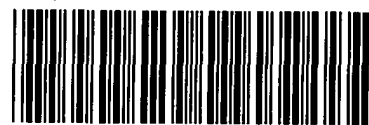


Annual Report
Rock Industrial & Welding Supplies
Limited

2014

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Rock Industrial & Welding Supplies Limited

Annual report for the year ended 31 December 2014

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Directors' report for the year ended 31 December 2014

Principal activities

The company's principal activities are and have been throughout the current and preceding year the sale and distribution of welding consumables, safety and related industrial products and equipment.

Business review

The directors are pleased with the results and financial position of the company.

In spite of the difficult trading environment, the directors are pleased to report there has been an increase in sales and of both gross and net profit margins during in the year. The key focus for the business will continue to be the management of costs and margins.

The company is committed to maintaining sales growth and increasing margins whilst building upon its existing customer base for the following year.

The directors refer to levels of turnover and gross margin as key performance indicators.

The principal risks and uncertainties for the business relate to the current economic climate and the impact this has on the company's customers and supply chain.

Dividends

An interim dividend of £54,979 was paid on the company's ordinary £1.00 shares on 28 November 2014 (2013: £54,979).

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2014.

Directors

The directors of the company during and after the period under review were:

Mr J. Bland	resigned as alternate director to C. Tuhme 1 November 2014, appointed as director 24 November 2014
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Mr A. J. Bridger

Mr S. Evans

Mr S. Hudson

Mrs C. Tuhme	resigned 1 November 2014
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The directors are not subject to retirement by rotation.

Political and Charitable donations

The company has not made any political or charitable donations during the year.

Disclosure of information to auditor

The directors holding office at the date of approval of this directors' report confirm that so far as they are aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all steps that ought to have been taken by them as directors to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Directors' report for the year ended 31 December 2014 (continued)

Auditor

Puruant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



S Kelly
Secretary

September 2015

10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable laws and regulations.

The Companies Act 2006 (the "Act") requires the directors to prepare financial statements for each financial year and they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Pursuant to the Act, 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 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; and
- 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 Act. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Rock Industrial & Welding Supplies Limited

We have audited the financial statements of Rock Industrial & Welding Supplies Limited for the year ended 31 December 2014 set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeUKprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report to the members of Rock Industrial & Welding Supplies Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Andrew Sills
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW

25 September 2015

Profit and loss account for the year ended 31 December 2014

	Note	2014	2013
In £			
Turnover	[2]	3,329,660	3,199,367
Cost of sales		(2,469,812)	(2,379,302)
Gross profit		859,848	820,065
Administrative expenses		(473,650)	(539,518)
Operating profit	[3]	386,198	280,547
Interest payable and similar charges	[4]	-	(185)
Interest receivable and similar income	[4]	99	-
Profit on ordinary activities before taxation		386,297	280,362
Taxation	[5]	(83,242)	(74,187)
Profit for the financial year	[15]	303,055	206,175

All of the above relates to continuing operations.

The company has no recognised gains and losses in the year other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been prepared.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

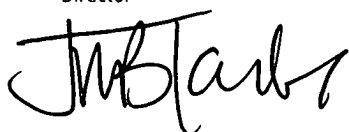
The notes on pages 8 to 15 form part of the financial statements.

Balance sheet as at 31 December 2014


	Note	2014	2013
In £			
Fixed assets			
Tangible assets	[9]	88,540	101,472
Current assets			
Stocks	[10]	228,011	176,662
Debtors	[11]	1,540,635	607,629
Cash at bank and in hand		223,243	966,050
		1,991,889	1,750,341
Creditors: amounts falling due within one year	[12]	(599,729)	(619,189)
Net current assets		1,392,160	1,131,152
Total assets less current liabilities		1,480,700	1,232,624
Net assets		1,480,700	1,232,624
Capital and reserves			
Called up share capital	[14]	9,960	9,960
Profit and loss account		1,470,740	1,222,664
Shareholders' funds	[15]	1,480,700	1,232,624

The financial statements on pages 6 to 15 were approved by the board of directors on **21** September 2015 and were signed on its behalf by:

Mr J Bland
Director



Mr S Evans
Director



Notes to the financial statements for the year ended 31 December 2014

[1] Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in the financial statements.

a) Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The use of going concern accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

The company's principal activities are and have been throughout the current and preceding year the sale and distribution of welding consumables, safety and related industrial products and equipment.

b) Group financial statements

The financial statements contain information about BOC Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are excluded by full consolidation in the consolidation financial statements of its ultimate parent, Linde AG, a company registered in Germany.

c) Cash flow statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cashflow statement on the grounds that it is a small company in companies legislation.

d) Revenue recognition

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

e) Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

f) Taxation

The charge for taxation is based on the result for the year. Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise, based on enacted or substantially enacted tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in different periods from those in which they are included in the financial statements.

Deferred tax assets are recognised only to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

g) Pensions

The company operates a defined contribution scheme. Contributions for the defined contribution scheme are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

h) Dividends

Final dividends proposed by the board of directors and unpaid at the year end are not recognised in the financial statements until they have been approved by a resolution of the company's members.

i) Stock

Stock is valued at the lower of cost and net realisable value. Cost comprises purchase price. Net realisable value means estimated selling price less all further costs to be incurred in marketing, selling and distribution.

j) Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the net profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

k) Fixed asset

The cost of items of property, plant and equipment is its purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write-off over the expected useful economic lives of the asset concerned, the cost of property, plant and equipment, less any estimated residual values, which are adjusted, if appropriate, at each balance sheet date. The principal economic lives used for this purpose are:

Freehold buildings and tenants improvements	10% straight line
Plant and machinery	20% Reducing balance
Fixtures, fittings and equipment	25% straight line/ 15% reducing balance
Motor vehicles	20% straight line new commercial vehicles/25% reducing balance other vehicles

[2] Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

[3] Operating profit

[i] Operating profit is stated after charging/(crediting) the following items:

In £	2014	2013
Staff costs [note 8]	300,938	315,105
Operating lease charges:		
Land and buildings	1	4,406
Motor vehicles	9,883	15,711
Depreciation and other amounts written off tangible fixed assets	13,125	16,660
Loss/(Profit) on disposal of tangible fixed assets	2,207	(1,550)
Audit of financial statements and other services	6,310	5,130

[4] Interest

Interest receivable and similar income		
In £	2014	2013
Other similar income	99	-
Interest payable and similar charges		
In £	2014	2013
Hire purchase interest paid	-	185

[5] Tax on profit on ordinary activities

In £	2014	2013
a) Analysis of charge in year		
Current tax		
UK corporation tax on profits of the year	84,299	65,567
Adjustment in respect of previous years	129	3,363
	84,428	68,930
Deferred tax		
Origination and reversal of timing differences	(1,276)	2,600
Adjustment to tax charge in respect of previous year	90	2,657
Total deferred tax	(1,186)	5,257
Tax on profit on ordinary activities	83,242	74,187
b) Factors affecting tax for the year		
The tax assessed for the year is different to the rate of corporation tax in the UK of 21.5% (2013:23.25%).		
The differences are explained below:		
Profit on ordinary activities before taxation	386,297	280,362
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 21.5% (2013:23.25%)	83,054	65,184
Effects of:		
Expenses not deductible for tax purposes	137	200
Depreciation for period in excess of capital allowances	1,437	1,202
Short term timing differences	(329)	(1,019)
Adjustment to tax charge in respect of previous year	129	3,363
Current tax charge for the year (as above)	84,428	68,930

c) Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 24% to 23% (effective 1 April 2013) was substantively enacted on 3 July 2012. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future tax charge accordingly. The deferred tax asset at 31 December 2014 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

[6] Dividends

A dividend of £54,979 was paid during the financial year (2013: £54,979).

[7] Directors emoluments

Certain directors of the company are employed as managers or directors by Industrial Supplies & Services Limited or BOC Limited and are remunerated by the relevant company in respect of their services to the group as a whole. Their emoluments are presented within the accounts of Industrial Supplies & Services Limited and or BOC Limited and are not included in any of the figures in this note. The emoluments of other directors directly employed by the Company were:

In £	2014	2013
Remuneration and other emoluments	69,396	67,553
Pension contributions	3,083	3,008
Benefit in kind	13,805	13,805
	86,284	84,366

[8] Employees**[a] Average number of employees**

The average monthly number of persons employed by the company during the year was:

	2014	2013
Management and sales	9	10

[b] Employment costs

In £	2014	2013
Wages and salaries	263,822	274,709
Social security costs	27,507	30,225
Pension costs	8,598	10,171
	299,927	315,105

[9] Fixed assets

In £	Land and buildings	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
Cost					
At 1 January 2014	79,370	2,387	36,001	61,906	179,664
Additions	-	-	3,200	-	3,200
Disposals	-	-	-	(16,400)	(16,400)
At 31 December 2014	79,370	2,387	39,201	45,506	166,464
Depreciation					
At 1 January 2014	17,696	2,149	22,426	35,921	78,192
Charge for the year	207	49	2,977	9,892	13,125
Disposals	-	-	-	(13,393)	(13,393)
At 31 December 2014	17,903	2,198	25,403	32,420	77,924
Net book value					
At 31 December 2014	61,467	189	13,798	13,086	88,540
At 1 January 2014	61,674	243	13,570	25,894	101,472

[10] Stocks

In £	2014	2013
Finished goods and goods for resale	228,011	176,662

[11] Debtors

In £	2014	2013
Amounts falling due within one year:		
Trade debtors	688,761	548,857
Amounts owed by group undertakings	846,059	50,869
Other debtors	3,305	6,579
Deferred tax	2,510	1,324
	1,540,635	607,629

[12] Creditors

In £	2014	2013
Amounts falling due within one year:		
Net obligations under finance leases and hire purchase contracts	-	-
Trade creditors	353,389	296,701
Amounts owed to group undertakings	88,388	253,926
Other taxes and social security costs	62,960	55,991
Corporation tax	84,428	-
Other creditors	10,564	12,571
	599,729	619,189

[13] Deferred tax

In £	2014	2013
Arising from accelerated capital allowances	2,633	1,296
Other short term timing differences	(122)	28
	2,510	1,324
At 1 January	1,324	6,581
Deferred tax charge- see [note 5]	1,186	(5,257)
At 31 December - see [note 11]	2,510	1,324

[14] Share capital

In £	2014	2013
Authorised		
20,000 Ordinary shares of £1 each	20,000	20,000
Allotted and fully paid		
9,960 Ordinary Shares of £1 each	9,960	9,960

[15] Reconciliation of movements in shareholders' funds

In £	2014	2013
Profit for the financial year	303,055	206,175
Dividends	(54,979)	(54,979)
Opening shareholders' funds	1,232,624	1,081,428
Closing shareholders' funds	1,480,700	1,232,624

[16] Financial Commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating lease commitments expiring as follows:

	As at 31 December 2014	As at 31 December 2014	As at 31 December 2013	As at 31 December 2013
In £	Land and buildings	Other	Land and buildings	Other
Within one year	6,405	-	6,405	6,405
Within two to five years	-	3,062	-	-
Total	6,405	3,062	6,405	6,405

[17] Pensions**Defined contribution pension scheme**

The company operates a defined contribution pension scheme. The pension charge for the year represents contributions payable by the company to the scheme and amounted to £8,598 (2013: £10,171).

[18] Related party disclosures**Sale of goods**

During the year the company sold goods to associated subsidiary undertakings totalling £235,642 (2013: £325,601).

No sale of goods were made to the immediate parent undertaking.

Purchases

During the year the company purchased goods from associated subsidiary undertakings totalling £239,943 (2013: £328,058)

No goods were purchased from the immediate parent undertaking.

All purchases and sales of goods to group companies are at cost.

Management and administration charges

During the year, the company incurred management and administration charges from the immediate parent undertaking totalling £47,795 (2013: £60,884).

[18] Related party disclosures (continued)**Balances with related parties**

At 31 December 2014 the following balances with related parties were held;

In £	2014	2013
Amounts due from associated subsidiary undertakings	41,506	50,869
Split by;		
BOC Limited	37,560	49,326
Gaffney Industrial & Welding Supplies Limited	-	1,093
Industrial and Welding Management Limited	3,946	-
Other group balances	-	450
In £	2014	2013
Amounts due from to immediate parent undertaking	804,553	-
In £		
Amounts due to associated subsidiary undertakings	57,182	35,617
Split by;		
BOC Limited	5,946	10,472
Pennine Industrial & Welding Supplies Limited	1,830	-
Industrial and Welding Management Limited	35,658	10,517
Welder Equipment Services Limited	13,322	13,472
Other group balances	426	1,156
In £	2014	2013
Amounts due to immediate parent undertaking	31,206	218,309

[19] Ultimate parent undertaking

The company is a 87.5% subsidiary of Industrial Supplies & Services Limited, a company registered in England & Wales.