
ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

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ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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

Principal activities and business review

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.

The company experienced a difficult trading year and are pleased to report an operating profit of £200,095 (2018: £322,764) as provided by the accompanying profit and loss account on page 7. The key focus for the business will continue to be the management of costs and margins.

The company is committed to improving turnover and margins whilst building upon its existing customer base for the following year.

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 £2,000,000 was paid on the company's ordinary £1.00 shares on 6 December 2019 (2018: £125,000).

The directors do not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: £nil).

Directors

The directors who held office during and after the year under review were:

Mr J M Bland (alternate director to Mrs S A Williams)
Mr S. P. Evans
Mr G. Gill
Mrs S. A. Williams

The directors are not subject to retirement by rotation.

Disclosure of information to auditors

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 as directors to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Strategic report

The company was entitled to an exemption from disclosing a strategic report pursuant to section 414A(2) of the Companies Act 2006 for the year ended 31 December 2019.

Auditors

The board of directors intend to appoint BHP LLP as the company's auditor for the year ended 31 December 2020.

ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

This report was approved by the board of directors on *16 december* 2020 and signed on its behalf by:-


.....
S K Kelly
Secretary

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

ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors are responsible for preparing the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 to 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.

ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

Opinion

We have audited the financial statements of Rock Industrial & Welding Supplies Limited ("the company") for the year ended 31 December 2019 which comprise of the Profit and Loss account, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;

ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006. ,

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

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

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROCK INDUSTRIAL & WELDING SUPPLIES
LIMITED**



Nick Plumb (Senior statutory auditor)

for and on behalf of

KPMG LLP,

Chartered Accountants

1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Date: 18 December 2020

ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	5	2,947,475	3,188,951
Cost of sales		(2,243,784)	(2,382,284)
Gross profit		703,691	806,667
Administrative expenses	6	(503,596)	(483,903)
Operating profit		200,095	322,764
Interest receivable and similar income	7	15,171	11,362
Profit on ordinary activities before taxation		215,266	334,126
Tax on profit on ordinary activities	8	(40,768)	(63,500)
Profit for the financial year		174,498	270,626

The accompanying notes form an integral part of the financial part of the financial statements.

All of the above relates to continuing operations.

The company has no items of other comprehensive income in the year other than those included in the profit and loss account above and therefore no separate statement of comprehensive income has been prepared.

ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED
REGISTERED NUMBER: 02481967

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	9	61,002	64,275
		<u>61,002</u>	<u>64,275</u>
Current assets			
Stocks	10	279,024	270,177
Debtors: amounts falling due within one year	11	863,758	2,502,055
Cash at bank and in hand		338,667	590,816
		<u>1,481,449</u>	<u>3,363,048</u>
Creditors: amounts falling due within one year	12	(901,058)	(960,428)
Net current assets		<u>580,391</u>	<u>2,402,620</u>
Total assets less current liabilities		<u>641,393</u>	<u>2,466,895</u>
Net assets		<u>641,393</u>	<u>2,466,895</u>
Net assets		<u><u>641,393</u></u>	<u><u>2,466,895</u></u>
Capital and reserves			
Called up share capital	14	9,960	9,960
Profit and loss account		631,433	2,456,935
		<u>641,393</u>	<u>2,466,895</u>

The accompanying notes form an integral part of the financial statements.

The financial statements on pages 7 to 20 were approved by the board of the directors on *16 December* 2020 and were signed on its behalf by:-



.....
Mrs S A Williams
Director

ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 January 2019	9,960	2,456,935	2,466,895
Comprehensive income for the year			
Profit for the year	-	174,498	174,498
Total comprehensive income for the year	-	174,498	174,498
Dividends	-	(2,000,000)	(2,000,000)
Total transactions with owners	-	(2,000,000)	(2,000,000)
Balance at 31 December 2019	9,960	631,433	641,393

The accompanying notes form an integral part of the financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 January 2018	9,960	2,311,309	2,321,269
Comprehensive income for the year			
Profit for the year	-	270,626	270,626
Total comprehensive income for the year	-	270,626	270,626
Dividends	-	(125,000)	(125,000)
Total transactions with owners	-	(125,000)	(125,000)
Balance at 31 December 2018	9,960	2,456,935	2,466,895

The accompanying notes form an integral part of the financial statements.

ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies

Rock Industrial & Welding Supplies Limited is a company incorporated in England and Wales and domiciled in the UK. The registered number is 02481967 and the registered address is 10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The company's ultimate parent undertaking, Linde plc, includes the company in its consolidated financial statements. The consolidated financial statements of Linde plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from its principal trading address at The Priestley Centre, 10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- comparative period reconciliations for share capital and tangible fixed assets;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Linde plc include the equivalent disclosures, the company has also applied the exemption under FRS 101 available in respect of disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out in this note have been applied consistently in preparing these financial statements for the year ended 31 December 2019 and for the year ended 31 December 2018.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets.

ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.2 Going concern

The use of the going concern basis of accounting is considered by the directors to be 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.

Covid 19 has been considered in the severe but plausible downside scenario for the going concern assessment period of 18 months following the balance sheet date. The directors have not identified any triggers to suggest the going concern basis of accounting is not appropriate in light of this consideration.

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reasons. The company is dependant for its working capital on funds provided to it by Industrial Supplies & Services Limited, the company's immediate parent undertaking. Industrial Supplies & Services Limited has indicated that for so long as the company remains part of the Linde Group of companies, it will continue to provide loan finance to, or to procure that satisfactory alternative funding is made available to the company over the next twelve months. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe it will not do so.

1.3 Functional currency

The functional currency of Rock Industrial & Welding Supplies Limited is sterling and the accounts are prepared using its functional currency, which is the currency of the primary economic environment in which it operates.

1.4 Foreign currency

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account except for differences arising on the retranslation of qualifying cash flow hedges, which are recognised in other comprehensive income.

ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Depreciation is charged to the profit and loss account on a straight-line basis or on a reducing balance basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

- Freehold buildings and tenant improvements straight line over 10 years
- Plant and machinery 20% reducing balance
- Fixtures, fittings and equipment straight line over 4 years/15% reducing balance

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

1.7 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK. Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

Turnover is recognised in accordance with IFRS 15's principle-based five-step model as follows:

- contract with a customer is identified;
- contract performance obligations are identified;
- transaction price is determined;
- transaction price is allocated to each performance obligation; and
- upon satisfaction of each performance obligation the turnover is recognised.

1.8 Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.9 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.10 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Accounting policies (continued)

1.11 Accounting estimates and judgements

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.12 Adoption of new and revised standards

The company has applied IFRS 16 'Leases' for the first time for its annual reporting period commencing 1 January 2019. Applying this new accounting standards has not had a material impact on the company's financial statements for the year ended 31 December 2019. There were no amendments to other accounting standards or IFRIC interpretations that are effective for the year ended 31 December 2019 which have had a material impact on the company's financial statements. Further details in relation to IFRS 16 is noted below:

IFRS 16 Leases

IFRS 16 was adopted in full in 2019 by Industrial Supplies and Services Limited, however due to the low value of the assets being leased and materiality considerations applied, the low value lease exemption has been applied. As such no transitional adjustments have been recognised in 2019 or are expected in future periods unless the lease portfolio was seen to change materially.

2. Employee numbers

	2019 £	2018 £
Management and sales	6	6
	<u>6</u>	<u>6</u>

ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

3. Employee costs

	2019 £	2018 £
Employee costs		
Wages and salaries	245,199	245,553
Social security costs	26,205	27,839
Pension costs	8,065	8,685
	<u>279,469</u>	<u>282,077</u>

4. Directors' remuneration

	2019 £	2018 £
Directors' remuneration	92,348	83,244
Pension costs	3,342	3,212
	<u>95,690</u>	<u>86,456</u>

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 dealt within the accounts of Industrial Supplies & Services Limited or BOC Limited. Consequently, they have not been disclosed in this note. The emoluments of the remaining director or directors employed by the company are provided above.

5. Turnover

	2019 £	2018 £
UK	2,947,475	3,188,951
	<u>2,947,475</u>	<u>3,188,951</u>

ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Expenses and auditor's remuneration

	2019 £	2018 £
Operating lease charges:		
Motor vehicles	30,055	25,557
Depreciation	3,273	12,155
Auditor's remuneration:		
Audit of these financial statements	7,097	6,911
	<u>7,097</u>	<u>6,911</u>

7. Interest receivable

	2019 £	2018 £
Other similar income	15,171	11,362
	<u>15,171</u>	<u>11,362</u>

8. Taxation

	2019 £	2018 £
a) Analysis of charge in year UK corporation tax		
UK corporation tax on profits for the period	39,636	65,616
UK corporation tax on profits of the period	<u>39,636</u>	<u>65,616</u>
Deferred tax		
Origination and reversal of timing differences	1,265	(2,123)
Adjustment to tax charge in respect of previous year	-	(216)
Effect of changes in tax rates	(133)	223
Total deferred tax	<u>1,132</u>	<u>(2,116)</u>
Tax on profit on ordinary activities	<u>40,768</u>	<u>63,500</u>

ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

8. Taxation (continued)

b) Factors affecting tax charge for the year

The tax assessed for the period is lower than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before taxation	<u>215,266</u>	<u>334,126</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	40,901	63,484
Effects of:		
Effect of changes in tax rates	(133)	223
Expenses not deductible for tax purposes	-	9
Adjustment to tax charge in respect of previous years	-	(216)
Current tax charge for the year (as above)	<u>40,768</u>	<u>63,500</u>

c) Factors that may affect future tax charges

The standard rate of Corporation Tax in the UK is 19% and will remain at the same rate for the period beginning on 1 April 2020.

ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

9. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2019	62,101	17,422	27,743	107,266
At 31 December 2019	62,101	17,422	27,743	107,266
Depreciation				
At 1 January 2019	2,092	13,423	27,476	42,991
Charge for the year on owned assets	-	3,007	266	3,273
At 31 December 2019	2,092	16,430	27,742	46,264
Net book value				
At 31 December 2019	60,009	992	1	61,002
At 31 December 2018	60,009	3,999	267	64,275

ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

10. Stocks

	2019 £	2018 £
Finished goods	279,024	270,177
	<u>279,024</u>	<u>270,177</u>

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £2,117,519 (2018 : £2,465,378).

ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Stocks (continued)

11. Debtors

	2019 £	2018 £
Trade debtors	523,294	581,263
Amounts owed by group undertakings	335,386	1,913,529
Other debtors	1,009	2,062
Deferred taxation	4,069	5,201
	<u>863,758</u>	<u>2,502,055</u>

Amounts owed by group companies are interest bearing and repayable on demand.

12. Creditors

	2019 £	2018 £
Trade creditors	290,311	447,404
Amounts owed to group undertakings	418,203	351,446
Corporation tax	39,636	65,616
Other taxation and social security	25,791	49,768
Other creditors	127,117	46,194
	<u>901,058</u>	<u>960,428</u>

Amounts owed to group companies are interest free and repayable on demand.

13. Deferred taxation

	2019 £
At beginning of year	5,201
Charged to profit or loss	(1,132)
At end of year	<u>4,069</u>

There is currently a difference between the b/fwd and c/fwd amounts - please review your trial balance

ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	3,547	3,678
Other short term timing difference	522	1,523
	<u>4,069</u>	<u>5,201</u>

14. Share capital

	2019 £	2018 £
Allotted and fully paid		
9,960 ordinary shares of £1.00 each	<u>9,960</u>	<u>9,960</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to receive one vote per share at general meetings of the company.

15. Pension scheme

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £8,064 (2018: £11,902).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

ROCK INDUSTRIAL & WELDING SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

16. Related party transactions

Sale of goods

During the year the company sold goods to associated undertakings totalling £97 (2018: £672).

Purchases

During the year the company purchased goods from associated undertakings totalling £27,607 (2018: £29,875).

Management and administration charges

During the year the company incurred management and administration charges from the immediate parent undertaking totalling £56,552 (2018: £55,068).

17. Amounts due to associated undertakings

	2019 £	2018 £
Gaffney Industrial & Welding Supplies Limited	-	504
	<u>-</u>	<u>504</u>
	<u>-</u>	<u>504</u>

18. Post balance sheet events

The directors acknowledge the existence of Covid-19 and its potential to impact the economy and regions in which the company's group operates. As at the date of these financial statements, there is no adverse material impact on the company's activities and the financial position of the company remains positive.

19. Ultimate parent undertaking and parent company of larger group

The company was a 87.5% subsidiary of Industrial Supplies & Services Limited, a company registered in England & Wales, until 4 November 2019 when the company became a wholly-owned subsidiary of that company. The ultimate parent company and controlling party is Linde plc, which is registered in Ireland at Ten Earlsfort Terrace, Dublin 2, D02 T380, Ireland.

Linde plc is the smallest and largest group to consolidate in these financial statements. Copies of Linde plc's consolidated financial statements can be obtained from that company at its principal trading address, 10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England. The ultimate parent company was Linde GmbH (formerly Linde AG), a company registered in Germany at Dr.-Carl-von-Linde-Straße 6 - 14, Pullach, 82049 Germany, until 31 October 2018 when Linde plc acquired the majority shares of Linde GmbH.