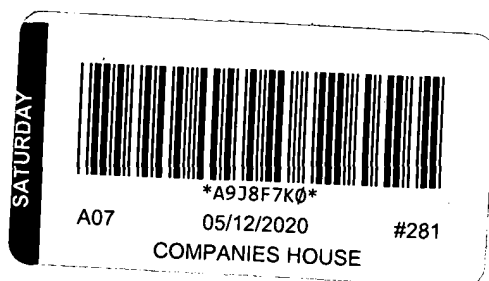


Registered number: 01947990

RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

COMPANY INFORMATION

Directors	M S Knowles Dr J Brunswicker (resigned 31 December 2019) H J Dirksen D Telgenkamper D Aikes (appointed 31 December 2019)
Company secretary	Mrs E Elliot
Registered number	01947990
Registered office	Waterwells Drive Waterwells Business Park Quedgeley Gloucestershire GL2 2AA
Independent auditor	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG

RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

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RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

INTRODUCTION

The directors present their strategic report for the year ended 31 December 2019.

BUSINESS REVIEW

The uncertainty and confusion regarding the General election and Brexit resulted in a slowdown in many key markets especially in the final quarter of 2019.

The Power Generation Sector remains depressed with very little activity and generally margins have been under pressure in all sectors.

Rochling UK have continued to develop new accounts in key markets, despite the difficult trading conditions.

We are continuing to focus on improved Quality and Production systems and have invested heavily in the Gloucester site. These investments will allow us to develop new business in target markets where we see significant future growth.

These investments and refurbishments in the Gloucester site have resulted in some disruption that certainly affected the business in 2019, however these major changes will be completed in Q1 2020.

Management will continue to invest in new state of the art technology to improve production at all sites which will ensure the business continues to move forward in the new decade.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors remain alert to the possible risks prevalent in any commercial environment and continue to take steps to monitor, minimise and mitigate these risks. The loss of large project business or major reductions in demand from one of the top customers is a risk. The group manages risk by having a broad range of customers so that the effect of a loss would be minimal.

FINANCIAL KEY PERFORMANCE INDICATORS

The directors continue to use both financial and non financial key performance indicators to manage the business. The business maintains a strong management information function which is focused on regular and accurate reporting.

Financial key performance indicators include the following:

- Productivity for machined parts sales
- Customer additions in the month
- Existing customer sales increases
- Stock to turnover levels
- Gross margin on jobs

These are monitored and reported on each month. Performance against these indicators has proved satisfactory relative to activity of the company.

A principal risk to the business is the worldwide pandemic COVID-19. Whilst the Company has remained fully operational since lock-down procedures were put in place, it has had to adapt its working practices to ensure the safety of its employees at work. So far, the supply chain of the business remains in place, but this could change in the future, so these risks are constantly being assessed to ensure we remain operational. Consideration of the impact of COVID-19 to going concern has been included within note 2.

RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

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

FUTURE DEVELOPMENTS AND DETAILED RESEARCH AND DEVELOPMENT

The company is constantly looking at new technology, machinery and raw materials to improve processes, products and services offered to customers.

Investment in new production equipment will continue to add capability and increase efficiency.

This report was approved by the board on *25 November 2020* and signed on its behalf.



M S Knowles
Director

RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

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

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £37,713 (2018 - £376,269).

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year were:

M S Knowles
Dr J Brunswicker (resigned 31 December 2019)
H J Dirksen
D Telgenkamper
D Aikes (appointed 31 December 2019)

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

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

Post balance sheet events

Following the year end the worldwide COVID-19 pandemic has erupted. This has impacted the business worldwide. The effect on the Company is considered in the Strategic Report.

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *25 November 2020* and signed on its behalf.



M S Knowles
Director

RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

Opinion

We have audited the financial statements of Röchling Engineering Plastics (UK) Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of income and retained earnings, the Balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RÖCHLING ENGINEERING PLASTICS (UK) LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and the 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.

Matters on which we are required to report by exception

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

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

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

RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RÖCHLING ENGINEERING PLASTICS (UK) LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. 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.



Dave Darlaston (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands

B69 2DG

Date: 25 November 2020

RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	4	10,648,841	9,701,464
Cost of sales		(8,894,988)	(7,887,740)
Gross profit		1,753,853	1,813,724
Administrative expenses		(1,621,813)	(1,313,135)
Other operating income		-	9,712
Operating profit	6	132,040	510,301
Interest receivable and similar income	10	2,697	68,866
Interest payable and expenses	11	(71,039)	(88,898)
Profit before tax		63,698	490,269
Tax on profit	12	(25,985)	(114,000)
Profit after tax		37,713	376,269
Retained earnings at the beginning of the year		7,499,258	7,122,989
Profit for the year		37,713	376,269
Retained earnings at the end of the year		7,536,971	7,499,258

The notes on pages 10 to 23 form part of these financial statements.

RÖCHLING ENGINEERING PLASTICS (UK) LIMITED
REGISTERED NUMBER: 01947990

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	2,585,655	2,103,926
Investments	15	6,242,536	6,242,536
		<u>8,828,191</u>	<u>8,346,462</u>
Current assets			
Stocks	16	2,583,671	1,909,982
Debtors: amounts falling due within one year	17	2,519,256	2,287,890
Cash at bank and in hand	18	283,371	398,009
		<u>5,386,298</u>	<u>4,595,881</u>
Creditors: amounts falling due within one year	19	(4,173,345)	(3,006,674)
Net current assets		<u>1,212,953</u>	<u>1,589,207</u>
Total assets less current liabilities		<u>10,041,144</u>	<u>9,935,669</u>
Creditors: amounts falling due after more than one year	20	(2,178,520)	(2,134,832)
Provisions for liabilities			
Deferred tax	22	(125,653)	(101,579)
Net assets		<u><u>7,736,971</u></u>	<u><u>7,699,258</u></u>
Capital and reserves			
Called up share capital	23	200,000	200,000
Profit and loss account		7,536,971	7,499,258
		<u><u>7,736,971</u></u>	<u><u>7,699,258</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
25 November 2020

M S Knowles
Director



The notes on pages 10 to 23 form part of these financial statements.

RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

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

1. GENERAL INFORMATION

The principal activity of the company is the machining and distribution of the industrial composites and thermo plastics.

Röchling Engineering Plastics (UK) Limited (registration number: 01947990) is a private limited company, limited by shares, which is registered and incorporated in England and Wales. The address of the registered office is Waterwells Drive, Waterwells Business Park, Quedgeley, Gloucestershire, GL2 2AA.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Röchling Engineering Plastics SE & CO.KG as at 31 December 2019 and these financial statements may be obtained from the German company register.

RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.3 GOING CONCERN

The Company meets its working capital requirements through its bank facilities. The Directors prepare annual budgets and forecasts to ensure that they have sufficient funding in place and that they comply with the terms and conditions of the bank facilities. Those facilities comprise a bank overdraft facility.

The Covid 19 pandemic has not had a significant, immediate impact on the company's operations but whilst the output relating to some sectors of the business have increased, especially in the medical sector, others have decreased. The Directors are aware that if the current situation becomes prolonged then this may change and the Directors have plans to act swiftly and decisively so there is no long term effect on the business.

The Directors have taken steps to utilise the various support mechanisms instigated by the UK Government and have the support of their ultimate parent undertaking. As a result of the Directors assessment, no material uncertainties have been identified that cast doubt about the ability of the Company to continue as a going concern.

2.4 REVENUE

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at fair value of the consideration received, excluding discounts, VAT and other sales taxes and duty. Revenue from the sales of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on despatch of the goods.

2.5 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.6 TANGIBLE FIXED ASSETS

Freehold land is not depreciated. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Depreciation is provided on the following basis:

Freehold property	- 4% on cost
Plant and machinery	- 25% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance
Computer equipment	- 25% reducing balance
Assets under construction	- not depreciated until available for use

RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.7 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans from related parties.

Debtors

Short term debtors are measured at transaction price, less impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of more than 24 hours.

Creditors

Short term creditors are measured at the transaction price.

**3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these judgments and estimates have been made include:

Stock provisions

Provision has been made to cover the impairment of slow moving or obsolete stock by comparing the quantity of each item in stock and the likelihood that a sale will take place in the future at greater than its carrying value. All stock in excess of expected usage is written down accordingly.

RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

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

4. TURNOVER

The whole of the turnover is attributable to the Company's principal activity.

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	9,411,841	8,115,464
Rest of Europe	1,137,000	1,546,000
Rest of the world	100,000	40,000
	<u>10,648,841</u>	<u>9,701,464</u>

5. OTHER OPERATING INCOME

	2019 £	2018 £
R&D tax credit	-	9,712
	<u>-</u>	<u>9,712</u>

6. OPERATING PROFIT

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation on tangible fixed assets	376,078	330,992
Exchange differences	(158)	18,295
Other operating lease rentals	148,160	33,228
	<u>524,080</u>	<u>382,515</u>

7. AUDITOR'S REMUNERATION

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	11,950	11,600
	<u>11,950</u>	<u>11,600</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

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

8. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	2,036,456	1,924,985
Social security costs	215,726	189,232
Cost of defined contribution scheme	101,872	81,538
	<u>2,354,054</u>	<u>2,195,755</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Direct	64	60
Admin	19	20
	<u>83</u>	<u>80</u>

9. DIRECTORS' REMUNERATION

	2019 £	2018 £
Directors' emoluments	113,963	111,189
Company contributions to defined contribution pension schemes	29,464	30,927
	<u>143,427</u>	<u>142,116</u>

During the year retirement benefits were accruing to 1 director (2018 - 1) in respect of defined contribution pension schemes.

RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

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

10. INTEREST RECEIVABLE

	2019 £	2018 £
Interest receivable from group companies	-	68,600
Other interest receivable	2,697	266
	<u>2,697</u>	<u>68,866</u>

11. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £	2018 £
Bank interest payable	<u>71,039</u>	<u>88,898</u>

12. TAXATION

	2019 £	2018 £
CORPORATION TAX		
Current tax on profits for the year	1,911	110,000
TOTAL CURRENT TAX	<u>1,911</u>	<u>110,000</u>
DEFERRED TAX		
Origination and reversal of timing differences	24,074	4,000
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>25,985</u>	<u>114,000</u>

RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

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

12. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2018 - *higher than*) the standard rate of corporation tax in the UK of 19.0% (2018 - 19.0%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>63,698</u>	<u>490,269</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2018 - 19.0%)	12,103	93,151
EFFECTS OF:		
Fixed asset differences	13,282	12,674
Expenses not deductible for tax purpose	4,501	1,132
Adjustments to tax charge in respect of prior periods	(918)	12,749
Adjustments to tax charge in respect of previous periods	-	(366)
Other differences leading to an increase (decrease) in the tax charge	-	1,059
Difference in deferred tax rate	(2,983)	(6,399)
TOTAL TAX CHARGE FOR THE YEAR	<u>25,985</u>	<u>114,000</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Deferred tax has been provided at the enacted rate of 17%. This is the rate at which the Directors believe it will reverse.

RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

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

13. INTANGIBLE ASSETS

	Goodwill
COST	
At 1 January 2019	114,998
At 31 December 2019	114,998
AMORTISATION	
At 1 January 2019	114,998
At 31 December 2019	114,998
NET BOOK VALUE	
At 31 December 2019	-
At 31 December 2018	-

RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

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

14. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Assets Under Construction £	Total £
COST OR VALUATION						
At 1 January 2019	1,935,712	2,871,835	17,000	631,591	-	5,456,138
Additions	1,629	177,024	-	83,765	596,042	858,460
Disposals	-	-	-	(1,630)	-	(1,630)
At 31 December 2019	1,937,341	3,048,859	17,000	713,726	596,042	6,312,968
DEPRECIATION						
At 1 January 2019	974,314	1,813,242	13,975	550,681	-	3,352,212
Charge for the year	64,326	280,291	756	30,705	-	376,078
Disposals	-	-	-	(977)	-	(977)
At 31 December 2019	1,038,640	2,093,533	14,731	580,409	-	3,727,313
NET BOOK VALUE						
At 31 December 2019	898,701	955,326	2,269	133,317	596,042	2,585,655
At 31 December 2018	961,398	1,058,593	3,025	80,910	-	2,103,926

Included in cost of land and buildings is freehold land of £344,779 (2018 - £344,779) which is not depreciated.

15. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST OR VALUATION	
At 1 January 2019	6,242,536
At 31 December 2019	6,242,536

RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

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

15. FIXED ASSET INVESTMENTS (CONTINUED)

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Röchling Fibracron Limited	Ordinary	100%
Röchling Insoll Limited	Ordinary	100%

The registered office address of the above two companies is: Waterwells Drive, Waterwells Business Park, Quedgeley, Gloucestershire, GL2 2AA.

16. STOCKS

	2019 £	2018 £
Raw materials	1,754,734	1,480,730
Work in progress	274,509	130,517
Finished goods	554,428	298,735
	<u>2,583,671</u>	<u>1,909,982</u>

RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

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

17. DEBTORS

	2019 £	2018 £
Trade debtors	2,109,351	1,818,855
Amounts owed by group undertakings	201,013	370,931
Other debtors	59,488	1,185
Prepayments and accrued income	149,404	96,919
	<u>2,519,256</u>	<u>2,287,890</u>

18. CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank and in hand	283,371	398,009
Less: bank overdrafts	(129,339)	-
	<u>154,032</u>	<u>398,009</u>

19. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	129,339	-
Bank loans	580,960	871,440
Trade creditors	519,877	258,346
Amounts owed to group undertakings	2,516,356	1,464,199
Corporation tax	-	23,428
Other taxation and social security	320,809	350,164
Accruals and deferred income	106,004	39,097
	<u>4,173,345</u>	<u>3,006,674</u>

RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

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

20. CREDITORS: Amounts falling due after more than one year

	2019 £	2018 £
Bank loans	<u>2,178,520</u>	<u>2,134,832</u>

Secured loans

The bank loans are secured over the freehold land and factory at Waterwells Business Park, Quedgeley, Gloucester.

The bank loan is based on a credit facility agreement and is in place until 1 June 2023 and the company is required to make monthly repayments of £72,620. The interest payable is 5% per annum above LIBOR.

During the year the company was granted a payment holiday. This started in May 2019 and repayments are due to restart in May 2020.

21. BANK LOAN

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Due within 1 year	580,960	871,440
Due between 1-2 years	871,440	871,440
Due between 2-5 years	1,307,080	1,263,392
	<u>2,759,480</u>	<u>3,006,272</u>

22. DEFERRED TAXATION

	2019 £	2018 £
At beginning of year	(101,579)	(97,579)
Charged to profit or loss	(24,074)	(4,000)
At the end of year	<u>(125,653)</u>	<u>(101,579)</u>

RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

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

22. DEFERRED TAXATION (CONTINUED)

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	<u>125,653</u>	<u>101,579</u>

23. SHARE CAPITAL

	2019 £	2018 £
Allotted, called up and fully paid		
200,000 (2018 - 200,000) Ordinary shares shares of £1.00 each	<u>200,000</u>	<u>200,000</u>

24. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	215,001	66,706
Later than 1 year and not later than 5 years	607,122	78,364
	<u>822,123</u>	<u>145,070</u>

25. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of Röchling SE & Co.KG, therefore has taken advantage of the exemption available under Section 33 of the Financial Reporting Standard 102 not to disclose transactions that have been made between group companies.

26. POST BALANCE SHEET EVENTS

As a result of the spread of COVID-19 coronavirus, economic uncertainties have arisen which may negatively affect the financial position, results of operations, and cash flows of the Company. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time. The Directors have considered this further within the Strategic Report.

RÖCHLING ENGINEERING PLASTICS (UK) LIMITED

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

27. ULTIMATE PARENT COMPANY

The Directors consider Röchling SE & Co.KG located in Germany to be the ultimate parent undertaking.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006.

The smallest group for which consolidated financial statements are drawn up is Röchling SE & Co.KG. Its registered office is Richard-Wagner Straße 9, 68165 Mannheim, Germany.