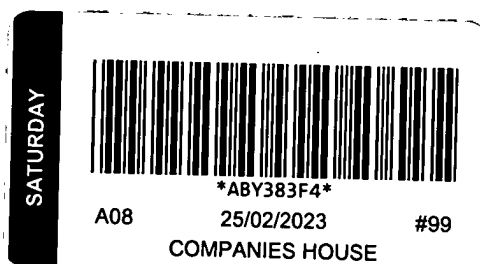


Company Registration No. 01178138 (England and Wales)

**ROTOLOK (HOLDINGS) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2022**



# **ROTOLOK (HOLDINGS) LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Mrs AJ McCauley Mr S Swales
<b>Secretary</b>	Mrs AJ McCauley
<b>Company number</b>	01178138
<b>Registered office</b>	1 Millennium Place Tiverton Business Park Tiverton Devon EX16 6SB
<b>Auditor</b>	Peplows Limited Moorgate House King Street Newton Abbot Devon TQ12 2LG

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# **ROTOLOK (HOLDINGS) LIMITED**

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# ROTOLOK (HOLDINGS) LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MAY 2022

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

#### Fair review of the business

We are delighted to report a strong performance and increase in profits for 2022.

Profit before tax has risen from £906,479 in 2021 to £4,043,898 in 2022, which is flattered by a favourable foreign currency movement as a result of the weakening of sterling. We are a big exporter, and do not import many parts or components, so we have been fortunate to inherit exchange gains this year.

The table below sets out the revenue performance of the two main divisions of the Rotolok Group and the group's key financial and other performance indicators during the year:

	2022	2021
	£	£
<b>Turnover</b>		
Manufacturing and Engineering	25,445,060	22,791,171
Property, Hotel, and Investment	780,654	3,862,349
	26,225,714	26,653,520
<b>EBITDA</b>	4,047,838	3,621,947
<b>Operating profit</b>	3,238,650	1,757,890
<b>Foreign currency gains / (losses)</b>	742,164	(890,167)
<b>Profit before tax</b>	4,043,898	906,479
<b>Net cash</b>	13,600,196	8,933,853
<b>Net assets</b>	47,349,951	43,992,875

#### Manufacturing and Engineering

As we focus on our core Manufacturing and Engineering activities, we are proud to have grown these revenues this year by another 12% to £25.5 million. We are predicting organic growth of circa 50% over a five-year term by 2023, an achievement that is testament to the dedication and skill of our talented workforce.

Our valve and powder handling equipment subsidiaries have all performed well. Our ongoing program of investing in our people and facilities is making great strides and benefitting all. We have just taken delivery of our first robot at Tiverton as we increasingly automate operations and upskill our staff.

Northfield Foundry is transitioning from a coke fueled cupola to electric furnaces as part of a wider upgrade that is necessary for environmental reasons and will hopefully put the business in a more viable position. Roots Systems, whilst having a large order book, has struggled to execute some contracts on time and has suffered as a result of some customers imposing liquidated damages for late delivery, leading to poor results.

# **ROTOLOK (HOLDINGS) LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MAY 2022**

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### **Property, Hotel and Investment**

Our investment property portfolio comprises mainly industrial units, let to third parties. It is multi-tenanted and represents a typical, yet broad, occupier base. We have started to overhaul our older units and commenced a re-roofing and re-cladding program, alongside a schedule of works to enhance the building fabric. Overall, rents received, and occupancy continue at good levels.

As covered in last year's report, in October 2021 we sold our hotel and property interests at Sugar Ridge, Antigua. Prior to the disposal, we were able to complete on two separate villa sales and the comparative figures for the year ended 31 May 2021 reflect these sales.

### **Principle risks and uncertainties**

Our manufacturing capacity and facilities need to keep pace with our increased levels of business. At three of our UK sites, property extensions and investments are required. Plans are subject to the Local Authority granting planning consent. We are experiencing some delays in gaining planning permission and having to deal with issues raised by statutory and other consultees.

The shortage of skilled labour is having an impact on UK business across all sectors. We are not immune, and it is difficult filling some roles. Emphasis on our apprenticeship program, training, and promotion from within, together with our program to combine upskilling of jobs and automation are helping to address these challenges.

Energy supplies and higher costs are a major concern. Following the expiry of many three-year deals, we are now in a renewal process for the majority of our premises. New agreements are resulting in huge hikes in electricity and gas tariffs. The increased spend on energy is therefore substantial. Careful management of consumption and a program to assess sustainability initiatives and renewables continues.

Burgeoning inflation has caused a cost-of-living crisis and a cost-of-doing-business crisis. To mitigate the impact of these rises, and to protect margin, we continually work on efficiencies combined with carefully considered sales price increases.

Supply chain problems and escalating raw material price inflation are major issues that we are currently having to contend with. We expect further increased investment to be made in our facilities as we continue with our policy to bring as many processes in house as possible. This should help to reduce long lead times and mitigate, to some extent, increased costs.

The group undertakes overseas trade and, where prices are set in foreign currency, the group is exposed to an exchange rate risk. This risk is priced into foreign currency transactions wherever possible. Exchange risk is mitigated, in part, by our international footprint and having facilities located in key overseas territories.

The economic environment is fragile and the macroeconomic outlook weak. Despite these numerous challenges, we operate in a niche market, manufacturing key and critical industrial equipment, playing a vital role in keeping key supply chains moving.

# **ROTOLOK (HOLDINGS) LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MAY 2022***

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### **Outlook**

Over the last few years, we have successfully remolded and refocused our business and we have maneuvered ourselves to an enviable position. This last year, our Balance Sheet has been transformed since exiting our hotel and real estate venture in Antigua.

Whilst the Board is mindful of the need to deploy surplus funds, we are content to hold cash reserves as a buffer in the interim. A couple of opportunities have not progressed and so we adopt a patient acquisition and investment strategy. It is vital that we make the right decisions, on the right terms.

Our enquiry level and forward sales order book has never been so large. We are generating increased levels of business in the green and renewable energy sector as we exhibit our strong credentials and new capital equipment solutions. This bodes well for the future as the world accelerates our transition towards a net zero environment.

Although the macroeconomic backdrop is currently volatile, we have started the 2022/23 financial year strongly. We remain optimistic and excited as we move forward.

### **Promoting the success of the company**

#### ***Section 172 Statement***

The board of directors of the company consider that they have acted in good faith to promote the success of the business for its members and stakeholders. The directors have regard for the matters set out in Section 172(1) (a) to (f) of the Companies Act 2006 as follows:

# ROTOLOK (HOLDINGS) LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 MAY 2022**

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**(a) The likely consequences of any decision in the long term**

The directors have prepared a long-term strategy and business plan. This is kept under review in the light of assessments of investment returns, and capital expenditure planning. Regular consideration of potential acquisitions and divestment form an integral part of our long-term planning.

**(b) The interests of the company's employees**

The directors have placed enhanced focus on our people and workplaces. We have increased the degree of engagement and investment in our employees to develop knowledge and skills and to look after our people's wellbeing.

We are committed to maintaining robust health and safety systems and practices. Our weekly production reporting always features health and safety as a standing item on the agenda. Training plays a key role and organised toolbox talks, complemented by online training sessions across a range of different subjects are used to improve awareness and help positively develop our safety culture.

We have also committed to a Health and Wellbeing Strategy including providing employees access to confidential helplines for any wellbeing or mental health issues they may need help on.

Actions taken by the directors and the senior management team include employee surveys and feedback exercise, performance development reviews, one-to-one meetings, newsletters, active noticeboards, and group meetings to update staff on business performance.

**(c) The need to foster the company's business relationships with suppliers, customers and others,**

Engaging with our stakeholders is key to the way we run our business and is an important consideration for the directors when making relevant decisions. The Rotolok Group regards their key stakeholders to be its staff, suppliers, customers, shareholders, bankers, and insurers. Our suppliers are a vital part of our success and our ISO 9001:2015 accreditation guides our dealings with those within our supply chain. In line with our values, we are customer focused and committed to supporting our customers from first contact throughout the product lifespan.

**(d) The impact of the company's operations on the community and the environment,**

The company is committed to engage in a positive way with the communities within which we operate. We have agreed a program to support approved charities with planned events and donations and to undertake at least one community and charity event in each year.

We have established a Sustainability and ESG Framework and created a committee to monitor our objectives and achievements.

# **ROTOLOK (HOLDINGS) LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MAY 2022**

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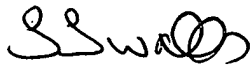
**(e) The desirability of the company maintaining a reputation for high standards of business conduct**

The directors are committed to upholding good governance and are ultimately responsible and accountable for protecting all stakeholders' interests. A list of policies and standards that make up the governance framework is regularly reviewed and updated, as necessary.

**(f) The need to act fairly as between members of the company.**

Regular shareholder reporting and discussions are held covering both a review of current business performance and future strategic direction.

On behalf of the board



Mr S Swales  
Director

22 February 2023



# ROTOLOK (HOLDINGS) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MAY 2022

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

#### Principal activities

The principal activity of the company is that of holding and managing property and assets.

The principal activities of the subsidiary companies relate to the manufacture, distribution and sales of materials handling equipment

#### Results and dividends

The results for the year are set out on page 13.

Ordinary dividends were paid amounting to £ 330,429 (2001: £258,836). 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:

Mrs AJ McCauley  
Mr S Swales

#### Research and development

The group continues to innovate, enhance and develop new products to supply its major markets.

#### Disabled persons

Full consideration is given to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. The group has continued the employment wherever possible of any person who becomes disabled during their employment. Opportunities for training, career development and promotion do not operate to the detriment of disabled employees.

#### Employee involvement

Regular discussions take place between local management and employees to allow a free flow of information and ideas.

#### Future developments

We are currently investing heavily into a number of our UK manufacturing facilities. We are also planning a move for one of our company's to relocate to a larger, nearby and more purpose built factory. A strategic acquisition also features highly on our agenda.

#### Auditor

Peplows Limited were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### Energy and carbon report

The company has not consumed more than 40,000 kWh of energy in this reporting period and none of the subsidiaries requires the disclosures under these regulations and the group is therefore not required to report on its emissions, energy consumption or energy efficiency activities.

#### Strategic report

Details of "Objectives and policies" and "Price, credit, liquidity and cash flow risks" are set out in the Strategic Report.

# **ROTOLOK (HOLDINGS) LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

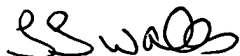
**FOR THE YEAR ENDED 31 MAY 2022**

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### **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



Mr S Swales  
Director

22 February 2023

# **ROTOLOK (HOLDINGS) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MAY 2022***

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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.

# ROTOLOK (HOLDINGS) LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ROTOLOK (HOLDINGS) LIMITED

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#### Opinion

We have audited the financial statements of Rotolok (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2022 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company 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 May 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.

# ROTOLOK (HOLDINGS) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF ROTOLOK (HOLDINGS) 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.

# ROTOLOK (HOLDINGS) LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF ROTOLOK (HOLDINGS) LIMITED

---

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the group through discussions with directors and other management, and from our commercial knowledge and experience of the manufacturing and property sectors;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group, including employment, environmental and health and safety legislation and export regulations (including for air freight);
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- reviewing the operation, via testing and/or discussing with management, of internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- reviewing order files for export documentation where appropriate.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries (including movements in accruals and prepayments) to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and
- reviewing the records past the accounting date for any indication of transactions that should be reflected in these accounts.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC and the group's legal advisors; and
- internet search for any publicised breaches.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

# **ROTOLOK (HOLDINGS) LIMITED**

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

### **TO THE MEMBERS OF ROTOLOK (HOLDINGS) 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 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.



**Michael Young Bsc FCA (Senior Statutory Auditor)**  
**For and on behalf of Peplows Limited**

22 February 2023

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

Moorgate House  
King Street  
Newton Abbot  
Devon  
TQ12 2LG

# ROTOLOK (HOLDINGS) LIMITED

## GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MAY 2022

	Notes	2022 £	2021 £
<b>Turnover</b>	<b>3</b>	26,225,714	26,653,520
Cost of sales		(15,492,158)	(17,109,268)
<b>Gross profit</b>		<b>10,733,556</b>	<b>9,544,252</b>
Distribution costs		(90,638)	(73,210)
Administrative expenses		(7,456,014)	(8,810,878)
Other operating income		51,746	391,720
Exceptional items	<b>4</b>	-	706,006
<b>Operating profit</b>	<b>5</b>	<b>3,238,650</b>	<b>1,757,890</b>
Interest receivable and similar income	<b>9</b>	84,704	64,801
Interest payable and similar expenses	<b>10</b>	(21,620)	(26,045)
Foreign currency gains / (losses)		742,164	(890,167)
<b>Profit before taxation</b>		<b>4,043,898</b>	<b>906,479</b>
Tax on profit	<b>11</b>	(817,370)	(205,966)
<b>Profit for the financial year</b>		<b>3,226,528</b>	<b>700,513</b>
Profit for the financial year is attributable to:			
- Owners of the parent company		3,226,528	692,167
- Non-controlling interests		-	8,346
		<b>3,226,528</b>	<b>700,513</b>



# ROTOLOK (HOLDINGS) LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MAY 2022

	2022 £	2021 £
<b>Profit for the year</b>	<b>3,226,528</b>	<b>700,513</b>
<b>Other comprehensive income</b>		
Revaluation of tangible fixed assets	627,060	535,229
Currency translation differences	272,254	(170,369)
Adjustments to the fair value of financial assets	(423,805)	717,415
Tax relating to other comprehensive income	(14,532)	(480,596)
<b>Other comprehensive income for the year</b>	<b>460,977</b>	<b>601,679</b>
<b>Total comprehensive income for the year</b>	<b>3,687,505</b>	<b>1,302,192</b>
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	3,687,505	1,293,846
- Non-controlling interests	-	8,346
	<b>3,687,505</b>	<b>1,302,192</b>

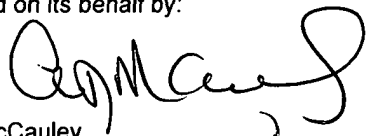
# ROTOLOK (HOLDINGS) LIMITED

## GROUP BALANCE SHEET

AS AT 31 MAY 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Goodwill	13		49,896		64,388
Tangible assets	14		11,752,820		22,980,881
Investment properties	15		8,292,901		7,317,517
Investments	16		1,646,862		1,862,742
			<u>21,742,479</u>		<u>32,225,528</u>
<b>Current assets</b>					
Stocks	18	7,286,086		9,924,319	
Debtors	19	12,415,431		9,819,583	
Cash at bank and in hand		13,600,196		8,933,853	
		<u>33,301,713</u>		<u>28,677,755</u>	
<b>Creditors: amounts falling due within one year</b>	20	(6,629,476)		(15,882,405)	
<b>Net current assets</b>			<u>26,672,237</u>		<u>12,795,350</u>
<b>Total assets less current liabilities</b>			<u>48,414,716</u>		<u>45,020,878</u>
<b>Provisions for liabilities</b>					
Provisions	22	146,252		172,731	
Deferred tax liability	23	918,513		855,272	
		<u>(1,064,765)</u>		<u>(1,028,003)</u>	
<b>Net assets</b>			<u>47,349,951</u>		<u>43,992,875</u>
<b>Capital and reserves</b>					
Called up share capital	25		110,143		110,143
Share premium account			2,080,985		2,080,985
Revaluation reserve			5,239,644		5,050,921
Capital redemption reserve			502,250		502,250
Profit and loss reserves			39,416,929		36,248,576
<b>Total equity</b>			<u>47,349,951</u>		<u>43,992,875</u>

The financial statements were approved by the board of directors and authorised for issue on 22 February 2023 and are signed on its behalf by:

  
Mrs AJ McCauley  
Director

# ROTOLOK (HOLDINGS) LIMITED

## COMPANY BALANCE SHEET

AS AT 31 MAY 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	14	549,945		703,005	
Investment properties	15	19,570,763		18,067,604	
Investments	16	7,492,390		7,512,220	
			27,613,098		26,282,829
<b>Current assets</b>					
Debtors	19	9,079,909		12,101,542	
Cash at bank and in hand		10,991,636		6,661,423	
			20,071,545		18,762,965
<b>Creditors: amounts falling due within one year</b>	20	(732,994)		(1,142,210)	
<b>Net current assets</b>			19,338,551		17,620,755
<b>Total assets less current liabilities</b>			46,951,649		43,903,584
<b>Provisions for liabilities</b>					
Deferred tax liability	23	1,037,041		950,685	
			(1,037,041)		(950,685)
<b>Net assets</b>			45,914,608		42,952,899
<b>Capital and reserves</b>					
Called up share capital	25	110,143		110,143	
Share premium account		2,080,985		2,080,985	
Revaluation reserve		7,282,089		6,741,128	
Capital redemption reserve		502,250		502,250	
Profit and loss reserves		35,939,141		33,518,393	
<b>Total equity</b>			45,914,608		42,952,899

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 £2,751,177 (2021 - £1,394,013 loss).

The financial statements were approved by the board of directors and authorised for issue on 22 February 2023 and are signed on its behalf by:

  
Mrs AJ McCauley  
Director

Company Registration No. 01178138

# **ROTOLOK (HOLDINGS) LIMITED**

## **GROUP STATEMENT OF CHANGES IN EQUITY** **FOR THE YEAR ENDED 31 MAY 2022**

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
<b>Balance at 1 June 2020</b>		312,393	2,080,985	4,278,873	300,000	35,634,052	42,606,303	1,236,405	43,842,708
<b>Year ended 31 May 2021:</b>									
Profit for the year		-	-	-	-	692,167	692,167	8,346	700,513
Other comprehensive income:									
Revaluation of tangible fixed assets		-	-	535,229	-	-	535,229	-	535,229
Currency translation differences		-	-	-	-	(170,369)	(170,369)	-	(170,369)
Adjustments to fair value of financial assets		-	-	717,415	-	-	717,415	-	717,415
Tax relating to other comprehensive income		-	-	(480,596)	-	-	(480,596)	-	(480,596)
Total comprehensive income for the year		-	-	772,048	-	521,798	1,293,846	8,346	1,302,192
Dividends	12	-	-	-	-	(258,836)	(258,836)	-	(258,836)
Own shares acquired		-	-	-	-	(202,250)	(202,250)	-	(202,250)
Redemption of shares	25	(202,250)	-	-	202,250	-	-	-	-
Disposal of shares in subsidiary to non-controlling interest		-	-	-	-	553,812	553,812	(690,939)	(137,127)
Other movements		-	-	-	-	-	-	(553,812)	(553,812)
<b>Balance at 31 May 2021</b>		110,143	2,080,985	5,050,921	502,250	36,248,576	43,992,875	-	43,992,875

# **ROTOLOK (HOLDINGS) LIMITED**

## **GROUP STATEMENT OF CHANGES IN EQUITY (CONTINUED)**

**FOR THE YEAR ENDED 31 MAY 2022**

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
<b>Year ended 31 May 2022:</b>									
Profit for the year		-	-	-	-	3,226,528	3,226,528	-	3,226,528
Other comprehensive income:									
Revaluation of tangible fixed assets		-	-	627,060	-	-	627,060	-	627,060
Currency translation differences		-	-	-	-	272,254	272,254	-	272,254
Adjustments to fair value of financial assets		-	-	(423,805)	-	-	(423,805)	-	(423,805)
Tax relating to other comprehensive income		-	-	(14,532)	-	-	(14,532)	-	(14,532)
Total comprehensive income for the year		-	-	188,723	-	3,498,782	3,687,505	-	3,687,505
Dividends	12	-	-	-	-	(330,429)	(330,429)	-	(330,429)
<b>Balance at 31 May 2022</b>		<b>110,143</b>	<b>2,080,985</b>	<b>5,239,644</b>	<b>502,250</b>	<b>39,416,929</b>	<b>47,349,951</b>	<b>-</b>	<b>47,349,951</b>

# **ROTOLOK (HOLDINGS) LIMITED**

## **COMPANY STATEMENT OF CHANGES IN EQUITY** **FOR THE YEAR ENDED 31 MAY 2022**

	Share capital	Share premium account	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total
Notes	£	£	£	£	£	£
<b>Balance at 1 June 2020</b>	312,393	2,080,985	5,900,294	300,000	35,373,492	43,967,164
<b>Year ended 31 May 2021:</b>						
Loss for the year	-	-	-	-	(1,394,013)	(1,394,013)
Other comprehensive income:						
Revaluation of tangible fixed assets	-	-	604,015	-	-	604,015
Adjustments to fair value of financial assets	-	-	717,415	-	-	717,415
Tax relating to other comprehensive income	-	-	(480,596)	-	-	(480,596)
Total comprehensive income for the year	-	-	840,834	-	(1,394,013)	(553,179)
Dividends	12	-	-	-	(258,836)	(258,836)
Own shares acquired	-	-	-	-	(202,250)	(202,250)
Redemption of shares	25	(202,250)	-	202,250	-	-
<b>Balance at 31 May 2021</b>	110,143	2,080,985	6,741,128	502,250	33,518,393	42,952,899

# **ROTOLOK (HOLDINGS) LIMITED**

## **COMPANY STATEMENT OF CHANGES IN EQUITY (CONTINUED)**

**FOR THE YEAR ENDED 31 MAY 2022**

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Year ended 31 May 2022:</b>							
Profit for the year		-	-	-	-	2,751,177	2,751,177
Other comprehensive income:							
Revaluation of tangible fixed assets		-	-	1,053,158	-	-	1,053,158
Adjustments to fair value of financial assets		-	-	(423,805)	-	-	(423,805)
Tax relating to other comprehensive income		-	-	(88,392)	-	-	(88,392)
Total comprehensive income for the year		-	-	540,961	-	2,751,177	3,292,138
Dividends	12	-	-	-	-	(330,429)	(330,429)
<b>Balance at 31 May 2022</b>		<b>110,143</b>	<b>2,080,985</b>	<b>7,282,089</b>	<b>502,250</b>	<b>35,939,141</b>	<b>45,914,608</b>

# ROTOLOK (HOLDINGS) LIMITED

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MAY 2022

		2022		2021	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from Operations	27	(4,469,257)		1,776,833	
Interest paid		(21,620)		(26,045)	
Income taxes (paid)/refunded		(710,147)		(478,005)	
<b>Net cash (outflow)/inflow from operating activities</b>		(5,201,024)		1,272,783	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(475,714)		(713,098)	
Proceeds on disposal of tangible fixed assets		10,761,421		(31,859)	
Acquisition of investments		(207,950)		(570)	
Acquisition of minority interests		-		(690,940)	
Interest received		84,704		64,801	
<b>Net cash generated from/(used in) investing activities</b>		10,162,461		(1,371,666)	
<b>Financing activities</b>					
Redemption of shares		-		(202,250)	
Dividends paid to equity shareholders		(330,429)		(258,836)	
<b>Net cash used in financing activities</b>		(330,429)		(461,086)	
<b>Net (decrease)/increase in cash and cash equivalents</b>		4,631,008		(559,969)	
Cash and cash equivalents at beginning of year		8,993,853		9,493,822	
<b>Cash and cash equivalents at end of year</b>		13,564,861		8,993,853	
<b>Cash at bank and in hand</b>		13,600,196		8,993,853	
<b>Bank overdrafts included in creditors payable within one year</b>		(35,335)		-	



# ROTOLOK (HOLDINGS) LIMITED

## COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MAY 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) Operations	28	3,269,317		(2,078)	
Interest paid		(12,535)		(8,935)	
Income taxes (paid)/refunded		(392,301)		(34,763)	
<b>Net cash inflow/(outflow) from operating activities</b>		<b>2,864,481</b>		<b>(45,776)</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(36,717)		(4,888)	
Proceeds on disposal of tangible fixed assets		8,000		-	
Purchase of investment property		(450,000)		(1,892,455)	
Purchase of subsidiaries		-		(759,761)	
Purchase of investments		(207,950)		-	
Interest received		56,459		88,542	
Dividends received		2,423,369		5,614,136	
<b>Net cash generated from/(used in) investing activities</b>		<b>1,796,161</b>		<b>3,045,574</b>	
<b>Financing activities</b>					
Redemption of shares		-		(202,250)	
Dividends paid to equity shareholders		(330,429)		(258,836)	
<b>Net cash used in financing activities</b>		<b>(330,429)</b>		<b>(461,086)</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,330,213</b>		<b>2,538,712</b>	
Cash and cash equivalents at beginning of year		6,661,423		4,122,711	
Effect of foreign exchange rates		-		-	
<b>Cash and cash equivalents at end of year</b>		<b>10,991,636</b>		<b>6,661,423</b>	

# ROTOLOK (HOLDINGS) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MAY 2022

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#### 1 Accounting policies

##### Company information

Rotolok (Holdings) Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 1 Millennium Place, Tiverton Business Park, Tiverton, Devon EX16 6SB.

The group consists of Rotolok (Holdings) Limited and all of its subsidiaries.

##### 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 the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### 1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

##### 1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Rotolok (Holdings) 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 May 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.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

# ROTOLOK (HOLDINGS) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MAY 2022**

---

### **1 Accounting policies**

**(Continued)**

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

#### **1.4 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.

#### **1.5 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

Turnover is recognised by activity as follows:

Manufacturing and engineering income is recognised on delivery of goods other than as described for contract revenue;

Rental and investment income is recognised on a time apportionment basis; Developmental income is recognised on completion of sale;

Dividend income is recognised when dividends are declared (for non listed shares) or when the shares become ex dividend (for listed shares).

Contract revenue is recognised as follows:

In respect of contracts for specific customers, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of these contracts is recognised by reference to the stage of completion.

# ROTOLOK (HOLDINGS) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

### 1 Accounting policies

(Continued)

#### 1.6 Intangible fixed assets - 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 10 or 20 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.7 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% straight line
Other tangible assets	15% - 25% reducing balance
Furniture, fittings and equipment	15% - 25% reducing balance
Motor vehicles	25% reducing balance

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 profit and loss account.

#### 1.8 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

#### 1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

# ROTOLOK (HOLDINGS) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

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### 1 Accounting policies

(Continued)

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 group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

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

#### 1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

# ROTOLOK (HOLDINGS) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2022

---

#### 1 Accounting policies

(Continued)

##### 1.11 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

##### 1.12 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.

##### 1.13 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 debtors 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.

# ROTOLOK (HOLDINGS) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2022

---

#### 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 group 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 group after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, 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 creditors 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 creditors 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.

# ROTOLOK (HOLDINGS) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

---

### 1 Accounting policies

(Continued)

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

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

#### **1.14 Equity instruments**

Equity instruments issued by the group 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 group.

#### **1.15 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 profit and loss account 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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.16 Provisions**

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.



# ROTOLOK (HOLDINGS) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

### 1 Accounting policies

(Continued)

#### 1.17 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 fixed 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.

#### 1.18 Retirement benefits

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

#### 1.19 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 leased asset are consumed.

#### 1.20 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 group'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 Turnover and other revenue

	2022 £	2021 £
<b>Turnover analysed by class of business</b>		
Manufacturing and Engineering Division	25,445,060	22,791,171
Property, Hotel and Investment Division	780,654	3,862,349
	<u>26,225,714</u>	<u>26,653,520</u>
	2022 £	2021 £
<b>Other significant revenue</b>		
Interest income	<u>84,704</u>	<u>64,801</u>

# ROTOLOK (HOLDINGS) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

### 4 Exceptional item

	2022	2021
	£	£
<b>Expenditure</b>		
Exceptional income and charges in respect of the closing Antiguan operations	-	(706,006)
	-	(706,006)

The credit for exceptional items relates to the revaluation of assets and provisions arising from our decision to end operations in Antigua.

### 5 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	794,696	2,390,571
Profit on disposal of tangible fixed assets	(8,172)	-
Amortisation of intangible assets	14,492	179,492
Operating lease charges	-	13,620

### 6 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	13,300	12,992
Audit of the financial statements of the company's subsidiaries	26,575	26,844
	39,875	39,836

### 7 Employees

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

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Production	198	180	-	-
Administration and support	87	87	6	6
Total	285	267	6	6

# ROTOLOK (HOLDINGS) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

### 7 Employees

(Continued)

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	7,569,310	7,444,990	474,317	453,707
Social security costs	775,314	750,837	58,640	55,321
Pension costs	142,192	150,432	7,622	7,516
	<u>8,486,816</u>	<u>8,346,259</u>	<u>540,579</u>	<u>516,544</u>

### 8 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	318,129	309,778
Company pension contributions to defined contribution schemes	1,943	1,943
	<u>320,072</u>	<u>311,721</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).

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

	2022 £	2021 £
Remuneration for qualifying services	148,032	142,340
Company pension contributions to defined contribution schemes	1,943	1,943
	<u>149,975</u>	<u>144,283</u>

### 9 Interest receivable and similar income

	2022 £	2021 £
<b>Interest income</b>		
Interest on bank deposits	24,416	1,256
Other interest income	60,288	63,545
	<u>84,704</u>	<u>64,801</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>24,416</u>	<u>1,256</u>
--	---------------	--------------

# ROTOLOK (HOLDINGS) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2022

### 10 Interest payable and similar expenses

	2022 £	2021 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	12,140	9,819
Other interest on financial liabilities	9,480	16,226
	<u>21,620</u>	<u>26,045</u>

### 11 Taxation

	2022 £	2021 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	917,606	299,426
	<u>917,606</u>	<u>299,426</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(100,236)	(93,460)
	<u>(100,236)</u>	<u>(93,460)</u>
<b>Total tax charge</b>	<u>817,370</u>	<u>205,966</u>

The actual 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	<u>4,043,898</u>	<u>906,479</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	768,341	172,231
Tax effect of expenses that are not deductible in determining taxable profit	(261,170)	179,255
Depreciation on assets not qualifying for tax allowances	(97,889)	(9,054)
Effect of overseas tax rates	408,088	(2,325)
Write downs ahead of disposal of subsidiary	-	(134,141)
<b>Taxation charge</b>	<u>817,370</u>	<u>205,966</u>

# ROTOLOK (HOLDINGS) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2022

#### 11 Taxation

(Continued)

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2022 £	2021 £
Deferred tax arising on:		
Revaluation of property	120,484	348,889
Revaluation of investments	(105,952)	131,707
	<u>14,532</u>	<u>480,596</u>

#### 12 Dividends

	2022 £	2021 £
Recognised as distributions to equity holders:		
Interim paid	<u>330,429</u>	<u>258,836</u>

#### 13 Intangible fixed assets

Group	Goodwill £
<b>Cost</b>	
At 1 June 2021	6,214,157
Disposals	(5,699,062)
At 31 May 2022	<u>515,095</u>
<b>Amortisation and impairment</b>	
At 1 June 2021	6,149,769
Amortisation charged for the year	14,492
Disposals	(5,699,062)
At 31 May 2022	<u>465,199</u>
<b>Carrying amount</b>	
At 31 May 2022	<u>49,896</u>
At 31 May 2021	<u>64,388</u>

The company had no intangible fixed assets at 31 May 2022 or 31 May 2021.

# ROTOLOK (HOLDINGS) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2022

#### 14 Tangible fixed assets

Group	Freehold land and buildings	Other tangible assets	Furniture, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 June 2021	27,340,133	8,806,879	2,676,735	356,987	39,180,734
Additions	-	375,231	57,902	42,581	475,714
Disposals	(15,889,731)	(8,375)	(1,291,280)	(159,748)	(17,349,134)
Transfer to investment property	(348,323)	-	-	-	(348,323)
Exchange adjustments	161,094	55,325	(17,664)	42,393	241,148
At 31 May 2022	11,263,173	9,229,060	1,425,693	282,213	22,200,139
<b>Depreciation and impairment</b>					
At 1 June 2021	7,186,595	6,580,620	2,158,749	273,889	16,199,853
Depreciation charged in the year	172,776	524,710	70,310	26,900	794,696
Eliminated in respect of disposals	(5,372,068)	(8,370)	(1,067,776)	(147,671)	(6,595,885)
Exchange adjustments	6,608	35,138	(24,554)	31,463	48,655
At 31 May 2022	1,993,911	7,132,098	1,136,729	184,581	10,447,319
<b>Carrying amount</b>					
At 31 May 2022	9,269,262	2,096,962	288,964	97,632	11,752,820
At 31 May 2021	20,153,538	2,226,259	517,986	83,098	22,980,881
<b>Company</b>		<b>Other tangible assets</b>	<b>Furniture, fittings and equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
		£	£	£	£
<b>Cost</b>					
At 1 June 2021		3,842,075	87,263	77,938	4,007,276
Additions		11,443	833	24,441	36,717
Disposals		-	-	(18,908)	(18,908)
At 31 May 2022		3,853,518	88,096	83,471	4,025,085
<b>Depreciation and impairment</b>					
At 1 June 2021		3,171,541	86,588	46,142	3,304,271
Depreciation charged in the year		170,494	363	12,439	183,296
Eliminated in respect of disposals		-	-	(12,427)	(12,427)
At 31 May 2022		3,342,035	86,951	46,154	3,475,140
<b>Carrying amount</b>					
At 31 May 2022		511,483	1,145	37,317	549,945
At 31 May 2021		670,534	675	31,796	703,005

# ROTOLOK (HOLDINGS) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MAY 2022

#### 15 Investment property

	Group 2022 £	Company 2022 £
<b>Fair value</b>		
At 1 June 2021	7,317,517	18,067,604
Additions through external acquisition	-	450,000
Transfers from owner-occupied property	411,429	-
Net gains or losses through fair value adjustments	563,955	1,053,159
At 31 May 2022	<u>8,292,901</u>	<u>19,570,763</u>

#### Group:

The properties have been valued by the directors at 31 May 2022 based on average rental yields expected for the area.

Had the properties been measured on a historical cost basis, the carrying amount would have been £3,048,842 (2021 - £2,637,413).

There has been no valuation of investment property by an independent valuer, the revaluation has been performed by the directors on a rental yield basis.

#### Company:

The properties have been valued by the directors at 31 May 2022 based on average rental yields expected for the area.

Had the properties been measured on a historical cost basis, the carrying amount would have been £10,939,190 (2021 - £10,489,190).

#### 16 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	17	-	-	5,846,072	5,650,047
Listed investments		1,646,862	1,862,742	1,646,318	1,862,173
		<u>1,646,862</u>	<u>1,862,742</u>	<u>7,492,390</u>	<u>7,512,220</u>
Listed investments carrying amount		<u>1,646,862</u>	<u>1,862,742</u>	<u>1,646,318</u>	<u>1,862,173</u>

#### Fixed asset investments revalued

Listed investments are valued at the quoted market (AIM) mid price at close of business on 31 May 2022. The historic cost of the investment is £2,093,654 (2021 £1,885,704).

# ROTOLOK (HOLDINGS) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

### 16 Fixed asset investments

(Continued)

#### Movements in fixed asset investments

##### Group

##### Investments

£

#### Cost or valuation

At 1 June 2021

1,862,742

Additions

207,950

Valuation changes

(423,830)

At 31 May 2022

1,646,862

#### Carrying amount

At 31 May 2022

1,646,862

At 31 May 2021

1,862,742

#### Movements in fixed asset investments

##### Company

##### Shares in

##### subsidiaries

##### Other

##### investments

##### Total

£

£

£

#### Cost or valuation

At 1 June 2021

5,650,047

1,862,173

7,512,220

Additions

-

207,950

207,950

Valuation changes

-

(423,805)

(423,805)

Reversal of provision brought forward

196,025

-

196,025

At 31 May 2022

5,846,072

1,646,318

7,492,390

#### Carrying amount

At 31 May 2022

5,846,072

1,646,318

7,492,390

At 31 May 2021

5,650,047

1,862,173

7,512,220

### 17 Subsidiaries

Details of the company's subsidiaries at 31 May 2022 are as follows:



# ROTOLOK (HOLDINGS) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

### 17 Subsidiaries

(Continued)

Name of undertaking	Registered office	Class of shares held	% Held Direct
Rotolok Limited	1 Millennium Place, Tiverton, Devon EX16 6SB	Ordinary	100.00
Roots Systems Limited	As above	Ordinary	100.00
Soliflo Limited	As above	Ordinary	100.00
Solitec Engineering Limited	As above	Ordinary	100.00
Blo Tech Limited	As above	Ordinary	100.00
Bush & Wilton Limited	As above	Ordinary	100.00
Northfield Foundry Limited	As above	Ordinary	100.00
Sautelma SA	France	Ordinary	99.00
Mona SA	As above	Ordinary	100.00
Rotolok EURL	As above	Ordinary	100.00
Quadling Family Holdings (Proprietary) Limited	South Africa	Ordinary	100.00
AMD - Rotolok (Proprietary) Limited	As above	Ordinary	100.00
Rotolok Bulk Systems (Proprietary) Limited	As above	Ordinary	100.00
McCauley Company, Inc.	USA	Ordinary	100.00
Roots Systems Inc.	As above	Ordinary	100.00
Rotolok Asia Pacific Pte Ltd	Singapore	Ordinary	100.00
Rotolok Valves Private Limited	India	Ordinary	100.00
Rotolok Australia Pty Limited	Australia	Ordinary	100.00
Rotoprop Pty Limited	As above	Ordinary	100.00
Carolina Conveying Inc	USA	Ordinary	100.00
Rotolok Valves Inc	USA	Ordinary	100.00
Bush & Wilton Inc	USA	Ordinary	100.00
HR Bulk Feeders and Equipment Proprietary Ltd	South Africa	Ordinary	100.00

### 18 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Raw materials and consumables	2,813,874	2,665,453	-	-
Work in progress	2,121,315	4,292,487	-	-
Finished goods and goods for resale	2,350,897	2,966,379	-	-
	<u>7,286,086</u>	<u>9,924,319</u>	<u>-</u>	<u>-</u>

# ROTOLOK (HOLDINGS) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

### 19 Debtors

	Group 2022 £	2021 £	Company 2022 £	2021 £
<b>Amounts falling due within one year:</b>				
Trade debtors	6,463,145	5,001,171	179,111	85,553
Gross amounts owed by contract customers	3,150,080	3,018,097	-	-
Amounts owed by group undertakings	-	-	7,302,064	11,724,110
Other debtors	1,251,329	1,292,871	607,614	234,650
Prepayments and accrued income	688,377	507,444	128,620	57,229
	<u>11,552,931</u>	<u>9,819,583</u>	<u>8,217,409</u>	<u>12,101,542</u>
<b>Amounts falling due after more than one year:</b>				
Other debtors	<u>862,500</u>	<u>-</u>	<u>862,500</u>	<u>-</u>
<b>Total debtors</b>	<u>12,415,431</u>	<u>9,819,583</u>	<u>9,079,909</u>	<u>12,101,542</u>

### 20 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	21	35,335	-	-	-
Payments received on account		1,872,770	2,295,927	-	-
Trade creditors		2,267,051	2,735,291	52,528	27,032
Amounts owed to group undertakings		-	-	40,000	119,882
Corporation tax payable		175,058	116,544	-	51,420
Other taxation and social security		389,359	215,742	116,256	93,040
Other creditors		540,312	9,562,089	369,661	696,469
Accruals and deferred income		1,349,591	956,812	154,549	154,367
		<u>6,629,476</u>	<u>15,882,405</u>	<u>732,994</u>	<u>1,142,210</u>

### 21 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank overdrafts	<u>35,335</u>	<u>-</u>	<u>-</u>	<u>-</u>
Payable within one year	<u>35,335</u>	<u>-</u>	<u>-</u>	<u>-</u>

# ROTOLOK (HOLDINGS) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

### 22 Provisions for liabilities

Group 2022 £	2021 £	Company 2022 £	2021 £
146,252	172,731	-	-

Movements on provisions:

Group	£
At 1 June 2021	172,731
Additional provisions in the year	(26,479)
At 31 May 2022	146,252

### 23 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	20,246	(28,462)
Investments	775,121	760,588
Rolled over gains	123,146	123,146
	918,513	855,272
Company	Liabilities 2022 £	Liabilities 2021 £
Accelerated capital allowances	64,914	66,951
Investments	848,981	760,588
Rolled over gains	123,146	123,146
	1,037,041	950,685

# ROTOLOK (HOLDINGS) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

### 23 Deferred taxation

(Continued)

	Group 2022 £	Company 2022 £
<b>Movements in the year:</b>		
Liability at 1 June 2021	855,272	950,685
Credit to profit or loss	(99,013)	(2,037)
Charge to other comprehensive income	162,254	88,393
Liability at 31 May 2022	<u>918,513</u>	<u>1,037,041</u>

### 24 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>142,192</u>	<u>150,432</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.

### 25 Share capital

Group and company	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	<u>110,143</u>	<u>110,143</u>	<u>110,143</u>	<u>110,143</u>

The ordinary shares rank pari passu.

### 26 Directors' transactions

Loans made to the company and group by directors total £288,247 (2021 - £292,091). Interest is charged at 3% above base rate and the loans are repayable on demand.

# ROTOLOK (HOLDINGS) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

### 27 Cash (absorbed by)/generated from group operations

	2022 £	2021 £
Profit for the year after tax	3,226,528	700,513
<b>Adjustments for:</b>		
Taxation charged	817,370	205,966
Finance costs	21,620	26,045
Investment income	(84,704)	(64,801)
Gain on disposal of tangible fixed assets	(8,172)	(15,426)
Loss on disposal of business	-	3,704,391
Fair value loss/(gain) on foreign exchange contracts	79,785	1,032,365
Amortisation and impairment of intangible assets	14,492	179,492
Depreciation and impairment of tangible fixed assets	794,696	2,390,571
(Decrease) in provisions	(26,479)	(26,812)
<b>Movements in working capital:</b>		
Decrease in stocks	2,638,233	2,246,160
(Increase)/decrease in debtors	(2,595,848)	2,640,227
(Decrease) in creditors	(9,346,778)	(11,241,858)
<b>Cash (absorbed by)/generated from operations</b>	<b>(4,469,257)</b>	<b>1,776,833</b>

### 28 Cash generated from/(absorbed by) operations - company

	2022 £	2021 £
Profit/(loss) for the year after tax	2,751,177	(1,394,013)
<b>Adjustments for:</b>		
Taxation charged	338,844	57,691
Finance costs	12,535	8,935
Investment income	(2,482,828)	(5,702,678)
Gain on disposal of tangible fixed assets	(1,519)	-
Write down of subsidiaries	(196,025)	30,793
Depreciation and impairment of tangible fixed assets	183,296	234,316
<b>Movements in working capital:</b>		
Decrease in debtors	3,021,633	6,865,317
(Decrease) in creditors	(357,796)	(102,439)
<b>Cash generated from/(absorbed by) operations</b>	<b>3,269,317</b>	<b>(2,078)</b>

# ROTOLOK (HOLDINGS) LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2022

### 29 Analysis of changes in net funds - group

	1 June 2021 £	Cash flows £	31 May 2022 £
Cash at bank and in hand	8,933,853	4,666,343	13,600,196
Bank overdrafts	-	(35,335)	(35,335)
	<u>8,933,853</u>	<u>4,631,008</u>	<u>13,564,861</u>

### 30 Analysis of changes in net funds - company

	1 June 2021 £	Cash flows £	31 May 2022 £
Cash at bank and in hand	<u>6,661,423</u>	<u>4,330,213</u>	<u>10,991,636</u>