

REGISTERED NUMBER: 03025769 (England and Wales)

Strategic Report,  
Report of the Directors and  
Financial Statements  
for the Year Ended  
30 June 2021  
for  
Rockline Industries Limited

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Confidential

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for the Year Ended 30 June 2021

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Rockline Industries Limited

Company Information  
for the Year Ended 30 June 2021

**DIRECTORS:**

Randy Rudolph  
Craig R Roush

**SECRETARY:**

S D G Ellis

**REGISTERED OFFICE:**

Heming Road  
Redditch  
Worcestershire  
B98 0DH

**REGISTERED NUMBER:**

03025769 (England and Wales)

**AUDITORS:**

Nicklin Audit Limited  
Chartered Accountants  
Statutory Auditors  
Church Court  
Stourbridge Road  
Halesowen  
West Midlands  
B63 3TT

Rockline Industries Limited (Registered number: 03025769)

Strategic Report  
for the Year Ended 30 June 2021

The directors present their strategic report for the year ended 30 June 2021.

## **REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements.

Rockline remains committed to a programme of capital investment, its established Continuous Improvement ethos and the further development of its Sourcing and Supply Chain initiatives.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

As the company trades both in the UK and overseas and purchases a large proportion of its raw materials from non-UK locations, it is exposed to foreign exchange risk. The company takes steps to minimise fluctuations in exchange rates through the operation of foreign currency bank accounts.

The company has significant indebtedness to its parent company. However the company continues to trade actively and there is no immediate issue with liquidity. The directors monitor cash and liquid asset forecasts closely to minimise future liquidity risk and the parent company has confirmed that it views the company as a valuable part of its global wet wipes presence and will therefore continue to support the company.

There are no other material exposures of the company relating to price risk, credit risk and cash flow risk which are material for the assessment of the assets, liabilities, financial position and profit of the company.

## **SECTION 172(1) STATEMENT**

The directors of Rockline Industries Limited and those of all UK companies must act in accordance with a set of general duties which are detailed in the UK's Companies Act. The directors fulfil their duties partly through a governance framework and delegate day to day decision making to the management team. The directors recognise that such delegation needs to be much more than financial authority. The company's governance structure also covers the values and behaviours expected of the company's employees, the need to foster good business relationships and how the directors look to ensure that the company has a robust system of control.

Details of the company's commitment to foster good business relationships and its employment policy are included in the Report of the Directors.

## **KEY PERFORMANCE INDICATORS**

The company uses KPI's typical to a manufacturing business to monitor and measure progress. These include monitoring of sales, EBITDA and profit before tax as well as more detailed KPI's such as labour productivity, sales margins and service standards.

Turnover for the year decreased by 27.33% from £81.700M to £59.374M which generated an operating profit for the year of £2.071M compared to a profit of £6.261M last year. Net current assets decreased from £17.251M to £11.814M and shareholders funds have increased from £7.907M last year to £11.358M this year.

## **BREXIT**

During the year under review the UK left the EU. Rockline Industries Limited had prepared thoroughly for this change and has adapted well with little disruption.

Rockline Industries Limited's parent company has long had an established entity in the EU, Rockline Industries Netherlands B.V. which has gained the portion of Rockline Industries Limited business that was sourced in and sold into the EU. The impact therefore on Rockline Industries Limited is that it has seen some of the turnover and associated costs transition to the EU entity from 1 October 2020 forward.

## **COVID-19**

Covid-19 continued to present a challenge to the company and its suppliers and customers with demand increasing to record levels in 2020 and now correcting to the low side in 2021.

Rockline Industries Limited has worked closely with all parties to ensure their safety, adapting methods of working and securing a reliable supply of products.

Rockline Industries Limited modified working practices and performed regular risk assessments in order to adapt to the changing situation.

Strategic Report  
for the Year Ended 30 June 2021

### GREENHOUSE GAS EMISSIONS AND ENERGY CONSUMPTION

The company's greenhouse gas (GHG) emissions and energy consumption for the year ended 30 June 2021 was as follows:

	Combustion of gas	Purchase of electricity for own use *	Total
Energy use (kWh)	803,456	2,807,667	3,611,123
GHG Emissions (MT Co2e)	164	645	818
Intensity ratio (kg Co2e per std. unit)			0.133

The company's greenhouse gas (GHG) emissions and energy consumption for the year ended 30 June 2020 was as follows:

	Combustion of gas	Purchase of electricity for own use *	Total
Energy use (kWh)	882,077	2,825,700	3,707,777
GHG Emissions (MT Co2e)	166	1,413	1,579
Intensity ratio (kg Co2e per std. unit)			0.238

\* including for the purposes of transport.

### Sustainability Mission Statement

Rockline will take positive steps to develop environmentally sustainable processes, products, packaging and raw materials throughout the supply chain that will develop long term value for our customers, communities and associates.

### Methodologies

#### Normalization Ration GHG/1000 sheets, kWh/1000 sheets

#### Onsite Fuels:

##### Step 1

Emissions factors obtained from GHG Protocol Emissions Factors from Cross-Sector Tools, Table 1, April 2014  
<http://www.ghgprotocol.org/calculation-tools/all-tools>. Last checked December 2015.

##### Step 2

Determine TJ per standard unit for each fuel.

BTUs in standard unit for each fuel obtained from table on

[http://tonto.eia.doe.gov/energyexplained/index.cfm?page=about bt](http://tonto.eia.doe.gov/energyexplained/index.cfm?page=about_bt)

Assume 1,055J=1BTU; multiply by 1,055 to determine J.

Divide by 1 trillion to determine TJ.

##### Step 3

Multiply TJ/std unit x kg/TJ of emissions for each GHG

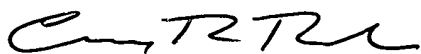
##### Step 4

Multiply kg/std unit of emissions x GWP for each GHG to determine kg Co2e emissions.

GWP Values updated December 2015 from IPCC Fifth Assessment Report 2014, as referenced in the GHG Protocol:

<http://ghgprotocol.org/sites/default/files/ghgp/Global-Warming-Potential-Values.pdf>

### ON BEHALF OF THE BOARD:



Craig R Roush - Director

Date: 26 AUGUST 2021

Rockline Industries Limited (Registered number: 03025769)

Report of the Directors  
for the Year Ended 30 June 2021

The directors present their report with the financial statements of the company for the year ended 30 June 2021.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the manufacture of wet wipes.

#### **DIVIDENDS**

No dividends will be distributed for the year ended 30 June 2021.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 July 2020 to the date of this report.

Randy Rudolph  
Craig R Roush

#### **ENGAGEMENT WITH EMPLOYEES**

The company seeks to ensure that all employees are treated fairly and equally. The company is regularly audited against ethical standards by third party bodies and has had very positive reports at the conclusion of these audits. The company subscribes to the principles of the Ethical Trading Initiative (ETI) base code. The safety of the employee at work is paramount and regular reviews of working conditions are made.

The company maintains regular contact with its staff through a combination of monthly workers representative council meetings supplemented by regular presentations to the staff on all aspects of the business.

The company looks to ensure that skills development is available to as many staff as possible and promotes people internally where possible. This is driven by senior staff to achieve its Attract, Retain and Develop objective, a key corporate initiative found throughout all levels of the company.

The company endeavours to ensure that as far as possible the training, career development and promotion of disabled persons is the same as for other employees.

#### **ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS**

Rockline foster and maintain relationships with all stakeholders, associates, customers and suppliers by living our RRITE values which underpin everything we do. The RRITE acronym stands for Respect, Renew, Integrity, Teamwork and Excellence and it is embedded in our culture.

Our suppliers are valued partners, we endeavour to maintain long term contracts and be respectful of the nature of their business whether they are a small owner driver business or a major Global Enterprise.

We engage with our customers through a wide range of initiatives, ensuring that we not only deliver on their commercial and supply chain needs but also their brand and sustainability strategies. We also utilise an annual Voice of the Customer survey with select customers to get feedback on how our customers perceive us.

Our associates are at the heart of everything we do, and we have ensured that we maintain regular briefings and other engagement initiatives to keep everyone informed of how the business is performing and where it is heading.

#### **STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS**

The directors of the company who are also shareholders, delegate day to day management and decision making to the management team. The directors maintain an oversight of the company's performance and ensure that management are acting in accordance with the strategy and plans agreed by them.

Report of the Directors  
for the Year Ended 30 June 2021

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**



.....  
Craig R Roush - Director

Date: 26 AUGUST 2021

### **Opinion**

We have audited the financial statements of Rockline Industries Limited (the 'company') for the year ended 30 June 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' 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 company'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.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

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



### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditors' responsibilities for the audit of the financial statements**

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

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 identify and assess risks of material misstatement of the financial statements, whether due to fraud and error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry, control environment and business performance;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we have identified having reviewed the company's procedures for complying with laws and regulations and whether they were aware of any instances of non-compliance. The key laws and regulations we considered in this context included the Companies Act 2006.

Our audit procedures in relation to fraud included but were not limited to:

- reviewing balance sheet control accounts to ensure properly reconciled;
- addressing the risks of fraud through management override of controls by performing journal entry testing;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring with management concerning actual and potential litigation claims.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of  
Rockline Industries Limited

**Use of our report**

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

*DL Wright*

David Wright FCA (Senior Statutory Auditor)  
for and on behalf of Nicklin Audit Limited  
Chartered Accountants  
Statutory Auditors  
Church Court  
Stourbridge Road  
Halesowen  
West Midlands  
B63 3TT

Date: *9<sup>th</sup> Sept 2021*

Statement of Comprehensive Income  
for the Year Ended 30 June 2021

	Notes	2021 £	2020 £
<b>TURNOVER</b>	3	59,373,938	81,701,220
Cost of sales		<u>44,107,813</u>	<u>60,374,098</u>
<b>GROSS PROFIT</b>		15,266,125	21,327,122
Distribution costs		1,321,292	1,672,123
Administrative expenses		<u>11,841,963</u>	<u>13,489,942</u>
		13,163,255	15,162,065
		2,102,870	6,165,057
Other operating income		<u>(31,572)</u>	<u>95,880</u>
<b>OPERATING PROFIT</b>	5	2,071,298	6,260,937
Interest receivable and similar income		-	3,012
		<u>2,071,298</u>	<u>6,263,949</u>
Interest payable and similar expenses	6	<u>470,686</u>	<u>656,132</u>
<b>PROFIT BEFORE TAXATION</b>		1,600,612	5,607,817
Tax on profit	7	<u>-</u>	<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		1,600,612	5,607,817
<b>OTHER COMPREHENSIVE INCOME</b>			
Unrealised exchange difference on loan		1,850,573	(624,421)
Income tax relating to other comprehensive income		<u>-</u>	<u>-</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<u>1,850,573</u>	<u>(624,421)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><u>3,451,185</u></u>	<u><u>4,983,396</u></u>

The notes form part of these financial statements

Balance Sheet  
30 June 2021

	Notes	£	2021	£	£	2020	£
<b>FIXED ASSETS</b>							
Tangible assets	8			10,149,383			9,541,098
<b>CURRENT ASSETS</b>							
Stocks	9	5,091,369			6,502,072		
Debtors	10	11,383,556			16,713,706		
Cash at bank and in hand		809,748			2,359,022		
				17,284,673			25,574,800
<b>CREDITORS</b>							
Amounts falling due within one year	11	5,470,231			8,322,832		
<b>NET CURRENT ASSETS</b>				11,814,442			17,251,968
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				21,963,825			26,793,066
<b>CREDITORS</b>							
Amounts falling due after more than one year	12			10,605,901			18,886,327
<b>NET ASSETS</b>				11,357,924			7,906,739
<b>CAPITAL AND RESERVES</b>							
Called up share capital	15			40,086,677			40,086,677
Share premium	16			230,750			230,750
Retained earnings	16			(28,959,503)			(32,410,688)
<b>SHAREHOLDERS' FUNDS</b>				11,357,924			7,906,739

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 26-8-2021 and were signed on its behalf by:



Craig R Roush - Director

Rockline Industries Limited (Registered number: 03025769)

Statement of Changes in Equity  
for the Year Ended 30 June 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance at 1 July 2019</b>	40,086,677	(37,394,084)	230,750	2,923,343
<b>Changes in equity</b>				
Total comprehensive income	-	4,983,396	-	4,983,396
<b>Balance at 30 June 2020</b>	<u>40,086,677</u>	<u>(32,410,688)</u>	<u>230,750</u>	<u>7,906,739</u>
<b>Changes in equity</b>				
Total comprehensive income	-	3,451,185	-	3,451,185
<b>Balance at 30 June 2021</b>	<u><u>40,086,677</u></u>	<u><u>(28,959,503)</u></u>	<u><u>230,750</u></u>	<u><u>11,357,924</u></u>

The notes form part of these financial statements

Rockline Industries Limited (Registered number: 03025769)

Cash Flow Statement  
for the Year Ended 30 June 2021

	Notes	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	395,511	2,441,949
Interest paid		(470,686)	(656,132)
Net cash from operating activities		(75,175)	1,785,817
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(1,474,099)	(475,786)
Sale of tangible fixed assets		-	2,116
Interest received		-	3,012
Net cash from investing activities		(1,474,099)	(470,658)
<b>(Decrease)/increase in cash and cash equivalents</b>		(1,549,274)	1,315,159
<b>Cash and cash equivalents at beginning of year</b>	2	2,359,022	1,043,863
<b>Cash and cash equivalents at end of year</b>	2	809,748	2,359,022

The notes form part of these financial statements

Notes to the Cash Flow Statement  
for the Year Ended 30 June 2021

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2021	2020
	£	£
Profit before taxation	1,600,612	5,607,817
Depreciation charges	865,815	963,368
Loss on disposal of fixed assets	-	28,107
Exchange (loss)/gain on long term loan	1,850,573	(624,421)
Finance costs	470,686	656,132
Finance income	-	(3,012)
	<u>4,787,686</u>	<u>6,627,991</u>
Decrease in stocks	1,410,703	1,223,471
Decrease/(increase) in trade and other debtors	5,330,149	(784,604)
Decrease in trade and other creditors	(11,133,027)	(4,624,909)
<b>Cash generated from operations</b>	<u><u>395,511</u></u>	<u><u>2,441,949</u></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 30 June 2021**

	30.6.21	1.7.20
	£	£
Cash and cash equivalents	<u><u>809,748</u></u>	<u><u>2,359,022</u></u>

**Year ended 30 June 2020**

	30.6.20	1.7.19
	£	£
Cash and cash equivalents	<u><u>2,359,022</u></u>	<u><u>1,043,863</u></u>

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.7.20	Cash flow	At 30.6.21
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<u>2,359,022</u>	<u>(1,549,274)</u>	<u>809,748</u>
	<u>2,359,022</u>	<u>(1,549,274)</u>	<u>809,748</u>
<b>Total</b>	<u><u>2,359,022</u></u>	<u><u>(1,549,274)</u></u>	<u><u>809,748</u></u>

Notes to the Financial Statements  
for the Year Ended 30 June 2021

1. **STATUTORY INFORMATION**

Rockline Industries Limited is a private company, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirement of paragraph 33.7.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has been transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Improvements to property	- 2% on cost
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Computer equipment	- 33% on cost

No depreciation is provided on assets in the course of construction since they are maintained to current values until they are complete and brought into use.

**Government grants**

During the year the company obtained grants from the UK government in relation to COVID-19. Grants are accounted for on the accruals basis. Grants relating to revenue are recognised in other operating income on a systematic basis over the period in which the related costs are incurred. Grants for compensation are recognised in income in the period to which they become receivable.

**Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value.

Cost is defined as the standard cost of raw materials and an appropriate proportion of labour and overheads in the case of work in progress and finished goods. Standard costs are regularly reviewed against actual costs and updated as appropriate. Provision is always made for obsolete and slow moving stock.

Net realisable value is defined as selling prices less all costs to completion, selling and distribution.

**Taxation**

Taxation for the year comprises current and deferred tax. 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 equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.



Notes to the Financial Statements - continued  
for the Year Ended 30 June 2021

2. **ACCOUNTING POLICIES - continued**

**Deferred tax**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more than likely than not that there will be a suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**Foreign currencies**

The financial statements are presented in Sterling (£) being the currency of the primary economic environment in which the entity operates.

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are recognised in the Income Statement in the period in which they arise. Exchange differences arising on the translation of the long term loan are recognised in other comprehensive income and are not reclassified to profit and loss.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2021 £	2020 £
United Kingdom	29,444,717	32,692,722
Europe	26,263,657	25,600,459
Rest of the World	3,665,564	23,408,039
	<u>59,373,938</u>	<u>81,701,220</u>

4. **EMPLOYEES AND DIRECTORS**

	2021 £	2020 £
Wages and salaries	10,162,136	10,203,944
Social security costs	918,594	894,867
Other pension costs	378,175	368,556
	<u>11,458,905</u>	<u>11,467,367</u>

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

	2021	2020
Administrative	14	15
Manufacturing	356	345
	<u>370</u>	<u>360</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2021

4. **EMPLOYEES AND DIRECTORS - continued**

	2021	2020
	£	£
Directors' remuneration	-	-

5. **OPERATING PROFIT**

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

	2021	2020
	£	£
Hire of plant and machinery	229,358	183,078
Depreciation - owned assets	865,814	963,368
Loss on disposal of fixed assets	-	28,107
Auditors' remuneration	10,500	10,800
Exchange(loss)/gain on monetary assets and liabilities	(65,661)	95,880
Operating lease rentals - plant	229,358	183,078

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2021	2020
	£	£
Loan	470,686	656,132

7. **TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 30 June 2021 nor for the year ended 30 June 2020.

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
Profit before tax	1,600,612	5,607,817
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	304,116	1,065,485
Effects of:		
Expenses not deductible for tax purposes	-	(572)
Capital allowances in excess of depreciation	(70,154)	(61,985)
Exchange gain/(loss) on loan	351,609	(118,640)
Tax losses utilised/ carried forward	(585,571)	(884,288)
Total tax charge	-	-

**Tax effects relating to effects of other comprehensive income**

	Gross	2021	Net
	£	Tax	£
		£	
Unrealised exchange difference on loan	1,850,573	-	1,850,573

Notes to the Financial Statements - continued  
for the Year Ended 30 June 20217. **TAXATION - continued**

	Gross £	2020 Tax £	Net £
Unrealised exchange difference on loan	(624,421)	-	(624,421)

8. **TANGIBLE FIXED ASSETS**

	Freehold property £	Assets in course of construction £	Improvements to property £
<b>COST</b>			
At 1 July 2020	3,912,236	647,232	2,988,069
Additions	-	1,474,099	-
Transfer of assets	-	(362,718)	-
At 30 June 2021	3,912,236	1,758,613	2,988,069
<b>DEPRECIATION</b>			
At 1 July 2020	1,672,285	-	890,300
Charge for year	82,584	-	59,761
At 30 June 2021	1,754,869	-	950,061
<b>NET BOOK VALUE</b>			
At 30 June 2021	2,157,367	1,758,613	2,038,008
At 30 June 2020	2,239,951	647,232	2,097,769

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 July 2020	13,638,799	473,574	860,137	22,520,047
Additions	-	-	-	1,474,099
Transfer of assets	340,523	22,195	-	-
At 30 June 2021	13,979,322	495,769	860,137	23,994,146
<b>DEPRECIATION</b>				
At 1 July 2020	9,203,301	388,325	824,738	12,978,949
Charge for year	683,444	15,838	24,187	865,814
At 30 June 2021	9,886,745	404,163	848,925	13,844,763
<b>NET BOOK VALUE</b>				
At 30 June 2021	4,092,577	91,606	11,212	10,149,383
At 30 June 2020	4,435,498	85,249	35,399	9,541,098

9. **STOCKS**

	2021 £	2020 £
Raw materials	3,251,813	4,292,913
Finished goods	1,839,556	2,209,159
	5,091,369	6,502,072

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2021

10. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
Trade debtors	10,982,993	14,531,295
Amounts owed by group undertakings	170,219	1,443,203
Other debtors	-	512,145
Prepayments and accrued income	230,344	227,063
	<u>11,383,556</u>	<u>16,713,706</u>

11. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
Trade creditors	3,841,411	6,387,643
Social security and other taxes	243,567	-
Accrued expenses	1,385,253	1,935,189
	<u>5,470,231</u>	<u>8,322,832</u>

12. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2021	2020
	£	£
Loan from holding company	<u>10,605,901</u>	<u>18,886,327</u>

The loan is interest bearing at 0.1% over the rate of borrowing by the parent company. There are no fixed terms of repayment.

13. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	172,251	188,924
Between one and five years	260,372	343,581
	<u>432,623</u>	<u>532,505</u>

14. **SECURED DEBTS**

The following secured debts are included within creditors:

	2021	2020
	£	£
Loan from holding company	<u>10,605,901</u>	<u>18,886,327</u>

Rockline Industries Inc. holds a floating debenture in respect of their loan to the company.

15. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021	2020
			£	£
40,086,677	Ordinary	£1	<u>40,086,677</u>	<u>40,086,677</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2021

16. **RESERVES**

	Retained earnings £	Share premium £	Totals £
At 1 July 2020	(32,410,688)	230,750	(32,179,938)
Profit for the year	1,600,612		1,600,612
Exchange difference on loan	1,850,573	-	1,850,573
	<u>(28,959,503)</u>	<u>230,750</u>	<u>(28,728,753)</u>
At 30 June 2021	(28,959,503)	230,750	(28,728,753)

17. **PENSION COMMITMENTS**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund which amounted to £453,527 (2020: £368,556).

18. **ULTIMATE PARENT COMPANY**

The ultimate parent company by virtue of its controlling interest of Rockline Industries Limited is Rockline Industries Inc, a company incorporated in the United States of America. The company has been included in the group financial statements of Rockline Industries Inc. Copies of these financial statements are available from Rockline Industries Inc at PO Box 1007, 4343 S.Taylor Drive, Sheboygan, WI 53082-1007, USA.

19. **CAPITAL COMMITMENTS**

	2021 £	2020 £
Contracted but not provided for in the financial statements	<u>1,802,350</u>	<u>439,989</u>

20. **RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Key management personnel compensation was £738,497 (2020 - £873,393).