

Roper Rhodes Limited

Annual Report and Consolidated Financial Statements
for the Year Ended 31 July 2021

Roper Rhodes Limited

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Roper Rhodes Limited

Company Information

Directors	M Roper P Roper S P Taylor L E Leather W J Steele C Vallance
Company secretary	A Sillwood
Registered office	Brassmill Lane Trading Estate Bath BA1 3JF
Auditors	Milsted Langdon LLP Chartered Accountants and Statutory Auditors Freshford House Redcliffe Way Bristol BS1 6NL

Roper Rhodes Limited

Strategic Report for the Year Ended 31 July 2021

The Directors present their strategic report for the year ended 31 July 2021.

Principal activity

The principal activity of the group is the design, marketing and sale of bathroom equipment.

Fair review of the business

Challenges raised by the Covid pandemic continued into 2021. Lockdowns in November 2020 and the first 3 months of 2021 impacted sales. Costs and availability of stock were hit by disruption in the supply chain. The business had to cope with the massive increase in costs of Sea Freight and inconsistent receipt of goods because of congestion at the ports.

The benefits seen from previous years and continuing investment in staff and systems proved robust in coping with the difficult circumstances.

On 1 January 2021 we opened a subsidiary company, Roper Rhodes Ireland, to enable our customers on the island of Ireland to continue to receive the best possible service.

Trading across the year was strong and revenue exceeded budget. Costs increased in the year, particularly around shipping and carriage and this is expected to continue into 2022.

The group's key financial and other performance indicators during the year were as follows:

	Unit	2021	2020
Revenue	£	69,753,298	52,998,679
Operating profit	£	11,775,775	4,695,750
Operating margin	%	17	9

Roper Rhodes Limited

Strategic Report for the Year Ended 31 July 2021

Principal risks and uncertainties

Competition

It is possible that competitors may develop technologies that compete with the Company's products. The ability of the Company to defend its competitive advantage rests on the maintenance of appropriate product development.

Key staff

The Company has a share incentive plan with the aim of providing free shares for some employees. This has ceased for new employees.

Overseas suppliers

The Company uses overseas suppliers for the majority of products. Whether these products are transported by road or sea, adequate insurance is put in place to mitigate any loss.

Foreign exchange

A large amount of purchases are made from foreign suppliers so the Company regularly trades in euros and dollars. To manage the foreign exchange risk, the Company trades spot and forward exchange contracts.

In addition to the Company's exposure to general macroeconomic developments and market conditions as discussed in the fair review of the business section above, the Company is exposed to a range of financial risks, including the effects in credit, commodity prices, currency and interest rates. To assist in mitigating these risks, the Company has in place a risk management programme to monitor the financial risks and limit the adverse effects on performance of the Company.

Approved by the Board on 5 November 2021 and signed on its behalf by:

.....
M Roper
Director

Roper Rhodes Limited

Directors' Report for the Year Ended 31 July 2021

The Directors present their report and the for the year ended 31 July 2021.

Directors of the Company

The directors who held office during the year were as follows:

M Roper

P Roper

S P Taylor

L E Leather

W J Steele

The following director was appointed after the year end:

C Vallance (appointed 1 November 2021)

Financial instruments

Objectives and policies

The Company is exposed to price risk, credit risk, liquidity and cash flow risk. Appropriate policies have been developed and implemented to identify, evaluate and manage key risks and the Directors review risk management strategies regularly.

Price risk, credit risk, liquidity risk and cash flow risk

Price risk - the Company is exposed to price risk as a result of its operations. However, sales prices are constantly reviewed and agreed by management to ensure sales prices reflect any fluctuating prices within the market place.

Credit risk - before sales are made, appropriate credit checks are made on potential customers. The majority are established customers of the Company, therefore the credit risk on individual customers is limited.

Liquidity and cash flow risk - the Company's exposure to liquidity risk is minimal and the Company has adequate net current assets.

Future developments

The Company continues to make substantial investments in new product development, and in the sales and operational functions, to drive further growth in revenue and profits.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

The auditors Milsted Langdon LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Roper Rhodes Limited

Directors' Report for the Year Ended 31 July 2021

Approved by the Board on 5 November 2021 and signed on its behalf by:

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M Roper
Director

Roper Rhodes Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the 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 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; and
- 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 Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Roper Rhodes Limited

Independent Auditor's Report to the Members of Roper Rhodes Limited

Opinion

We have audited the financial statements of Roper Rhodes Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 July 2021, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 July 2021 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information 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.

Roper Rhodes Limited

Independent Auditor's Report to the Members of Roper Rhodes Limited

We have nothing to report in this regard.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 Statement of Directors' Responsibilities set out on page 6, 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 Group's and 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Roper Rhodes Limited

Independent Auditor's Report to the Members of Roper Rhodes Limited

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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks or irregularities, including known and actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.

.....
Mrs S R Jenkins (Senior Statutory Auditor)
For and on behalf of Milsted Langdon LLP,
Chartered Accountants and Statutory Auditor
Freshford House
Redcliffe Way
Bristol
BS1 6NL

5 November 2021

Roper Rhodes Limited

Consolidated Profit and Loss Account for the Year Ended 31 July 2021

	Note	2021 £	2020 £
Turnover	<u>3</u>	69,753,298	52,998,679
Cost of sales		<u>(43,635,574)</u>	<u>(34,780,892)</u>
Gross profit		26,117,724	18,217,787
Distribution costs		(2,775,382)	(2,902,747)
Administrative expenses		(12,059,596)	(11,728,915)
Other operating income	<u>4</u>	<u>493,029</u>	<u>1,109,625</u>
Operating profit	<u>6</u>	<u>11,775,775</u>	<u>4,695,750</u>
Loss on financial assets at fair value through profit and loss account	<u>32</u>	(43,053)	(538,309)
Other interest receivable and similar income	<u>7</u>	1,748	174,739
Interest payable and similar expenses	<u>8</u>	<u>(834,418)</u>	<u>(193,155)</u>
		<u>(875,723)</u>	<u>(556,725)</u>
Profit before tax		10,900,052	4,139,025
Taxation	<u>12</u>	<u>(2,851,733)</u>	<u>(885,604)</u>
Profit for the financial year		<u>8,048,319</u>	<u>3,253,421</u>
Profit/(loss) attributable to:			
Owners of the company		<u>8,048,319</u>	<u>3,253,421</u>

The above results were derived from continuing operations.

Roper Rhodes Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 July 2021

	2021 £	2020 £
Profit for the year	8,048,319	3,253,421
Surplus on revaluation of other assets	3,191,708	-
Deferred tax on property, plant and equipment revaluation	(218,725)	(3,541)
	2,972,983	(3,541)
Total comprehensive income for the year	11,021,302	3,249,880
Total comprehensive income attributable to:		
Owners of the company	11,021,302	3,249,880

Roper Rhodes Limited
(Registration number: 01568433)
Consolidated Balance Sheet as at 31 July 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	<u>14</u>	17,647,309	14,829,614
Investment property	<u>15</u>	4,600,000	5,047,325
Investments	<u>16</u>	1	1
		<u>22,247,310</u>	<u>19,876,940</u>
Current assets			
Stocks	<u>18</u>	10,490,514	10,308,026
Debtors	<u>19</u>	17,268,112	11,464,817
Other financial assets	<u>17</u>	113,000	-
Cash at bank and in hand		<u>12,402,132</u>	<u>14,417,399</u>
		40,273,758	36,190,242
Creditors: Amounts falling due within one year	<u>21</u>	<u>(12,292,328)</u>	<u>(7,606,905)</u>
Net current assets		<u>27,981,430</u>	<u>28,583,337</u>
Total assets less current liabilities		50,228,740	48,460,277
Provisions for liabilities	<u>22</u>	<u>(1,661,160)</u>	<u>(913,999)</u>
Net assets		<u>48,567,580</u>	<u>47,546,278</u>
Capital and reserves			
Called up share capital	<u>24</u>	113,010	118,291
Share premium reserve	<u>25</u>	332,941	332,941
Capital redemption reserve	<u>25</u>	65,843	60,562
Revaluation reserve	<u>25</u>	6,818,424	3,845,441
Other reserves	<u>25</u>	(8,600,839)	(10,057,048)
Profit and loss account	<u>25</u>	<u>49,838,201</u>	<u>53,246,091</u>
Equity attributable to owners of the company		<u>48,567,580</u>	<u>47,546,278</u>
Total equity		<u>48,567,580</u>	<u>47,546,278</u>

Approved and authorised by the Board on 5 November 2021 and signed on its behalf by:

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M Roper
Director

Roper Rhodes Limited
(Registration number: 01568433)
Parent Balance Sheet as at 31 July 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	<u>14</u>	17,647,309	14,829,614
Investment property	<u>15</u>	4,600,000	5,047,325
Investments	<u>16</u>	101	1
		<u>22,247,410</u>	<u>19,876,940</u>
Current assets			
Stocks	<u>18</u>	10,490,514	10,308,026
Debtors	<u>19</u>	17,909,368	11,464,817
Other financial assets	<u>17</u>	113,000	-
Cash at bank and in hand		<u>10,720,143</u>	<u>14,417,399</u>
		39,233,025	36,190,242
Creditors: Amounts falling due within one year	<u>21</u>	<u>(12,016,332)</u>	<u>(7,606,905)</u>
Net current assets		<u>27,216,693</u>	<u>28,583,337</u>
Total assets less current liabilities		49,464,103	48,460,277
Provisions for liabilities	<u>22</u>	<u>(1,661,160)</u>	<u>(913,999)</u>
Net assets		<u>47,802,943</u>	<u>47,546,278</u>
Capital and reserves			
Called up share capital		113,010	118,291
Share premium reserve		332,941	332,941
Capital redemption reserve		65,843	60,562
Revaluation reserve		6,818,424	3,845,441
Other reserves		(8,600,839)	(10,057,048)
Profit and loss account		<u>49,073,564</u>	<u>53,246,091</u>
Total equity		<u>47,802,943</u>	<u>47,546,278</u>

The company made a profit after tax for the financial year of £7,283,682 (2020 - profit of £3,253,421).

Approved and authorised by the Board on 5 November 2021 and signed on its behalf by:

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M Roper
Director

Roper Rhodes Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 July 2021

	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Other reserves £	Profit and loss account £	Total £	Total equity £
At 1 August 2020	118,291	332,941	60,562	3,845,441	(10,057,048)	53,246,091	47,546,278	47,546,278
Profit for the year	-	-	-	-	-	8,048,319	8,048,319	8,048,319
Other comprehensive income	-	-	-	2,972,983	1,456,209	(1,456,209)	2,972,983	2,972,983
Total comprehensive income	-	-	-	2,972,983	1,456,209	6,592,110	11,021,302	11,021,302
Dividends	-	-	-	-	-	(10,000,000)	(10,000,000)	(10,000,000)
Purchase of own share capital	(5,281)	-	-	-	-	-	(5,281)	(5,281)
Other capital redemption reserve movements	-	-	5,281	-	-	-	5,281	5,281
At 31 July 2021	113,010	332,941	65,843	6,818,424	(8,600,839)	49,838,201	48,567,580	48,567,580

The notes on pages 18 to 44 form an integral part of these financial statements.
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Roper Rhodes Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 July 2021

	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Other reserves £	Profit and loss account £	Total £	Total equity £
At 1 August 2019	118,291	332,941	60,562	3,848,982	(10,057,048)	49,992,670	44,296,398	44,296,398
Profit for the year	-	-	-	-	-	3,253,421	3,253,421	3,253,421
Other comprehensive income	-	-	-	(3,541)	-	-	(3,541)	(3,541)
Total comprehensive income	-	-	-	(3,541)	-	3,253,421	3,249,880	3,249,880
At 31 July 2020	118,291	332,941	60,562	3,845,441	(10,057,048)	53,246,091	47,546,278	47,546,278

The notes on pages 18 to 44 form an integral part of these financial statements.
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Roper Rhodes Limited

Parent Statement of Changes in Equity for the Year Ended 31 July 2021

	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Other reserves £	Profit and loss account £	Total £
At 1 August 2020	118,291	332,941	60,562	3,845,441	(10,057,048)	53,246,091	47,546,278
Profit for the year	-	-	-	-	-	7,283,682	7,283,682
Other comprehensive income	-	-	-	2,972,983	1,456,209	(1,456,209)	2,972,983
Total comprehensive income	-	-	-	2,972,983	1,456,209	5,827,473	10,256,665
Dividends	-	-	-	-	-	(10,000,000)	(10,000,000)
Purchase of own share capital	(5,281)	-	-	-	-	-	(5,281)
Other capital redemption reserve movements	-	-	5,281	-	-	-	5,281
At 31 July 2021	113,010	332,941	65,843	6,818,424	(8,600,839)	49,073,564	47,802,943
	Share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Other reserves £	Profit and loss account £	Total £
At 1 August 2019	118,291	332,941	60,562	3,848,982	(10,057,048)	49,992,670	44,296,398
Profit for the year	-	-	-	-	-	3,253,421	3,253,421
Other comprehensive income	-	-	-	(3,541)	-	-	(3,541)
Total comprehensive income	-	-	-	(3,541)	-	3,253,421	3,249,880
At 31 July 2020	118,291	332,941	60,562	3,845,441	(10,057,048)	53,246,091	47,546,278

The notes on pages 18 to 44 form an integral part of these financial statements.
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Roper Rhodes Limited

Consolidated Statement of Cash Flows for the Year Ended 31 July 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Profit for the year		8,048,319	3,253,421
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>6</u>	823,586	888,952
Financial instrument net (gains)/losses through profit and loss		43,053	538,311
Changes in fair value of investment property	<u>15</u>	447,325	-
Finance income	<u>7</u>	(1,748)	(174,739)
Finance costs	<u>8</u>	834,418	193,155
Income tax expense	<u>12</u>	2,851,733	885,604
		<u>13,046,686</u>	<u>5,584,704</u>
Working capital adjustments			
(Increase)/decrease in stocks	<u>18</u>	(182,488)	819,392
(Increase)/decrease in trade debtors	<u>19</u>	(5,803,295)	2,433,965
Increase in trade creditors	<u>21</u>	2,906,071	1,058,428
		<u>9,966,974</u>	<u>9,896,489</u>
Cash generated from operations			
Income taxes paid	<u>12</u>	(700,000)	(1,069,895)
Net cash flow from operating activities		<u>9,266,974</u>	<u>8,826,594</u>
Cash flows from investing activities			
Interest received		1,748	174,739
Acquisitions of tangible assets		(485,610)	(514,309)
Proceeds from sale of tangible assets		36,039	20,494
Net cash flows from investing activities		<u>(447,823)</u>	<u>(319,076)</u>
Cash flows from financing activities			
Interest paid	<u>8</u>	(834,418)	(193,155)
Dividends paid		(10,000,000)	-
Net cash flows from financing activities		<u>(10,834,418)</u>	<u>(193,155)</u>
Net (decrease)/increase in cash and cash equivalents		(2,015,267)	8,314,363
Cash and cash equivalents at 1 August		<u>14,417,399</u>	<u>6,103,036</u>
Cash and cash equivalents at 31 July		<u>12,402,132</u>	<u>14,417,399</u>

The company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under FRS 102, para 1.12 (b) not to present the company statement of cash flows.

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

Brassmill Lane Trading Estate

Bath

BA1 3JF

These financial statements were authorised for issue by the Board on 5 November 2021.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are prepared in sterling, which is the functional currency of the Company, and rounded to the nearest £.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 July 2021, with exception of Roper Rhodes Trustees Limited which has been excluded in accordance with section 405 of the Companies Act 2006.

No Profit and Loss Account is presented for the Company as permitted by section 408 of the Companies Act 2006. The company made a profit after tax for the financial year of £7,283,682 (2020 - £3,253,421).

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

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Going concern

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

Judgements and key sources of estimation uncertainty

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

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

There are no estimates and assumptions which are considered to have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts.

The Company recognises revenue when all of the following conditions are satisfied:

- the amount of revenue can be reliably measured;
- all of the significant risks and rewards of ownership have been transferred to the customer;
- the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the good sold;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the Company's activities.

Government grants

Other operating income, which includes rental income and government grants has been recognised on an accruals basis in line with the overall revenue recognition policy.

Finance income and costs policy

Interest income and expenses are recognised using the effective interest rate method.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Licences	Straight line over 5 years
Research and development	Costs are expensed as incurred

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses, except for Warehouses and Offices, which are held at valuation.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Tangible assets held at valuation are revalued with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase arising on the revaluation is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to the income statement to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation is charged as an expense to the extent that it exceeds the balance, if any, held in the warehouse's revaluation reserve relating to a previous revaluation of that asset.

On the subsequent sale or scrapping of a revalued property, the attributable revaluation surplus remaining in the warehouse's revaluation reserve is transferred directly to retained earnings.

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

Depreciation

Depreciation is charged so as to write off the cost, less estimated residual value of the assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Warehouses	1% straight line - excluding land
Offices	1% straight line - excluding land
Computer equipment	25% straight line
Motor vehicles	25% straight line
Tooling & moulds	33% straight line
Furniture, fittings & equipment	12.5% straight line

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment. Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

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 determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the Group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

Share based payments

The Company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the entity. The fair value of the employee services received is measured by reference to the estimated fair value at the grant date of equity instruments granted and is recognised as an expense over the vesting period. The estimated fair value of the option granted is derived from market prices of similar quoted companies. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The fair value of any options awarded also takes into account non vesting conditions. These are other factors outside the control of either party (such as a target based on an index) or within the control of one or more of the parties (such as the scheme being kept open or the employee maintaining their contribution of services to the Company).

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Derivative financial instruments and hedging

Derivatives

Derivative financial instruments are initially measured at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through the profit or loss. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of the forward currency contracts are valued using market to market rates at the balance sheet date supplied by the providers of the contracts.

Hedging

The Company uses forward foreign currency contracts to reduce exposure to foreign exchange rates. Hedge accounting for foreign exchange derivatives is not applied.

3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2021 £	2020 £
Sale of goods	69,753,298	52,998,679

The analysis of the group's turnover for the year by market is as follows:

	2021 £	2020 £
UK	67,021,039	51,118,012
Europe	2,732,259	1,880,667
	69,753,298	52,998,679

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2021 £	2020 £
Government grants	115,639	738,104
Rental income	377,390	371,521
	<u>493,029</u>	<u>1,109,625</u>

5 Other gains and losses

The analysis of the group's other gains and losses for the year is as follows:

	2021 £	2020 £
Gain on disposal of property, plant and equipment	<u>40,123</u>	<u>40,356</u>

6 Operating profit

Operating profit is stated after charging/(crediting):

	2021 £	2020 £
Depreciation expense	823,586	888,952
Impairment loss	447,325	-
Research and development cost	45,826	29,266
Foreign exchange losses/(gains)	587,241	(141,512)
Operating lease expense - property	211,590	376,096
Profit on disposal of property, plant and equipment	(40,123)	(40,356)
Audit Fees	11 <u>42,000</u>	<u>34,800</u>

7 Other interest receivable and similar income

	2021 £	2020 £
Interest income on bank deposits	1,748	33,227
Other finance income	-	141,512
	<u>1,748</u>	<u>174,739</u>

8 Interest payable and similar expenses

	2021 £	2020 £
Interest on bank overdrafts and borrowings	1,519	2,391
Foreign exchange (gains) / losses	587,241	-
Other finance costs	245,658	190,764
	<u>834,418</u>	<u>193,155</u>

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021 £	2020 £
Wages and salaries	8,532,295	7,938,702
Social security costs	895,400	834,913
Pension costs, defined contribution scheme	610,738	623,717
Other employee expense	119,679	150,167
	<u>10,158,112</u>	<u>9,547,499</u>

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

	2021 No.	2020 No.
Administration and support	153	160
Sales	29	29
	<u>182</u>	<u>189</u>

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021 £	2020 £
Remuneration	1,484,322	1,517,772
Contributions paid to money purchase schemes	45,887	55,528
	<u>1,530,209</u>	<u>1,573,300</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2021 No.	2020 No.
Received or were entitled to receive shares under long term incentive schemes	2	2
Accruing benefits under money purchase pension scheme	4	4

In respect of the highest paid director:

	2021 £	2020 £
Remuneration	751,457	692,957
Company contributions to money purchase pension schemes	14,644	17,721

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

11 Auditors' remuneration

	2021 £	2020 £
Audit of these financial statements	42,000	34,800
Other fees to auditors		
All other non-audit services	7,452	20,247

12 Taxation

Tax charged/(credited) in the income statement

	2021 £	2020 £
Current taxation		
UK corporation tax	2,323,297	946,809
Deferred taxation		
Arising from origination and reversal of timing differences	310,726	(61,204)
Arising from changes in tax rates and laws	217,710	(1)
Total deferred taxation	528,436	(61,205)
Tax expense in the income statement	2,851,733	885,604

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2020 - the same as the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
Profit before tax	10,900,052	4,139,025
Corporation tax at standard rate	2,071,010	786,415
Effect of expense not deductible in determining taxable profit (tax loss)	104,997	47,437
UK deferred tax expense (credit) relating to changes in tax rates or laws	217,710	51,752
UK deferred tax expense (credit) relating to revaluations/fair value adjustments	458,016	-
Total tax charge	2,851,733	885,604

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

Deferred tax

Group

Deferred tax assets and liabilities

	Asset £	Liability £
2021		
Accelerated tax depreciation	-	201,757
Foreign exchange currency contracts	91,915	-
Other short term timing differences	-	1,551,318
Share based payments	-	-
	<u>91,915</u>	<u>1,753,075</u>
	Asset £	Liability £
2020		
Accelerated tax depreciation	-	183,682
Foreign exchange currency contracts	61,675	-
Other short term timing differences	-	791,992
Share based payments	-	-
	<u>61,675</u>	<u>975,674</u>

Company

Deferred tax assets and liabilities

	Asset £	Liability £
2021		
Accelerated capital allowances	-	201,757
Foreign exchange currency contracts	91,915	-
Other short term timing differences	-	1,551,318
Share-based payments	-	-
	<u>91,915</u>	<u>1,753,075</u>
	Asset £	Liability £
2020		
Accelerated capital allowances	-	183,682
Foreign exchange currency contracts	61,675	-
Other short term timing differences	-	791,992
Share-based payments	-	-
	<u>61,675</u>	<u>975,674</u>

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

Tax relating to items recognised in other comprehensive income or equity - group

	2021 £	2020 £
Deferred tax related to items recognised as items of other comprehensive income	754,037	535,311
Deferred tax related to items recognised as items of equity	<u>907,123</u>	<u>378,688</u>

Tax relating to items recognised in other comprehensive income or equity - company

	2021 £	2020 £
Deferred tax related to items recognised as items of other comprehensive income	754,037	535,311
Deferred tax related to items recognised as items of equity	<u>907,123</u>	<u>378,688</u>

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

13 Intangible assets

Group

	Licences £	Total £
Cost		
At 1 August 2020	105,000	105,000
At 31 July 2021	105,000	105,000
Amortisation		
At 1 August 2020	105,000	105,000
At 31 July 2021	105,000	105,000
Carrying amount		
At 31 July 2021	-	-

The aggregate amount of research and development expenditure recognised as an expense during the period is £45,826 (2020 - £29,266).

Company

	Licences £	Total £
Cost		
At 1 August 2020	105,000	105,000
At 31 July 2021	105,000	105,000
Amortisation		
At 1 August 2020	105,000	105,000
At 31 July 2021	105,000	105,000
Carrying amount		
At 31 July 2021	-	-

The aggregate amount of research and development expenditure recognised as an expense during the period is £45,826 (2020 - £29,266).

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

14 Tangible assets Group

	Offices £	Warehouses £	Furniture, fittings and equipment £	Tooling & moulds £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation							
At 1 August 2020	3,242,366	10,264,107	1,603,419	233,466	1,878,281	958,613	18,180,252
Revaluations	57,634	2,710,893	-	-	-	-	2,768,527
Additions	-	-	68,987	86,181	116,861	213,581	485,610
Disposals	-	-	(23,536)	-	(2,390)	(205,529)	(231,455)
At 31 July 2021	3,300,000	12,975,000	1,648,870	319,647	1,992,752	966,665	21,202,934
Depreciation							
At 1 August 2020	96,923	213,706	730,509	128,893	1,568,214	612,393	3,350,638
Charge for the year	32,424	102,641	191,327	90,163	221,013	186,018	823,586
Eliminated on disposal	-	-	(23,536)	-	(1,544)	(170,336)	(195,416)
Eliminated on revaluation	(123,943)	(299,240)	-	-	-	-	(423,183)
At 31 July 2021	5,404	17,107	898,300	219,056	1,787,683	628,075	3,555,625
Carrying amount							
At 31 July 2021	3,294,596	12,957,893	750,570	100,591	205,069	338,590	17,647,309
At 31 July 2020	3,145,443	10,050,401	872,910	104,573	310,067	346,220	14,829,614

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

Company	Offices £	Warehouses £	Furniture, fittings and equipment £	Tooling & moulds £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation							
At 1 August 2020	3,242,366	10,264,107	1,603,419	233,466	1,878,281	958,613	18,180,252
Revaluations	57,634	2,710,893	-	-	-	-	2,768,527
Additions	-	-	68,987	86,181	116,861	213,581	485,610
Disposals	-	-	(23,536)	-	(2,390)	(205,529)	(231,455)
At 31 July 2021	3,300,000	12,975,000	1,648,870	319,647	1,992,752	966,665	21,202,934
Depreciation							
At 1 August 2020	96,923	213,706	730,509	128,893	1,568,214	612,393	3,350,638
Charge for the year	32,424	102,641	191,327	90,163	221,013	186,018	823,586
Eliminated on disposal	-	-	(23,536)	-	(1,544)	(170,336)	(195,416)
Eliminated on revaluation	(123,943)	(299,240)	-	-	-	-	(423,183)
At 31 July 2021	5,404	17,107	898,300	219,056	1,787,683	628,075	3,555,625
Carrying amount							
At 31 July 2021	3,294,596	12,957,893	750,570	100,591	205,069	338,590	17,647,309
At 31 July 2020	3,145,443	10,050,401	872,910	104,573	310,067	346,220	14,829,614

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

Revaluation

The group and company's Offices were independently revalued on 21 May 2021. The Offices were revalued by Carter Jonas on an open market existing use basis as set out in Practice Statement 3.2 of the RICS Appraisal and Valuation Standard.

Had this class of asset been measured on a historical cost basis, their carrying amount would have been £2,064,359 (2020 - £2,087,023).

The group and company's Warehouses were independently revalued on 25 May 2021. The Warehouses were revalued by Carter Jonas on an open market existing use basis as set out in Practice Statement 3.2 of the RICS Appraisal Valuation Standard.

Had this class of asset been measured on a historical cost basis, their carrying amount would have been £6,910,875 (2020 - £6,984,256).

15 Investment properties

Group

	2021 £
At 1 August	5,047,325
Fair value adjustments	<u>(447,325)</u>
At 31 July	<u><u>4,600,000</u></u>

The Group's investment property were independently revalued on 21 May 2021. The investment property was revalued by Carter Jonas on an open market existing use basis as set out in Practice Statement 3.2 of the RICS Appraisal Valuation Standard.

Company

	2021 £
At 1 August	5,047,325
Fair value adjustments	<u>(447,325)</u>
At 31 July	<u><u>4,600,000</u></u>

The Company's investment property were independently revalued on 21 May 2021. The investment property was revalued by Carter Jonas on an open market existing use basis as set out in Practice Statement 3.2 of the RICS Appraisal Valuation Standard.

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

16 Investments

Company

	2021 £	2020 £
Investments in subsidiaries	101	1

Subsidiaries

£

Cost or valuation

At 1 August 2020	1
Additions	100
At 31 July 2021	101

Provision

Carrying amount

At 31 July 2021	101
At 31 July 2020	1

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2021	2020
Subsidiary undertakings				
Roper Rhodes Trustees Limited	Brassmill Lane Trading Estate, Bath, BA1 3JF	Ordinary	100%	100%
Roper Rhodes Ireland Limited	9 Exchange Place IFSC Dublin 1	Ordinary	100%	0%

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

Roper Rhodes Trustees Limited

Roper Rhodes Trustees Limited is a dormant company. Its financial period end is 30 June.

The profit for the financial period of Roper Rhodes Trustees Limited was £Nil (2020 - £Nil) and the aggregate amount of capital and reserves at the end of the period was £1 (2020 - £1).

Roper Rhodes Ireland Limited

The principal activity of Roper Rhodes Ireland Limited is the design, marketing and sale of bathroom equipment.

17 Other financial assets

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Current financial assets				
Forward exchange contracts	113,000	-	113,000	-

18 Stocks

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Finished goods and goods for resale	10,490,514	10,308,026	10,490,514	10,308,026

19 Debtors

		Group		Company	
	Note	2021	2020	2021	2020
		£	£	£	£
Trade debtors		14,252,951	10,404,148	13,081,537	10,404,148
Amounts owed by related parties	<u>31</u>	-	-	1,819,025	-
Other debtors		2,808,686	944,070	2,802,331	944,070
Prepayments		206,475	116,599	206,475	116,599
		<u>17,268,112</u>	<u>11,464,817</u>	<u>17,909,368</u>	<u>11,464,817</u>

20 Cash and cash equivalents

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Cash on hand	1,400	1,400	1,400	1,400
Cash at bank	3,189,310	6,305,638	1,507,321	6,305,638
Short-term deposits	9,211,422	8,110,361	9,211,422	8,110,361
	<u>12,402,132</u>	<u>14,417,399</u>	<u>10,720,143</u>	<u>14,417,399</u>

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

21 Creditors

	Note	Group		Company	
		2021 £	2020 £	2021 £	2020 £
Due within one year					
Trade creditors		3,010,108	2,129,569	3,010,108	2,129,569
Social security and other taxes		2,217,987	2,096,621	2,121,350	2,096,621
Outstanding defined contribution pension costs		62,005	63,562	62,005	63,562
Other creditors		1,601,802	1,182,598	1,601,802	1,182,598
Accruals		3,049,659	1,563,140	3,049,659	1,563,140
Corporation tax liability	12	1,870,106	246,809	1,690,747	246,809
Other current financial liabilities		480,661	324,606	480,661	324,606
		12,292,328	7,606,905	12,016,332	7,606,905

22 Provisions for liabilities

Group

	Deferred tax £	Total £
At 1 August 2020	913,999	913,999
Additional provisions	<u>747,161</u>	<u>747,161</u>
At 31 July 2021	<u>1,661,160</u>	<u>1,661,160</u>

Company

	Deferred tax £	Total £
At 1 August 2020	913,999	913,999
Additional provisions	<u>747,161</u>	<u>747,161</u>
At 31 July 2021	<u>1,661,160</u>	<u>1,661,160</u>

23 Pension and other schemes

Defined contribution pension scheme

The group and parent company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group and parent company to the scheme and amounted to £610,738 (2020 - £623,717).

Contributions totalling £62,005 (2020 - £63,562) were payable to the scheme at the end of the year and are included in creditors.

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

24 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary A shares of £1 each	92,724	92,724	92,724	92,724
Ordinary B shares of £1 each	16,010	16,010	20,111	20,111
Ordinary C shares of £0.01 each	370,896	3,709	370,896	3,709
Ordinary D shares of £0.01 each	56,696	567	174,692	1,747
	536,326	113,010	658,423	118,291

Shares in entity held by entity, subsidiaries, associates or joint ventures

14,147 B shares and 56,696 D shares are held by Roper Rhodes Trustees Limited, a subsidiary of Roper Rhodes Limited.

Rights, preferences and restrictions

Ordinary A, B, C and D shares have the following rights, preferences and restrictions:

The voting rights attached to each respective class of share is one vote per share held. All classes of shares rank pari passu.

25 Reserves

Group and company

Share capital

This reserve reflects the nominal value of share capital issued by the Company.

Share premium

This reserve reflects the amount above the nominal value received for shares sold, less transaction costs.

Capital redemption reserve

This reserve reflects the nominal value of shares repurchased by the Company.

Revaluation reserve

This reserve reflects the surplus or deficit arising on the revaluation of assets within the Company.

Other reserves

This reserve reflects the amount held for own shares and the cost of shares held in trust.

The changes to each component of equity resulting from items of other comprehensive income for the current year were as follows:

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

	Revaluation reserve £	Other reserves £	Retained earnings £	Total £
Surplus on revaluation of other assets	3,191,708	1,456,209	(1,456,209)	3,191,708
Deferred tax on property, plant and equipment revaluation	(218,725)	-	-	(218,725)
	<u>2,972,983</u>	<u>1,456,209</u>	<u>(1,456,209)</u>	<u>2,972,983</u>

The changes to each component of equity resulting from items of other comprehensive income for the prior year were as follows:

	Revaluation reserve £	Total £
Deferred tax on property, plant and equipment revaluation	(3,541)	(3,541)

Qualifying Employee Share Ownership Trust

Roper Rhodes Limited is a sponsoring company of an ESOP Trust.

In the year to 31 July 2004 the Roper Rhodes Limited became a sponsoring company of a Qualifying Employee Share Ownership Trust (QUEST) to purchase shares in the company for the benefit of the employees.

The Trust holds 14,174 B Shares and 56,696 D Shares at a nominal value of £14,741. The financial statements of the trust have been fully consolidated in the company's financial statements because the company is deemed to have de facto control until such time as the shares held by the Trust vest unconditionally with employees.

The equity instruments held within the Trust are exercisable at the earlier of the onward sale of the company or 26 March 2023.

A scheme has been agreed with HMRC under schedule 5 to the Finance act 1989. The Trust bears its own expenses and has waived its right to the payment of a dividend in the year.

As Roper Rhodes Limited is a private company, there is no observable market price for the shares granted. Therefore, the value of the shares was derived from market prices of similar quoted companies. As at 31 July 2021, total cost of the shares is £9,073,453 (2020 - £9,073,453).

The movements in the number of share options during the year were as follows:

	2021 Number	2020 Number
Outstanding, start of period	200,000	200,000
Share buy-back during the period	-	-
Outstanding, end of period	<u>200,000</u>	<u>200,000</u>

There has been no movement in the weighted average exercise price of share options during the year (2020 - no movements).

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

26 Obligations under leases and hire purchase contracts

Group

Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	59,500	21,768
Later than one year and not later than five years	65,000	10,884
	<u>124,500</u>	<u>32,652</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £49,500 (2020 - £21,768).

Company

Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	59,500	21,768
Later than one year and not later than five years	65,000	10,884
	<u>124,500</u>	<u>32,652</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £49,500 (2020 - £21,768).

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

27 Share-based payments

Share Incentive Plan

Scheme details and movements

The Share Incentive Plan has been cancelled during the year ended 31 July 2021.

The SIP was introduced in 2006 and the board can award free shares in the Company to UK based employees of Roper Rhodes Limited. Under current legislation free shares must be kept in trust for a minimum of three years and five years to take advantage of full tax benefits. There is an upper statutory limit of £3,600 worth of shares per tax year.

Awards are granted with a fixed price equal to the previously determined value derived from market prices of similar quoted companies at the date of the grant. Awards under the SIP are reserved for employees who have been in continuous employment for a period of 1 month prior to the award eligibility date. Awards are equity based. The eligibility date is set one month prior to the award date. There are no performance conditions attached to the shares. An award is satisfied by the issue of equity shares. The exercise price is nil and no dividends are payable on these shares.

No shares have been vesting, exercised or granted to employees in the year (2020 – Nil).

The company has taken the exemption available to them under FRS 102 section 35 to not recognise a retrospective expense with regard to share based payments in the income statement.

As Roper Rhodes Limited is a private company, there is no observable market price for the shares granted.

Share option schemes

Scheme details and movements

The Company operated three share based compensation plans, being three unapproved schemes. For each plan, the options may have been exercised on either sale or takeover of the Company. The options would have lapsed on the 10th anniversary of the grant date or if the option holder ceased to be employed by the Company.

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

Unapproved scheme

Scheme details and movements

The Company operated three unapproved schemes.

The first scheme ("Option A") had been awarded based on the services rendered to the Company and vested on acquisition of the issued share capital of the Company.

The second scheme ("Option B") vested when the Company is sold subject to achieving a minimum sales value.

The third scheme ("Option C") vested on acquisition of the issued share capital of the Company.

Option A

On 17 December 2015, Roper Rhodes Limited granted 14,819 share options at an exercise price of £0.01.

During the year these options have been cancelled. As at the year end Nil (2020 – 14,819) remain outstanding of which Nil (2020 – 14,819) have been awarded to a Director of the Company.

Option B

On 22 January 2016, 88,034 share options were granted at an exercise price of £0.01.

During the year these options were cancelled. As at the year end Nil (2020 – 88,034) remain outstanding of which Nil (2020 – 31,441) have been awarded to Directors of the Company.

Option C

On 17 December 2015, Roper Rhodes Limited granted 11,540 at an exercise price of £0.01.

During the year none of these options were exercised, forfeited or lapsed (2020 – Nil). As at the year end Nil (2020 – 11,540) remain outstanding of which Nil (2020 – 11,540) have been awarded to a Director of the Company.

28 Dividends

Final dividends paid

	2021 £	2020 £
Final dividend of £1.00 (2020 - £Nil) per each Ordinary class A	9,000,000	-
Final dividend of £0.01 (2020 - £Nil) per each Ordinary class C	1,000,000	-
	<u>10,000,000</u>	<u>-</u>

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

29 Commitments

Group and company

Capital commitments

There are no capital commitments at the year end.

The total amount contracted for but not provided in the financial statements was £Nil (2020 - £Nil).

30 Contingent liabilities

Group and company

Guarantee to HMRC in respect of deferred VAT totalling £Nil (2020 - £170,000).

31 Related party transactions

Group

Group and Company

Key management compensation

	2021	2020
	£	£
Salaries and other short term employee benefits	1,530,209	1,573,300

Summary of transactions with subsidiaries

The group has taken advantage of the exemptions in Financial Reporting Standard 102 Section 33 and has not disclosed transactions between wholly owned members of the same group.

Summary of transactions with other related parties

A charity under common control

The Company made donations to the charity in the year totalling £122,577 (2020 - £195,000), which is controlled by a Director.

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

Expenditure with and payables to related parties

	Key management £	Other related parties £
2021		
Dividends	9,944,836	55,164
	Key management £	Other related parties £
2020		
Dividends	-	-

32 Financial instruments

Group and company

Categorisation of financial instruments

	2021 £	2020 £
Financial liabilities measured at fair value through profit or loss	(367,661)	(324,606)

Derivatives

Financial assets and liabilities measured at fair value through profit or loss comprise foreign currency option contracts. The Company enters into these contracts to hedge against its exposure to trading in foreign currencies. At 31 July 2020 the Company had the option to buy \$22,000,000 at a forward value of £16,568,247 (2019 - \$13,145,000 at a forward value of £9,607,234 and €1,800,000 at a forward value of £1,565,217) with monthly deal dates from August 2020 to December 2021. These contracts have been fair valued at the balance sheet date, based on relevant market information about the individual currency contracts. The estimates used to value the contracts are subjective in nature, involve uncertainties and matters of judgement and therefore changes in the assumptions adopted could affect the estimates.

Roper Rhodes Limited

Notes to the Financial Statements for the Year Ended 31 July 2021

33 Analysis of changes in net debt

Group

	At 1 August 2020 £	Financing cash flows £	At 31 July 2021 £
Cash and cash equivalents			
Cash	14,417,399	(2,015,267)	12,402,132
	<u>14,417,399</u>	<u>(2,015,267)</u>	<u>12,402,132</u>

Company

	At 1 August 2020 £	Financing cash flows £	At 31 July 2021 £
Cash and cash equivalents			
Cash	14,417,399	(2,015,267)	12,402,132
	<u>14,417,399</u>	<u>(2,015,267)</u>	<u>12,402,132</u>

34 Parent and ultimate parent undertaking

The ultimate controlling party is M Roper and P Roper by virtue of their combined majority shareholding.

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