

Company Registration No. 06303883 (England and Wales)

Rosehill Polymers Group Limited

**Annual Report and Consolidated
Financial Statements**

For the year ended 31 March 2022

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Rosehill Polymers Group Limited

Company Information

Directors

W J Stevens
A H Celik
J M Hopkinson
C Z Pinder
N Hope

Company number

06303883

Registered office

Rosehill Mills
Beech Road
Sowerby Bridge
Halifax
West Yorkshire
HX6 2JT

Auditor

B M Howarth Ltd
West House
King Cross Road
Halifax
West Yorkshire
HX1 1EB

Bankers

National Westminster Bank
1 Waterhouse Street
Halifax
West Yorkshire
HX1 1JA

Rosehill Polymers Group Limited

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Rosehill Polymers Group Limited

Strategic Report for the year ended 31 March 2022

The directors present the strategic report for the year ended 31 March 2022.

Principal activities

The principal activities of the company and group continue to be that of the manufacture and supply of binders, elastomers and other polymeric products utilised in sports and safety surfacing, manufacturing, transportation, oil and gas industry, counter terrorism, security and heavy industrial applications.

Business review

The group continues to develop its strategy of market and product diversification underpinned by its globally acknowledged expertise with material science innovation.

The directors are satisfied with the results of the year. Turnover has increased over the previous year by 15.7% to £33.4m from £28.9m. Further details of turnover by geographical segment are given in note 2 of the financial statements. During the year the group incurred substantial expenditure in research and development and in respect of upkeep costs for the production facility. The EBITDA figure below is stated after charging these costs.

	31 March 2022 £	31 March 2021 £
Turnover	33,441,165	28,897,029
Gross profit	11,022,708	10,638,770
Gross profit margin	32.96%	36.82%
EBITDA	3,240,517	4,154,482
EBITDA as a percentage of turnover	9.69%	14.38%

Financial risks and uncertainties

Competition and threat to market share is a key risk to the group. The risk is alleviated by continuing to develop quality products at competitive prices and reacting efficiently to customers' requirements. The company is partly financed by bank loans, overdraft and invoice discounting facilities, so is exposed to interest rate fluctuations. Cash flow is carefully managed to minimise the risk and the level of facilities used.

Research and development

Using both internal expertise and external consultants the group continually invests in research and development into new products and processes. The group will continue to invest in research and development that has a suitable return.

Environmental policy

The group recognises the importance of its environmental responsibilities and attempts to minimise its impact on the environment, including safe disposal of waste, recycling and reducing energy consumption.

Payment of creditors

It is the group's policy to ensure that suppliers are aware of the group's terms of payment, and that these terms are agreed at the commencement of business with each supplier. Payments are made in accordance with the payment terms and conditions agreed.

Rosehill Polymers Group Limited

Strategic Report (continued) for the year ended 31 March 2022

Future developments

The group continues to build its market share through close focus on, and delivery of, customer requirements. The prospects for the year to 31 March 2023 are very encouraging with the directors looking to increase the group's overseas revenue.

There have been no events since the balance sheet date that materially affect the company.

On behalf of the board



A H Celik

Director

1 November 2022

Rosehill Polymers Group Limited

Directors' Report for the year ended 31 March 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal activities

The principal activities of the company and group continue to be that of the manufacture and supply of binders, elastomers and other polymeric products utilised in sports and safety surfacing, manufacturing, transportation, oil and gas industry, counter terrorism, security and heavy industrial applications.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £176,324. The directors do not recommend payment of a further dividend.

Directors

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

W J Stevens
A H Celik
J M Hopkinson
C Z Pinder
N Hope

Auditor

B M Howarth Ltd were appointed as auditor to the group and in accordance with section 485 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 group and company, and of the profit or loss of the group 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Strategic Report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

Rosehill Polymers Group Limited

Directors' Report (continued) for the year ended 31 March 2022

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually 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 auditor of the company is aware of that information.

On behalf of the board



A H Celik
Director



C Z Pinder
Director

1 November 2022

Rosehill Polymers Group Limited

Independent Auditor's Report to the members of Rosehill Polymers Group Limited

Opinion

We have audited the financial statements of Rosehill Polymers Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 group's and the parent company's affairs as at 31 March 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 group's and parent 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.

Rosehill Polymers Group Limited

Independent Auditor's Report (continued) to the members of Rosehill Polymers Group Limited

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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.

Based on our understanding of the group and the parent company and the sector in which it operates, our audit work considers the risk of material misstatement on the financial statements as a result of non-compliance with laws and regulations, this includes fraud. These laws and regulations include, but are not limited to, those that relate to the form and content of the financial statements, such as the Group accounting policies, the financial reporting framework and the UK Companies Act 2006.

We evaluated management incentives and opportunities for fraudulent manipulation of the financial statements and determined that the principal risks related to potential posting of inappropriate journal entries and management bias in accounting estimates, as well as inappropriate revenue cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statements disclosures to underlying supporting documentation;
- Identifying and testing journal entries to ensure they are appropriate;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions, accounting estimates and judgements made by Directors;
- Sample testing of revenue to ensure revenue has been recognised in the correct period.

Rosehill Polymers Group Limited

Independent Auditor's Report (continued) to the members of Rosehill Polymers Group Limited

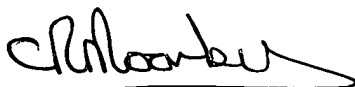
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

There are inherent limitations in audit procedures, the further removed non compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

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.



Charles R Moorby (Senior Statutory Auditor)

For and on behalf of B M Howarth Ltd

Chartered Accountants

Statutory Auditor

West House

King Cross Road

Halifax

West Yorkshire

HX1 1EB

1 November 2022

Rosehill Polymers Group Limited
Group Statement Of Comprehensive Income
for the year ended 31 March 2022

	Notes	2022 £	2021 £
Turnover	2	33,441,165	28,897,029
Cost of sales		(22,418,457)	(18,258,259)
Gross profit		11,022,708	10,638,770
Distribution costs		(631,214)	(532,163)
Administrative expenses		(8,482,027)	(7,948,574)
Other operating income		170,000	393,606
Operating profit	3	2,079,467	2,551,639
Interest payable	7	(543,727)	(478,307)
Profit before taxation		1,535,740	2,073,332
Tax on profit	9	76,977	(120,154)
Profit for the financial year		1,612,717	1,953,178

The statement of income and retained earnings has been prepared on the basis that all operations are continuing operations.

Rosehill Polymers Group Limited
Group Statement of financial position
as at 31 March 2022

	Notes	£	2022 £	£	2021 £
Fixed assets					
Intangible assets	10		67,692		69,962
Tangible assets	11		15,970,865		15,537,520
Current assets					
Stocks	14	6,916,525		4,400,997	
Debtors	15	7,942,759		5,492,962	
Cash at bank and in hand		4,006,047		1,354,824	
			18,865,331	11,248,783	
Creditors: amounts falling due within one year	16	(13,842,211)		(8,434,576)	
Net current assets			5,023,120		2,814,207
Total assets less current liabilities			21,061,677		18,421,689
Creditors: amounts falling due after more than one year	17		(7,465,050)		(6,223,283)
Provisions for liabilities	18		(1,111,608)		(1,149,780)
Net assets			12,485,019		11,048,626
Capital and reserves					
Called up share capital	19		2,194,625		2,194,625
Capital redemption reserve			-		2,015,050
Profit and loss reserves			10,290,394		6,838,951
Total equity			12,485,019		11,048,626

The financial statements were approved by the board of directors and authorised for issue on 1 November 2022 and are signed on its behalf by:


A H Celik
Director


J M Hopkinson
Director

Rosehill Polymers Group Limited
Company Statement of financial position
as at 31 March 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Investments	12		4,184,012		4,184,012
Current assets					
Debtors	15	-		155,737	
Creditors: amounts falling due within one year	16	(1,460,868)		(1,616,605)	
Net current liabilities			(1,460,868)		(1,460,868)
Net assets			2,723,144		2,723,144
Capital and reserves					
Called up share capital	19		2,194,625		2,194,625
Capital redemption reserve			-		2,015,050
Profit and loss reserves			528,519		(1,486,531)
Total equity			2,723,144		2,723,144

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £176,324 (2021 - £325,687 profit).

The financial statements were approved by the board of directors and authorised for issue on 1 November 2022 and are signed on its behalf by:


A H Celik
Director


J M Hopkinson
Director

Company Registration No. 06303883

Rosehill Polymers Group Limited
Group Statement Of Changes In Equity
for the year ended 31 March 2022

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2020		2,194,625	2,015,050	5,211,460	9,421,135
Year ended 31 March 2021:					
Profit and total comprehensive income for the year		-	-	1,953,178	1,953,178
Dividends	8	-	-	(325,687)	(325,687)
Balance at 31 March 2021		2,194,625	2,015,050	6,838,951	11,048,626
Year ended 31 March 2022:					
Profit and total comprehensive income for the year		-	-	1,612,717	1,612,717
Dividends	8	-	-	(176,324)	(176,324)
Cancellation of Capital Redemption Reserve		-	(2,015,050)	2,015,050	-
Balance at 31 March 2022		2,194,625	-	10,290,394	12,485,019

Rosehill Polymers Group Limited

Company Statement Of Changes In Equity for the year ended 31 March 2022

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2020		2,194,625	2,015,050	(1,486,531)	2,723,144
Year ended 31 March 2021:					
Profit and total comprehensive income for the year		-	-	325,687	325,687
Dividends	8	-	-	(325,687)	(325,687)
Balance at 31 March 2021		2,194,625	2,015,050	(1,486,531)	2,723,144
Year ended 31 March 2022:					
Profit and total comprehensive income for the year		-	-	176,324	176,324
Dividends	8	-	-	(176,324)	(176,324)
Cancellation of Capital Redemption Reserve		-	(2,015,050)	2,015,050	-
Balance at 31 March 2022		2,194,625	-	528,519	2,723,144

Rosehill Polymers Group Limited

Group Statement of Cash Flows for the year ended 31 March 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	24	75,993		6,382,576	
Interest paid		(543,727)		(478,307)	
Income taxes refunded		258,667		25,477	
Net cash (outflow)/inflow from operating activities		(209,067)		5,929,746	
Investing activities					
Purchase of intangible assets		(8,887)		(12,723)	
Purchase of tangible fixed assets		(1,583,238)		(1,703,056)	
Increase of directors loans		(932)		(3,863)	
Net cash used in investing activities		(1,593,057)		(1,719,642)	
Financing activities					
Increase/(Repayment) of borrowings		4,134,415		(3,217,133)	
(Repayment)/Increase of bank loans		(658,915)		853,487	
Increase/(Repayment) of hire purchase		1,945,807		(550,449)	
Dividends paid to equity shareholders		(332,061)		(169,950)	
Net cash generated from/(used in) financing activities		5,089,246		(3,084,045)	
Net increase in cash and cash equivalents		3,287,122		1,126,059	
Cash and cash equivalents at beginning of year		422,027		(704,032)	
Cash and cash equivalents at end of year		3,709,149		422,027	
Relating to:					
Cash at bank and in hand		4,006,047		1,354,824	
Bank overdrafts included in creditors payable within one year		(296,898)		(932,797)	

Rosehill Polymers Group Limited

Notes to the financial statements for the year ended 31 March 2022

1 Accounting policies

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.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £176,324 (2021 - £325,687 profit).

The consolidated group financial statements consist of the financial statements of the parent company Rosehill Polymers Group Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 March 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group 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.

Turnover

Turnover 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.

Turnover is recognised when the goods are physically despatched.

Goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 3 years.

Trademarks

Trademarks are valued at cost less accumulated amortisation. Trademarks have been amortised over the estimated useful life of 10 years.

Rosehill Polymers Group Limited
Notes to the financial statements (continued)
for the year ended 31 March 2022

1 Accounting policies

(continued)

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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:

Freehold Land and buildings	2% per annum
Leasehold properties	straight line over the life of the lease
Plant and machinery	2% - 25% straight line
Fixtures and fittings	10% - 33% straight line

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 recognised in the income statement.

Fixed asset investments

Investments in subsidiaries 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.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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 group'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 liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Leases

Assets held under finance leases and hire purchase contracts are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

Rosehill Polymers Group Limited

Notes to the financial statements (continued) for the year ended 31 March 2022

1 Accounting policies

(continued)

Government grants

Government grants relate to Coronavirus Job Retention Scheme (CJRS) funding of staff who have been furloughed due to Covid-19. These revenue-based grants are recognised over the same period in which the related costs are incurred.

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.

Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred.

Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

2 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2022 £	2021 £
Turnover		
UK	13,049,221	10,755,315
Europe	6,537,697	5,280,321
North America, Australia and Far East	13,854,247	12,861,393
	<u>33,441,165</u>	<u>28,897,029</u>

3 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Rent receivable	(170,000)	(130,000)
Government grants	-	(263,606)
Depreciation of tangible fixed assets	1,149,893	1,582,512
Amortisation of intangible assets	11,157	20,331
Auditors remuneration	36,000	31,030
	<u></u>	<u></u>

Rosehill Polymers Group Limited
Notes to the financial statements (continued)
for the year ended 31 March 2022

4 Employees

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

	2022 Number	2021 Number
Laboratory and production	64	59
Administration and sales	34	35
	<u>98</u>	<u>94</u>

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	4,463,728	4,736,080
Social security costs	484,929	484,853
Pension costs	188,196	167,579
	<u>5,136,853</u>	<u>5,388,512</u>

5 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	697,346	662,399
Company pension contributions to defined contribution schemes	14,766	36,779
	<u>712,112</u>	<u>699,178</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	<u>215,458</u>	<u>203,802</u>

Rosehill Polymers Group Limited
Notes to the financial statements (continued)
for the year ended 31 March 2022

6 Retirement benefit schemes

	2022	2021
	£	£
Charge to profit or loss	188,196	167,579
	<u> </u>	<u> </u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

7 Interest payable

	2022	2021
	£	£
Interest on bank overdrafts and loans	137,503	104,489
Interest on hire purchase contracts	406,224	373,818
	<u> </u>	<u> </u>
	543,727	478,307
	<u> </u>	<u> </u>

8 Dividends

	2022	2021
	£	£
Dividends paid on Ordinary shares	176,324	325,687
	<u> </u>	<u> </u>

Rosehill Polymers Group Limited

Notes to the financial statements (continued) for the year ended 31 March 2022

9 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	-	38,806
Adjustments in respect of prior periods	(38,806)	(47,055)
Total current tax	(38,806)	(8,249)
Deferred tax		
Origination and reversal of timing differences	(38,171)	111,263
Adjustment in respect of prior periods	-	17,140
Total deferred tax	(38,171)	128,403
Total tax charge	(76,977)	120,154

The actual (credit)/charge 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:

	2022 £	2021 £
Profit before taxation	1,535,740	2,073,332
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	291,791	393,933
Tax effect of expenses that are not deductible in determining taxable profit	562	10,365
Tax effect of utilisation of tax losses not previously recognised	(6,194)	-
Adjustments in respect of prior years	(38,806)	(29,915)
Depreciation on assets not qualifying for tax allowances	13,764	18,552
Research and development tax credit	(247,000)	(272,781)
Enhanced capital allowances	(91,094)	-
Tax expense for the year	(76,977)	120,154

Rosehill Polymers Group Limited

Notes to the financial statements (continued) for the year ended 31 March 2022

10 Intangible fixed assets

Group	Goodwill £	Trademarks £	Total £
Cost			
At 1 April 2021	676,943	107,435	784,378
Additions - separately acquired	-	8,887	8,887
At 31 March 2022	676,943	116,322	793,265
Amortisation and impairment			
At 1 April 2021	676,942	37,474	714,416
Amortisation charged for the year	-	11,157	11,157
At 31 March 2022	676,942	48,631	725,573
Carrying amount			
At 31 March 2022	1	67,691	67,692
At 31 March 2021	1	69,961	69,962

11 Tangible fixed assets

Group	Freehold Land and buildings £	Leasehold properties £	Plant and machinery £	Fixtures and fittings £	Total £
Cost					
At 1 April 2021	5,325,255	449,309	22,032,104	2,143,464	29,950,132
Additions	-	-	1,517,224	66,014	1,583,238
At 31 March 2022	5,325,255	449,309	23,549,328	2,209,478	31,533,370
Depreciation and impairment					
At 1 April 2021	1,210,719	449,308	10,800,608	1,951,977	14,412,612
Depreciation charged in the year	72,440	-	1,050,744	26,709	1,149,893
At 31 March 2022	1,283,159	449,308	11,851,352	1,978,686	15,562,505
Carrying amount					
At 31 March 2022	4,042,096	1	11,697,976	230,792	15,970,865
At 31 March 2021	4,114,536	1	11,231,496	191,487	15,537,520

Rosehill Polymers Group Limited

Notes to the financial statements (continued)

for the year ended 31 March 2022

12 Fixed asset investments

Company	Notes	2022 £	2021 £
Investments in subsidiaries	13	4,184,012	4,184,012

13 Subsidiaries

The company holds 100% of the ordinary share capital of Rosehill Polymers Limited, a company incorporated in England and Wales, whose registered office is Rosehill Mills, Beech Road, Sowerby Bridge, Halifax, West Yorkshire, HX6 2JT.

Rosehill Polymers Limited owns 100% of the common stock, at a cost of £75, in Rosehill USA Inc., a company incorporated and registered at Cranberry Township, Pennsylvania, United States.

Rosehill Polymers Limited owns 100% of the ordinary share capital of Rosehill Manufacturing Limited, a company incorporated in and registered at Rosehill Mills, Beech Road, Sowerby Bridge, West Yorkshire, HX6 2JT.

14 Stocks

Group	2022 £	2021 £
Raw materials and consumables	3,040,081	2,100,880
Finished goods and goods for resale	3,876,444	2,300,117
	6,916,525	4,400,997

15 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
Amounts falling due within one year:				
Trade debtors	7,302,393	4,700,148	-	-
Corporation tax recoverable	38,806	258,668	-	-
Other debtors	194,005	260,952	-	155,737
Prepayments and accrued income	407,555	273,194	-	-
	7,942,759	5,492,962	-	155,737

Rosehill Polymers Group Limited

Notes to the financial statements (continued) for the year ended 31 March 2022

16 Creditors: amounts falling due within one year

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	549,371	1,602,885	-	-
Obligations under finance leases	1,949,428	1,486,688	-	-
Invoice discounting	4,134,415	-	-	-
Trade creditors	5,425,449	4,405,296	-	-
Amounts owed to group undertakings	-	-	1,460,868	1,460,868
Other taxation and social security	145,151	118,392	-	-
Dividends payable	-	155,737	-	155,737
Accruals and deferred income	1,638,397	665,578	-	-
	<u>13,842,211</u>	<u>8,434,576</u>	<u>1,460,868</u>	<u>1,616,605</u>

Bank borrowings are secured against assets of the company. The obligations under hire purchase contracts are secured on the assets to which they relate. The invoice discounting creditor is secured on the book debts of the company.

17 Creditors: amounts falling due after more than one year

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loan	2,013,030	2,254,330	-	-
Obligations under finance leases	5,452,020	3,968,953	-	-
	<u>7,465,050</u>	<u>6,223,283</u>	<u>-</u>	<u>-</u>

Bank borrowings are secured against assets of the company. The obligations under hire purchase contracts are secured on the assets to which they relate.

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>1,098,971</u>	<u>1,228,495</u>	<u>-</u>	<u>-</u>
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Rosehill Polymers Group Limited

Notes to the financial statements (continued) for the year ended 31 March 2022

18 Deferred taxation

Deferred tax assets and liabilities are offset where the group or 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:

Group	2022 £	2021 £
Accelerated capital allowances	1,409,295	1,149,780
Tax losses	(297,687)	-
	<u>1,111,608</u>	<u>1,149,780</u>
		2022 £
Movements in the year:		
Liability at 1 April 2021		1,149,780
Charge to profit or loss		(38,172)
		<u>1,111,608</u>
Liability at 31 March 2022		

19 Share capital

Group and company	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary A shares of £1 each	314,614	314,614	314,614	314,614
Ordinary B shares of £1 each	314,614	314,614	314,614	314,614
Ordinary C shares of £1 each	906,088	906,088	906,088	906,088
Ordinary D shares of £1 each	352,368	352,368	352,368	352,368
Ordinary E shares of £1 each	153,471	153,471	153,471	153,471
Ordinary F shares of £1 each	153,470	153,470	153,470	153,470
	<u>2,194,625</u>	<u>2,194,625</u>	<u>2,194,625</u>	<u>2,194,625</u>

Rosehill Polymers Group Limited

Notes to the financial statements (continued) for the year ended 31 March 2022

20 Operating lease commitments

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

	2022 £	2021 £
Within one year	222,431	247,648
Between two and five years	252,346	449,258
	<u>474,777</u>	<u>696,906</u>

21 Related party transactions

During the year the company paid an open market value rent totalling £182,500 (2021 : £183,500) to the Rosehill Pension Fund for the rental of two properties that the company has traded from throughout the year.

Included in other debtors due within one year, is a directors loan of £42,947 (2021 : £42,015).

22 Directors' transactions

Dividends totalling £176,324 (2021 - £325,687) were paid in the year in respect of shares held by the company's directors and their immediate family.

23 Controlling party

The company was controlled throughout the year by the directors and their immediate family members through their collective ownership of the majority of the ordinary share capital.

24 Cash generated from group operations

	2022 £	2021 £
Profit for the year after tax	1,612,717	1,953,178
Adjustments for:		
Taxation (credited)/charged	(76,977)	120,154
Finance costs	543,727	478,307
Amortisation and impairment of intangible assets	11,157	20,331
Depreciation and impairment of tangible fixed assets	1,149,893	1,582,512
Movements in working capital:		
(Increase)/decrease in stocks	(2,515,528)	359,102
Increase in debtors	(2,668,727)	(30,623)
Increase in creditors	2,019,731	1,899,615
Cash generated from operations	<u>75,993</u>	<u>6,382,576</u>

Rosehill Polymers Group Limited
Notes to the financial statements (continued)
for the year ended 31 March 2022

25 Company information

Rosehill Polymers Group Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Rosehill Mills, Beech Road, Sowerby Bridge, Halifax, West Yorkshire, HX6 2JT.

The group consists of Rosehill Polymers Group Limited and all of its subsidiaries.