574	14,749,847
Toolshop Direct sales	5,456,645	8,705,397
Howard Lee & Son sales	1,095,309	4,026,053
ABT Machine Tools & Tooling sales	-	616,919
MOL Tools & Abrasives Limited	1,936,754	-
Grahams Machinery Sales Limited	1,714,231	-
	<u>255,764,241</u>	<u>210,351,797</u>

The turnover is attributable to the principal activities of the group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

Geographical markets

	2021	2020
	£	£
UK	253,120,522	207,129,162
Europe	2,643,739	3,222,635
	<u>255,764,261</u>	<u>210,351,797</u>

4. Other operating income

	2021	2020
	£	£
Government grant income	870,108	901,550
Other operating income	275,122	160,460
	<u>1,145,230</u>	<u>1,062,010</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

5. Operating profit

Operating profit is stated after charging/(crediting):

	2021	2020
	£	£
Amortisation of intangible assets	909,053	548,721
Depreciation of tangible assets	688,768	567,223
Gain on disposal of tangible assets	(3,540)	(6,876)
Operating lease rentals	481,509	354,597
Foreign exchange differences	(21,779)	12,198
	<u> </u>	<u> </u>

6. Auditors remuneration

	2021	2020
	£	£
Fees payable to Westcotts (SW) LLP		
Fees payable for the audit of the financial statements	63,850	57,500
	<u> </u>	<u> </u>
Fees payable to the company's auditor and its associates for other services:		
Accountancy and taxation services	17,070	30,570
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

7. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2021	2020
Directors and management	10	10
Office	66	56
Stores	2	2
United Tooling Solutions Ltd	153	110
Tool Shop Direct Ltd	8	8
Howard Lee & Son	26	24
MOL Tools & Abrasives Limited	16	-
Grahams Machinery Sales Limited	44	-
	<u>325</u>	<u>210</u>

The aggregate payroll costs incurred during the year were:

	2021	2020
	£	£
Wages and salaries	8,215,017	6,247,567
Social security costs	917,582	647,965
Other pension costs	364,579	361,923
	<u>9,497,178</u>	<u>7,257,455</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

8. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2021	2020
	£	£
Remuneration	605,011	670,534
Company contributions to pension schemes in respect of qualifying services	127,736	95,272
	<u>732,747</u>	<u>765,806</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2021	2020
	Number	Number
Defined contribution plans	<u>7</u>	<u>8</u>

Remuneration of the highest paid directors in respect of qualifying services:

	2021	2020
	£	£
Aggregate remuneration	97,359	100,894
Company contributions to pension plans in respect of qualifying services	28,935	22,229
	<u>126,294</u>	<u>123,123</u>

9. Profit or loss from shares in group undertakings

	2021	2020
	£	£
Share of profit/ (loss) from investments in associates	<u>1,126</u>	<u>(22,812)</u>

10. Other interest receivable and similar income

	2021	2020
	£	£
Bank deposits	-	12,579
Other interest receivable and similar income	19,771	62,738
	<u>19,771</u>	<u>75,317</u>

TROY (UK) LIMITED
REGISTRATION NUMBER 07311366

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

11. Amounts written back to investments

	2021	2020
	£	£
Impairment of other fixed asset investments	<u>11,212</u>	<u>56,058</u>

12. Interest payable and similar charges

	2021	2020
	£	£
Finance leases and hire purchase contracts	33,108	34,423
Bank loans and overdrafts	801,453	748,985
Other interest payable and similar charges	5,313	231
	<u>839,874</u>	<u>783,639</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

13. Tax on profit on ordinary activities

Major components of tax expense

	2021	2020
	£	£
Current tax:		
UK current tax expense	410,626	171,155
Adjustments in respect of previous periods	(168,066)	(6,089)
Total UK current tax	<u>242,560</u>	<u>165,066</u>
Total current tax	242,560	165,066
Deferred tax:		
Origination and reversal of timing differences	155,105	33,562
Impact of change in tax rate	175,878	-
Adjustment in respect of previous periods	263,162	-
Total deferred tax	<u>594,145</u>	<u>33,562</u>
Tax on profit on ordinary activities	<u><u>836,705</u></u>	<u><u>198,628</u></u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19.00%).

A reconciliation is given below:

	2021	2020
	£	£
Profit on ordinary activities before taxation	<u>1,729,725</u>	<u>783,286</u>
Profit on ordinary activities by rate of tax	328,648	148,824
Adjustments in respect of prior periods	99,206	(6,089)
Effect of expenses not deductible for tax purposes	235,644	-
Effect of revenue exempt from tax	(7,134)	-
Unrelieved tax losses	(10,699)	-
Permanent differences	-	22,331
Change in tax rate	196,149	-
Other reconciling items	(5,109)	-
Tax on profit on ordinary activities	<u><u>836,705</u></u>	<u><u>165,066</u></u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

14. Profit for the year attributable to shareholders

As permitted by Section 408 of the Companies Act 2006 the Profit and Loss Account of Troy (UK) Limited has not been presented with the financial statements.

The results after taxation of the parent undertaking showed a profit of £103,399 (2020: profit of 158,343).

15. Dividends

Equity dividends

	2021	2020
	£	£
Dividends paid during the year	<u>200,000</u>	<u>150,000</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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16. Intangible assets

	Negative Goodwill	Purchased Goodwill	Other intangible assets	Total
Group	£	£	£	£
Cost				
At 1 January 2021	(193,185)	14,056,433	35,252	13,898,500
Additions		9,330,294	-	9,330,294
Business combinations	-	-	2,999	2,999
At 31 December 2021	(193,185)	23,386,727	38,251	23,231,793
Amortisation				
At 1 January 2021	(193,185)	1,461,736	7,990	1,276,541
Charge for the year	-	903,928	5,125	909,053
At 31 December 2021	(193,185)	2,365,664	13,115	2,185,594
Carrying amount				
At 31 December 2021	-	21,021,063	25,136	21,046,199
At 31 December 2020	-	12,594,697	27,262	12,621,959
Company				
Cost				
At 1 January 2021 and 31 December 2021		5,022,923		
Amortisation				
At 1 January 2021		1,506,876		
Charge for the year		251,146		
At 31 December 2021		1,758,022		
Carrying amount				
At 31 December 2021		3,264,901		
At 31 December 2020		3,516,047		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

17. Tangible assets

	Freehold property	Short leasehold property	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	IT equipment	Total
Group	£	£	£	£	£	£	£
Cost or valuation							
At 1 January 2021	2,391,576	311,117	56,479	1,270,217	226,341	2,607,164	6,862,894
Additions	-	3,800	42,848	229,097	140,925	930,222	1,346,892
Disposals	-	-	-	(83)	(119,014)	(2,093)	(121,190)
Acquisitions through business combinations	270,000	-	84,110	283,516	252,967	442	891,035
At 31 December 2021	<u>2,661,576</u>	<u>314,917</u>	<u>183,437</u>	<u>1,782,747</u>	<u>501,219</u>	<u>3,535,735</u>	<u>8,979,631</u>
Depreciation							
At 1 January 2021	1,114	64,427	36,239	427,756	98,203	868,524	1,496,263
Charge for the year	17,126	59,724	17,268	241,247	63,345	290,058	688,768
Disposals	-	-	-	(83)	(56,124)	(504)	(56,711)
At 31 December 2021	<u>18,240</u>	<u>124,151</u>	<u>53,507</u>	<u>668,920</u>	<u>105,424</u>	<u>1,158,078</u>	<u>2,128,320</u>
Carrying amount							
At 31 December 2021	<u>2,643,336</u>	<u>190,766</u>	<u>129,930</u>	<u>1,113,827</u>	<u>395,795</u>	<u>2,377,657</u>	<u>6,851,311</u>
At 31 December 2020	<u>2,390,462</u>	<u>246,690</u>	<u>20,240</u>	<u>842,461</u>	<u>128,138</u>	<u>1,738,640</u>	<u>5,366,631</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

	Freehold property	Short leasehold	Plant and machinery	Fixtures, fittings and	Motor vehicles	IT equipment	Total
Company							
Cost or valuation							
At 1 January 2021	1,590,462	202,394	53,352	387,680	110,420	2,561,670	4,905,978
Additions	-	-	33,790	59,247	140,925	764,275	998,237
Disposals	-	-	-	(83)	(110,420)	-	(110,503)
At 31 December 2021	<u>1,590,462</u>	<u>202,394</u>	<u>87,142</u>	<u>446,844</u>	<u>140,925</u>	<u>3,325,945</u>	<u>5,793,712</u>
Depreciation							
At 1 January 2021	-	30,230	33,112	196,439	47,807	848,273	1,155,861
Charge for the year	-	20,239	13,174	61,020	16,686	216,692	327,811
Disposals	-	-	-	(83)	(53,327)	-	(53,410)
At 31 December 2021	<u>-</u>	<u>50,469</u>	<u>46,286</u>	<u>257,376</u>	<u>11,166</u>	<u>1,064,965</u>	<u>1,430,262</u>
Carrying amount							
At 31 December 2021	<u>1,590,462</u>	<u>151,925</u>	<u>40,856</u>	<u>189,468</u>	<u>129,759</u>	<u>2,260,980</u>	<u>4,363,450</u>
At 31 December 2020	<u>1,590,462</u>	<u>172,164</u>	<u>20,240</u>	<u>191,241</u>	<u>62,613</u>	<u>1,713,397</u>	<u>3,750,117</u>

Included in freehold property is freehold land valued at £105,000 (2020 - £105,000) which is not depreciated.

A valuation of the brought forward freehold land and buildings was provided by Michael Lloyds BSC (Hons) MRICS of Stratton Creber Property Consultants at market value on 24 October 2012.

A further valuation of the freehold property held at Roundswell was performed in early 2020 by Knight Frank. The valuation was not materially different to the value that it is held in the accounts and as such no adjustment was made in this regard.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

Tangible assets held at valuation

In respect of tangible assets held at valuation, the comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Freehold property
	£
At 31 December 2021	1,655,215
	<u> </u>
At 31 December 2020	1,385,215
	<u> </u>

Obligations under finance leases

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

	Motor vehicles
	£
At 31 December 2021	129,759
	<u> </u>
At 31 December 2020	60,455
	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

18. Fixed asset investments

	Other investments other than loans
Group	£
Cost or valuation	
At 1 January 2021	101,307
Additions	-
Impairment	(11,212)
At 31 December 2021	<u>90,095</u>

	Shares in group undertakings
Company	£
Cost or valuation	
At 1 January 2021	186,210
Additions	35,996
Disposals	(35,996)
At 31 December 2021	<u>186,210</u>
Impairment	
At 1 January 2021	-
Impairment loss	-
At 31 December 2021	<u>-</u>
Carrying amount	
At 31 December 2021	<u>186,210</u>
At 31 December 2020	<u>186,210</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

Investments in group undertakings

	Country of incorporation	Class of share	Percentage of shares held
Subsidiary undertakings			
Chuverton Limited	England And Wales	Ordinary	100%
Trojan Tools Limited	England And Wales	Ordinary	100%
D.H.S. Tool Supply Co. Limited	England And Wales	Ordinary A	100%
United Tooling Solutions Limited	England And Wales	Ordinary share	100%
Bideford Tool (Devon) Limited	England And Wales	Ordinary share	100%
Bideford Tool Limited	England And Wales	Ordinary share	100%
Safe Stock Solutions Limited	England And Wales	Ordinary share	100%
Euro Grind Marketing Limited	England And Wales	Ordinary share	100%
Euro Grind Limited	England And Wales	Ordinary share	100%
South Western Tool Supplies Limited	England And Wales	Ordinary share	100%
Toolshop Direct Limited	England And Wales	Ordinary A	100%
Jaymac (Derby) Limited	England And Wales	Ordinary share	100%
Cook's of Bedford Limited	England And Wales	Ordinary share	100%
Three Horse Shoes 2018 Limited	England And Wales	Ordinary share	100%
Trade 2 Trade 2018 Limited	England And Wales	Ordinary share	100%
T.H.S Tools Limited	England And Wales	Ordinary Share	100%
Kalem Limited	England And Wales	Ordinary Share	100%
Howard Lee & Son Limited	England And Wales	Ordinary Share	100%
Barnes JB Limited	England And Wales	Ordinary Share	100%
ABT Machine Tools & Tooling Limited	England And Wales	Ordinary Share	100%
TROY Independent Investments Limited	England And Wales	Ordinary Share	100%
United Tooling Solutions II Limited	England And Wales	Ordinary Share	100%
Kelvin Powertools Limited	England And Wales	Ordinary Share	100%
Drake Tooling Holdings Limited	England And Wales	Ordinary Share	100%
Drake Tooling and Abrasives Limited	England And Wales	Ordinary Share	100%
Grahams Machinery Sales Limited	England And Wales	Ordinary Share	100%
MOL Tools & Abrasives Limited	England And Wales	Ordinary Share	100%
Participating interest			
EZ-Base UK Limited	England & Wales	Ordinary Share	40%

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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The following subsidiaries are exempt from the requirements of the Companies Act in relation to the audit of their financial statements under section s479A since a parent guarantee has been given:

Trojan Tools Limited
Safe Stock Solutions Limited
Toolshop Direct Limited
Kalem Limited
Howard Lee & Son Limited
Barnes JB Limited
ABT Machine Tools & Tooling Limited
Kelvin Powertools Limited
Drake Tooling Holdings Limited
Drake Tooling and Abrasives Limited
Grahams Machinery Sales Limited
MOL Tools & Abrasives Limited

Acquisitions during the year

100% of the share capital of Kelvin Powertools Limited, Drake Tooling and Abrasives Limited and Drake Tooling Holdings Limited was purchased by United Tooling Solutions Limited on 01 March 2021, 01 April 2021 and 01 April 2021 respectively. 100% of the share capital of Grahams Machinery Sales Limited and MOL Tools & Abrasives Limited was purchased by United Tooling Solutions II Limited on 15 October 2021. Goodwill arising on acquisition is recognised, and amortisation of goodwill accounted for, in line with the accounting policy detailed in the accounts. Further information regarding these acquisitions is shown in note 31 of the accounts.

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YEAR ENDED 31 DECEMBER 2021

Investments in associates

	2021	2020
	£	£
Carrying amount of investments in associates (provision within creditors)	<u>(21,686)</u>	<u>(22,812)</u>

Summarised financial information of associates:

	2021	2020
	£	£
At the year end		
Fixed assets	128,332	118,176
Current assets	103,603	108,256
Non-current liabilities	(193,884)	(109,999)
Current liabilities	(92,265)	(173,462)
During the Year		
Profit/ (Loss) from continuing operations	2,815	(57,030)

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YEAR ENDED 31 DECEMBER 2021

The results and capital and reserves for the period of the trading companies are as follows:

	Capital and reserves		Profit/(loss) for	
	2021	2020	2021	2020
	£	£	£	£
Subsidiary undertakings				
Chuverton Limited	-	-	-	-
Trojan Tools Limited	50,604	122,201	68,403	28,741
D.H.S. Tool Supply Co. Limited	2,592	2,592	-	-
United Tooling Solutions Limited	9,094,654	2,949,425	6,514,911	1,148,943
Bideford Tool (Devon) Limited	10,100	10,100	-	(31,582)
Bideford Tool Limited	100	100	-	-
Safe Stock Solutions Limited	(44,089)	15,099	(59,295)	61,891
Euro Grind Marketing Limited	187,971	187,971	-	-
Euro Grind Limited	789,915	789,915	-	-
South Western Tool Supplies Limited	5,000	5,000	-	-
Toolshop Direct Limited	(404,687)	473,498	(878,185)	495,794
Jaymac (Derby) Limited	(67,793)	(67,793)	-	-
Cook's of Bedford Limited	(127,819)	(127,819)	-	-
Three Horse Shoes 2018 Limited	1,516	(1,516)	-	-
Trade 2 Trade 2018 Limited	100	100	-	-
T.H.S Tools Limited	1	1	-	-
Kalem Limited	100,000	506,904	-	-
Howard Lee & Son Limited	10,000	3,517,773	151,922	511,464
Barnes JB Limited	104	336,591	-	9,784
ABT Machine Tools & Tooling Limited	15,000	528,880	-	45,847
TROY Independent Investments Limited	1	-	-	-
United Tooling Solutions II Limited	1	-	-	-
Kelvin Powertools Limited	91,000	-	-	-
Drake Tooling Holdings Limited	100	-	-	-
Drake Tooling and Abrasives Limited	500	-	-	-
Grahams Machinery Sales Limited	2,505,478	-	589,564	-
MOL Tools & Abrasives Limited	4,617,731	-	726,978	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

19. Stocks

	2021	2020
Group	£	£
Finished goods	20,293,973	15,877,564
	<u> </u>	<u> </u>
Company	£	£
Finished goods	9,282,771	9,031,500
	<u> </u>	<u> </u>

20. Debtors

	2021	2020
Group	£	£
Trade debtors	36,406,352	31,527,086
Amounts owed by connected companies	6,837,940	5,377,599
Prepayments and accrued income	11,544,581	9,734,969
Other debtors	1,691,363	2,638,598
	<u>56,480,236</u>	<u>49,278,252</u>
Company	2021	2020
	£	£
Trade debtors	27,084,936	26,904,993
Amounts owed by group undertakings	20,614,904	13,333,694
Called up share capital not paid	18,371	-
Prepayments and accrued income	9,430,561	7,946,946
Other debtors	1,033,004	4,089,837
	<u>58,181,776</u>	<u>52,275,470</u>

The debtors above include the following amounts falling due after more than one year:

Amounts owed by group undertakings	<u>11,313,365</u>	<u>12,559,840</u>
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

21. Creditors: amounts falling due within one year

	2021	2020
Group	£	£
Bank loans and overdrafts	23,994,848	14,918,290
Trade creditors	47,349,892	44,451,528
Accruals and deferred income	2,908,924	4,956,234
Corporation tax	(202,768)	-
Social security and other taxes	1,869,391	2,706,717
Obligations under finance leases	952,303	606,249
Other creditors	4,990,515	2,345,330
	<u>81,863,105</u>	<u>69,984,348</u>

The bank overdraft is secured by a right of set-off and a legal charge over the freehold property.

The bank loan is a 5 year loan that commenced on 18 January 2017, with an interest rate at 4.09%. The loan is not due for repayment after more than 5 years.

The hire purchase liability is secured against the asset to which it relates.

	2021	2020
Company	£	£
Bank loans and overdrafts	19,123,943	12,271,252
Trade creditors	42,621,221	40,297,848
Accruals and deferred income	1,938,928	4,316,144
Social security and other taxes	889,814	1,560,709
Obligations under finance leases	503,361	528,131
Derivative financial liability	100	100
Other creditors	18,844	10,115
	<u>65,096,211</u>	<u>58,984,299</u>

The bank overdraft is secured by a right of set-off and a legal charge over the freehold property.

The bank loan is a 5 year loan that commenced on 18 January 2017, with an interest rate at 4.09%. The loan is not due for repayment after more than 5 years.

The hire purchase liability is secured against the asset to which it relates.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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22. Creditors: amounts falling due after more than one year

	2021	2020
Group	£	£
Bank loans	-	4,150,243
Obligations under finance leases	12,485,690	6,317,802
Other creditors	9,256,667	975,000
	<u>21,742,357</u>	<u>11,443,045</u>

The hire purchase liability is secured against the asset to which it relates.

The bank loan is a 5 year loan that commenced on 18 January 2017, with an interest rate of 4.09%. The loan is not due for repayment after more than 5 years.

Company	£	£
Bank loans	-	675,625
Obligations under finance leases	7,683,930	6,317,802
	<u>7,683,930</u>	<u>6,993,427</u>

The hire purchase liability is secured against the asset to which it relates.

The bank loan is a 5 year loan that commenced on 18 January 2017, with an interest rate of 4.09%. The loan is not due for repayment after more than 5 years.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

23. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2021	2020
	£	£
Included in provisions (note 24)	881,928	175,874

The deferred tax account consists of the tax effect of timing differences in respect of:

	2021	2020
	£	£
Group		
Accelerated capital allowances	826,445	142,987
Revaluation of freehold property	63,680	63,680
Pension benefit obligations	-	(1,923)
Deferred tax on losses	-	(28,870)
Short term timing differences	(8,197)	-
	<u>881,928</u>	<u>175,874</u>

	2021	2020
	£	£
Company		
Accelerated capital allowances	521,784	55,892
Revaluation of freehold property	4,023	2,863
Pension benefit obligations	(3,947)	(1,923)
Deferred tax on losses	-	(28,870)
	<u>521,860</u>	<u>27,962</u>

24. Provisions

	Deferred tax (note 23)
	£
Group	
At 1 January 2021	175,874
Additions	706,054
At 31 December 2021	<u>881,928</u>
Company	
At 1 January 2021	27,962
Additions	493,898
At 31 December 2021	<u>521,860</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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25. Employee benefits

Defined contribution plans

The amount recognised in profit or loss in relation to defined contribution plans was £364,579 (2020: £361,923).

26. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2021	2020
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	870,108	901,550
	<u> </u>	<u> </u>

During the year the group was the recipient of economic benefits as a result of participating in the UK Government's Coronavirus support schemes. The £870,108 (2020: £901,550) listed above is made up of £870,108 (2020: £791,550) from the Job Retention Scheme and £nil (2020: £110,000) of rate based grants.

27. Financial instruments

Company

Loan notes of £100 are held at amortised cost.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

28. Called up share capital
Group and Company
Issued, called up and fully paid

	2021		2020	
	No	£	No	£
Ordinary A1 shares of par value £ 1.00 each	58,654	58,654	60,668	60,668
Ordinary A2 shares of par value £ 1.00 each	11,514	11,514	9,500	9,500
Ordinary B1 shares of par value £ 1.00 each	23,957	23,957	15,332	15,332
Ordinary B2 shares of par value £ 1.00 each	9,500	9,500	9,500	9,500
Ordinary B3 shares of par value £ 1.00 each	11,500	11,500	-	-
	<u>115,125</u>	<u>115,125</u>	<u>95,000</u>	<u>95,000</u>

During the year, Ordinary B1 and B3 shares were issued. Also during the year, 2014 Ordinary A1 shares were reclassified to Ordinary A2 shares.

A1, A2, B1, B2 and B3 shares have attached to them full voting, dividend and distribution rights. They do not confer any rights of redemption.

29. Reserves

Revaluation reserve:

The reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

Profit and loss account:

This reserve records retained earnings and accumulated losses.

Capital redemption reserve:

This reserve records the nominal value of shares repurchased by the company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

30. Analysis of changes in net debt

	At 1 January 2021	Cash flows	Acquisition of subsidiaries (excluding cash)	At 31 December 2021
	£	£	£	£
Cash and cash equivalents	1,599,726	1,443,241	-	3,042,967
Debt due within one year	(14,918,290)	(9,006,924)	(69,634)	(23,994,848)
Debt due after one year	(5,125,243)	(3,825,904)	(268,853)	(9,220,000)
Finance lease liabilities	(6,924,051)	(6,385,507)	(128,435)	(13,437,993)
	<u>(25,367,858)</u>	<u>(17,775,094)</u>	<u>(466,922)</u>	<u>(43,609,874)</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

31. Business combinations

Acquisition of Drake Tooling Holdings Limited & Drake Tooling and Abrasives Limited

United Tooling Solutions acquired 100% of the share capital of Drake Tooling and Abrasives Limited and Drake Tooling Holdings Limited on the 01 April 2021.

The fair value of consideration paid in relation to the acquisition of Drake Tooling Holdings Limited & Drake Tooling and Abrasives Limited is as follows:

	£
Cash	1,129,503

The fair value of amounts recognised at the acquisition date in relation to Drake Tooling Holdings Limited & Drake Tooling and Abrasives Limited are as follows:

	Fair value
	£
Tangible assets acquired	359,512
Stocks acquired	282,697
Debtors acquired	414,573
Cash and cash equivalents acquired	16,171
Provisions assumed	(26,727)
Liabilities assumed	(735,943)
	<u>310,283</u>
Goodwill on acquisition	819,220
	<u>1,129,503</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

32. Acquisition of Kelvin Powertools Limited

United Tooling Solutions Limited acquired 100% of the share capital of Kelvin Powertools Limited on the 01st March 2021.

The fair value of consideration paid in relation to the acquisition of Kelvin Powertools Limited is as follows:

	£
Cash	2,719,496
	<u>2,719,496</u>

The fair value of amounts recognised at the acquisition date in relation to Kelvin Powertools Limited are as follows:

	Fair value
	£
Tangible assets acquired	45,161
Stocks acquired	461,207
Debtors acquired	293,382
Cash and cash equivalents acquired	1,597,163
Provisions assumed	(6,218)
Liabilities assumed	(1,513,939)
	<u>876,756</u>
Goodwill on acquisition	1,842,740
	<u>2,719,496</u>
	<u>2,719,496</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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33. Acquisition of Grahams Machinery Sales Limited

United Tooling Solutions II Limited acquired 100% of the share capital of Grahams Machinery Sales Limited on 15th October 2021.

The fair value of consideration paid in relation to the acquisition of Grahams Machinery Sales Limited is as follows:

	£
Cash	5,819,691

The fair value of amounts recognised at the acquisition date in relation to Grahams Machinery Sales Limited are as follows:

	Fair value
	£
Tangible assets acquired	419,519
Stocks acquired	1,087,111
Debtors acquired	1,473,787
Cash and cash equivalents acquired	467,132
Provisions assumed	(76,046)
Liabilities assumed	(1,455,588)
	1,915,915
Goodwill on acquisition	3,903,776
	5,819,691

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
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34. Acquisition of MOL Tools & Abrasives Limited

United Tooling Solutions II Limited acquired 100% of the share capital of MOL Tools & Abrasives Limited on 15th October 2021.

The fair value of consideration paid in relation to the acquisition of MOL Tools & Abrasives Limited is as follows:

	£
Cash	6,506,025

The fair value of amounts recognised at the acquisition date in relation to MOL Tools & Abrasives Limited are as follows:

	Fair value
	£
Tangible assets acquired	64,134
Stocks acquired	1,652,957
Trade debtors acquired	1,484,096
Cash and cash equivalents acquired	2,110,804
Provisions assumed	(12,186)
Liabilities assumed	(1,409,053)
	<u>3,890,752</u>
Goodwill on acquisition	2,615,273
	<u>6,506,025</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

35. Operating leases

Group

The company as lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	183,462	393,497
Later than 1 year and not later than 5 years	624,439	526,719
	<u>807,901</u>	<u>920,216</u>

Company

The company as lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	167,474	205,572
Later than 1 year and not later than 5 years	276,117	367,977
	<u>443,591</u>	<u>573,549</u>

36. Events after the end of the reporting period

Following the year end, subsidiaries of TROY (UK) Limited acquired the share capital of Nuts & Bolts Limited, Mettex Fasteners Limited and Fastfix Bristol Limited.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 31 DECEMBER 2021

37. Directors advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	Advances/(credits) to the directors		Amounts repaid		Balance outstanding	
	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£
Directors	471,675	(212,087)	-	-	851,729	380,054

Some of the directors had loans during the year, interest has been charged of £15,385 (2020 - £11,546). These loans are unsecured and repayable on demand

38. Related party transactions

The directors own and control a number of companies that have traded with Troy (UK) Limited during the year. Sales of £712,901 (2020 - £20,216) have been made to these companies during the year. Purchases of £nil (2020 - £nil) have been made from these companies during the year. As at 31 December 2021 £822,464 (2020 - £66,212) was due to Troy (UK) Limited. These transactions are conducted on normal trading terms.

In addition to the normal trading transactions, costs have been recharged from Troy (UK) Limited on a commercial basis. During the year costs of £121,085 (2020 - £99,824) were recharged from Troy (UK) Limited and costs of £122,094 (2020 - £163,315) were recharged to Troy (UK) Limited. As at the year end, there was a balance owing to Troy (UK) Limited of £3,223,484 (2020 - £2,202,163).

39. Controlling party

The company is under the control of Mrs A J Kilbride and Mr P P Kilbride who are also major shareholders in the company and whose names are listed at the front of these financial statements.