

Company Registration No. 05516352 (England and Wales)

**RUTRONIK UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

# RUTRONIK UK LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	H Rudel T Rudel
<b>Secretary</b>	Dr G Sommer
<b>Company number</b>	05516352
<b>Registered office</b>	Rutronik UK Limited 1-3 The Courtyard Calvin Street Bolton BL1 8PB
<b>Auditor</b>	Cowgill Holloway LLP Regency House 45-53 Chorley New Road Bolton BL1 4QR
<b>Bankers</b>	HSBC Bank Plc 4 Hardman Square Spinningfields Manchester M3 3EB

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# **RUTRONIK UK LIMITED**

## **CONTENTS**

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	<b>Page</b>
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 8
Statement of comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Notes to the financial statements	12 - 23

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# **RUTRONIK UK LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present the strategic report for the year ended 31 December 2021.

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

The business has had a successful year with turnover increasing by £5,918,986 to £24,016,545. Gross profit margin has increased from 18.99% to 23.53%

Administrative expenses have increased by £1,198,458 to £4,164,608. Salaries and wages have increased £36,430 to £2,731,514 and profit or loss on foreign exchange has moved from a £495,248 profit in the prior year, to a loss of £146,610.

The directors are please to announce a profit after tax of £1,487,362, this is an increase of £744,293 in comparison to the £743,069 profit after tax in 2020.

The profit after tax has been added to reserves, the net asset position has been further strengthened increasing to £13,714,123 from £12,226,761 in 2020.

#### **Principal risks and uncertainties**

The principal risks and uncertainties affecting the business include:

##### *Foreign currency exchange*

The uncertainty of the foreign exchange markets make it difficult for the directors to assess the likely impact of future movement in foreign currency. The company does not enter into any arrangements to hedge against the risk.

##### *Credit risk*

The company aims to maintain close relationship with customers as well as agreeing and closely managing credit terms.

##### *Liquidity risk*

The company manages liquidity risk by maintaining adequate reserves and by monitoring forecasts and actual cash flows.

The directors are satisfied that these risks have been adequately managed throughout the period.

#### **Key performance indicators**

Key performance indicators continue to be used throughout the business. The company's focus is on improvements to turnover and profit before tax.

#### **Development and performance**

The directors are pleased with the current year performance and the company continues to grow its market share.

#### **Future developments**

The company aims to grow its market share in the electronic parts and equipment industry and to improve turnover and profit before tax.

**RUTRONIK UK LIMITED**

**STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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By order of the board

Dr G Sommer

**Secretary**

26 September 2022

# **RUTRONIK UK LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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

### **Principal activities**

The principal activity of the company is that of the wholesale trade of electronic parts and equipment.

### **Results and dividends**

The results for the year are set out on page 9.

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

### **Directors**

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

H Rudel

T Rudel

### **Auditor**

The auditor, Cowgill Holloway LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of directors' responsibilities**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement of disclosure to auditor**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

**RUTRONIK UK LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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By order of the board

Dr G Sommer  
**Secretary**

26 September 2022

# **RUTRONIK UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF RUTRONIK UK LIMITED**

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#### **Opinion**

We have audited the financial statements of Rutronik UK Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

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

In auditing the financial statements, we have concluded that the 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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



## **RUTRONIK UK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF RUTRONIK UK LIMITED**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

##### **Responsibilities of directors**

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

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

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

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.

## **RUTRONIK UK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF RUTRONIK UK LIMITED**

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We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussions with the directors (as required by auditing standards) and discussed with the directors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines. We identified the following areas as those most likely to have such an effect: Health and Safety at Work Act, Company Law and Employment Law.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

We design procedures in line with our responsibilities, outlined below to detect material misstatement due to fraud:

- Matters are discussed amongst the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud
- Identifying and assessing the design and effectiveness of controls that management have in place to prevent and detect fraud
- Detecting and responding to the risks of fraud following discussions with management and enquiring as to whether management have knowledge of any actual, suspected or alleged fraud;

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

## **RUTRONIK UK LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF RUTRONIK UK LIMITED**

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

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

**Alex Hesketh (Senior Statutory Auditor)**  
**For and on behalf of Cowgill Holloway LLP**

26 September 2022

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

Regency House  
45-53 Chorley New Road  
Bolton  
BL1 4QR

# RUTRONIK UK LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
<b>Revenue</b>	<b>3</b>	24,016,545	18,097,559
Cost of sales		(18,365,969)	(14,660,608)
<b>Gross profit</b>		5,650,576	3,436,951
Administrative expenses		(4,164,608)	(2,966,150)
Other operating income		-	208,354
<b>Operating profit</b>	<b>4</b>	1,485,968	679,155
Investment income	<b>6</b>	44,233	103,714
Finance costs	<b>7</b>	(43,091)	(40,427)
<b>Profit before taxation</b>		1,487,110	742,442
Tax on profit	<b>8</b>	252	627
<b>Profit for the financial year</b>		1,487,362	743,069

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

# RUTRONIK UK LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

		2021		2020	
	Notes	£	£	£	£
<b>Non-current assets</b>					
Property, plant and equipment	9		5,744		8,740
Investments	10		1		1
			<u>5,745</u>		<u>8,741</u>
<b>Current assets</b>					
Trade and other receivables	12	3,541,524		10,360,577	
Cash and cash equivalents		12,187,771		3,935,543	
		<u>15,729,295</u>		<u>14,296,120</u>	
<b>Current liabilities</b>	13	(2,020,917)		(2,078,100)	
		<u>13,708,378</u>		<u>12,218,020</u>	
<b>Net current assets</b>					
			<u>13,714,123</u>		<u>12,226,761</u>
<b>Net assets</b>					
			<u>13,714,123</u>		<u>12,226,761</u>
<b>Equity</b>					
Called up share capital	16		1		1
Retained earnings			13,714,122		12,226,760
			<u>13,714,123</u>		<u>12,226,761</u>
<b>Total equity</b>			<u>13,714,123</u>		<u>12,226,761</u>

The financial statements were approved by the board of directors and authorised for issue on 26 September 2022 and are signed on its behalf by:

T Rudel  
Director

Company Registration No. 05516352

## **RUTRONIK UK LIMITED**

### **STATEMENT OF CHANGES IN EQUITY** **FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance at 1 January 2020</b>	1	11,483,691	11,483,692
<b>Year ended 31 December 2020:</b>			
Profit and total comprehensive income for the year	-	743,069	743,069
<b>Balance at 31 December 2020</b>	1	12,226,760	12,226,761
<b>Year ended 31 December 2021:</b>			
Profit and total comprehensive income for the year	-	1,487,362	1,487,362
<b>Balance at 31 December 2021</b>	1	13,714,122	13,714,123

# **RUTRONIK UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

#### **Company information**

Rutronik UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Rutronik UK Limited, 1-3 The Courtyard, Calvin Street, Bolton, BL1 8PB.

#### **1.1 Accounting convention**

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

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

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

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Rutronik UK Limited is a wholly owned subsidiary of Rutronik Elektronische Baulemente GmbH and the results of Rutronik UK Limited are included in the consolidated financial statements of Rutronik Elektronische Baulemente GmbH, copies of which are available from Industriestrasse, 2, 75228, Ispringen, Germany.

The individual accounts of Rutronik UK Limited have also adopted the following disclosure exemptions:  
- the requirement to present a statement of cash flows and related notes, as these will be provided in the consolidated statements, prepared by Rutronik Elektronische Baulemente GmbH copies of which are available from Industriestrasse, 2, 75228, Ispringen, Germany.

#### **1.2 Going concern**

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

#### **1.3 Revenue**

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

#### **1.4 Property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# RUTRONIK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

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

Fixtures, fittings & equipment	20% Straight Line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.6 Impairment of non-current assets

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

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

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

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



# RUTRONIK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.7 Cash and cash equivalents

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

#### 1.8 Financial instruments

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

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

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

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

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

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

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

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

# RUTRONIK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

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

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

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

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

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

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

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

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

#### **Basic financial liabilities**

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

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

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

#### **Other financial liabilities**

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

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

# RUTRONIK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

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

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

### 1.9 Equity instruments

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

### 1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

### 1.11 Taxation

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

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

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

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

Deferred tax is recognised in respect of all timing differences which have originated but not reversed at the balance sheet date. Timing differences are differences between taxable profits and the results as stated in the financial statements which arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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

Deferred tax is measured at the average tax rates which are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws which have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non - discounted basis.

### 1.12 Employee benefits

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

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

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

# RUTRONIK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.13 Retirement benefits

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

#### 1.14 Leases

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

#### 1.15 Government grants

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

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

#### 1.16 Foreign exchange

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

### 2 Judgements and key sources of estimation uncertainty

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

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

### 3 Revenue

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

	2021 £	2020 £
Revenue analysed by class of business		
Electronic components	24,016,545	18,097,559

# RUTRONIK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 3 Revenue (Continued)

	2021 £	2020 £
<b>Revenue analysed by geographical market</b>		
United Kingdom	23,960,661	17,974,014
European Countries	-	49,958
Rest of the World	55,884	73,587
	<u>24,016,545</u>	<u>18,097,559</u>
	2021 £	2020 £
<b>Other significant revenue</b>		
Interest income	44,233	103,714
Grants received	-	62,922
Management fees receivable	-	145,432
	<u></u>	<u></u>

### 4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	146,610	(495,248)
Government grants	-	(62,922)
Fees payable to the company's auditor for the audit of the company's financial statements	19,808	18,000
Depreciation of owned property, plant and equipment	2,996	11,460
Operating lease charges	140,038	134,588
	<u></u>	<u></u>

### 5 Employees

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

	2021 Number	2020 Number
Sales, support and administration	<u>45</u>	<u>51</u>

# RUTRONIK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

<b>5</b>	<b>Employees</b>	<b>(Continued)</b>	
	Their aggregate remuneration comprised:		
		<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Wages and salaries	2,370,169	2,332,048
	Social security costs	271,238	262,461
	Pension costs	90,107	100,575
		<u>2,731,514</u>	<u>2,695,084</u>
<b>6</b>	<b>Investment income</b>		
		<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Interest income</b>		
	Interest receivable from group companies	36,178	103,714
	Other interest income	8,055	-
		<u>44,233</u>	<u>103,714</u>
<b>7</b>	<b>Finance costs</b>		
		<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	Other interest on financial liabilities	43,091	40,427
<b>8</b>	<b>Taxation</b>		
		<b>2021</b>	<b>2020</b>
		<b>£</b>	<b>£</b>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	(252)	(627)

# RUTRONIK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 8 Taxation

(Continued)

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

	2021 £	2020 £
Profit before taxation	1,487,110	742,442
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	282,551	141,064
Tax effect of expenses that are not deductible in determining taxable profit	38,096	1,177
Group relief	(320,899)	(142,131)
Permanent capital allowances in excess of depreciation	-	1,309
Other non-reversing timing differences	-	(2,046)
Taxation credit for the year	(252)	(627)

### 9 Property, plant and equipment

Fixtures, fittings  
& equipment

£

#### Cost

At 1 January 2021 and 31 December 2021

76,644

#### Depreciation and impairment

At 1 January 2021

67,904

Depreciation charged in the year

2,996

At 31 December 2021

70,900

#### Carrying amount

At 31 December 2021

5,744

At 31 December 2020

8,740

### 10 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	11	1	1

### 11 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

# RUTRONIK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 11 Subsidiaries (Continued)

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Rutronik Electronics UK Limited	England & Wales	Wholesale supply of electronic components	Ordinary	100.00	-
Rutronik USA Inc.	USA	Wholesale supply of electronic components	Ordinary	0	100.00

### 12 Trade and other receivables

	2021	2020
	£	£
<b>Amounts falling due within one year:</b>		
Trade receivables	3,309,831	1,807,373
Amounts owed by group undertakings	-	8,128,106
Other receivables	206,109	399,832
Prepayments and accrued income	24,123	24,057
	<u>3,540,063</u>	<u>10,359,368</u>
Deferred tax asset (note 14)	1,461	1,209
	<u>3,541,524</u>	<u>10,360,577</u>

### 13 Current liabilities

	2021	2020
	£	£
Trade payables	107,286	113,082
Amounts owed to group undertakings	232,301	-
Taxation and social security	981,105	1,081,375
Other payables	532,942	745,498
Accruals and deferred income	167,283	138,145
	<u>2,020,917</u>	<u>2,078,100</u>

### 14 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets	Assets
	2021	2020
	£	£
<b>Balances:</b>		
ACAs	1,461	1,209
	<u>1,461</u>	<u>1,209</u>



# RUTRONIK UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 14 Deferred taxation (Continued)

<b>Movements in the year:</b>	<b>2021</b>
	<b>£</b>
Liability/(Asset) at 1 January 2021	(1,209)
Credit to profit or loss	(252)
Liability/(Asset) at 31 December 2021	<u>(1,461)</u>

### 15 Retirement benefit schemes

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	90,107	100,575

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

### 16 Share capital

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1 Ordinary Share of £1 each	1	1

### 17 Operating lease commitments

#### Lessee

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Within one year	69,900	61,733
Between two and five years	110,675	180,575
	<u>180,575</u>	<u>242,308</u>

### 18 Related party transactions

The company has taken advantage of the exemption available in accordance with FRS 102 section 1.12(e) 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

## **RUTRONIK UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2021***

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**19 Ultimate controlling party**

The company is a 100% owned subsidiary of Rutronik Elektronische Bauelemente GmbH, a company incorporated and registered in Germany. That company is controlled by H Rudel and T Rudel by virtue of their shareholding.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.