



## Verification Report – UK Producer Case TD0063: Ironing Boards from the People’s Republic of China

<b>Period of Investigation (POI):</b>	1 July 2023 – 30 June 2024
<b>Injury Period:</b>	1 July 2020 – 30 June 2024
<b>Date of report:</b>	18 February 2025
<b>Case team contact details:</b>	<a href="mailto:TD0063@traderemedies.gov.uk">TD0063@traderemedies.gov.uk</a>
<b>Interested party verified:</b>	Confidential (UK Producer)

For further details, please see the [Notice of Initiation](#) on the public file.



## Contents

<b>Executive Summary .....</b>	<b>3</b>
<b>Purpose of verification .....</b>	<b>4</b>
<b>Confidential information.....</b>	<b>4</b>
<b>Verification.....</b>	<b>5</b>
A. Company structure and associations .....	5
B. Accounting systems and procedures.....	7
C. Goods .....	9
D. Costs.....	11
E. Sales .....	13
F. Injury.....	15
H. Economic Interest Test .....	18
<b>Conclusions.....</b>	<b>20</b>
<b>Annexes .....</b>	<b>21</b>
<b>Annex 1: Meetings.....</b>	<b>21</b>



## Executive Summary

The Trade Remedies Authority (TRA) is conducting a transition review to determine whether the UK should vary or revoke anti-dumping measures on ironing boards from the People's Republic of China (PRC), pursuant to Part 12 of The Trade Remedies (Dumping & Subsidies) (EU Exit) Regulations 2019 ('the Regulations') - Statutory Instrument 450/2019.

More information about the case can be found on the [public file: TD0063 - Ironing Boards from China](#).

The sole UK producer of the like goods returned a completed, domestic producer questionnaire ('questionnaire response'). The UK producer is a producer of ironing boards, which are sold primarily online and in brick-and-mortar retailers. The production and sale of the like goods represents a small portion of the UK producer's business, which includes a broad range of household goods.

The UK producer was cooperative with the TRA and hosted representatives of the TRA for a facilitation visit on 23 October 2024. It submitted both a pre-sampling questionnaire (PSQ) and substantive questionnaire response, the non-confidential version of which is available on the [public file](#).

The UK producer provided the TRA with an online systems walkthrough to familiarise us with its accounting systems and then hosted representatives of the TRA for a three-day verification visit in January 2025. The UK producer was forthcoming with information both during and after these interactions.

During verification, the TRA compared information provided by the UK producer to published financial statements, management reports, supporting evidence and various open sources of information.

The TRA have no concerns in respect of the information provided by the UK producer for the purposes of verification. We were able to check the information provided in the UK producer's questionnaire response, its annex data and in response to our enquiries throughout the verification process. Where discrepancies were identified, the UK producer was able to provide us with updated information or supporting evidence to our satisfaction.

Based on the work undertaken, we have a reasonable level of assurance that the information provided by the UK producer that we have assessed can be treated as complete, relevant, accurate and can be used for the purposes of this transition review.



## Purpose of verification

The purpose of the TRA's verification activity is to determine whether the information provided by interested parties is complete, relevant, and accurate and can be used in our transition review.

The information verified may then be considered in our assessments and analysis to determine whether injury is likely to continue or recur as a result of dumped imports of the goods subject to review to the UK. This will form the basis of our recommendation to either vary or revoke the measure.

We carried out verification activities onsite. The TRA did not seek to verify all information provided, but undertook the work considered appropriate and possible within the time constraints of the transition review to obtain assurance upon which to base our analyses.

This verification report documents the work completed, providing an overview of the range and scope of verification procedures performed on the information submitted by the UK producer. It details the conclusions reached regarding completeness, relevance, accuracy and provides an overall conclusion stating the level of assurance reached.

## Confidential information

The UK producer must provide a non-confidential version of the verification report marked as 'non-confidential' in the header.

If any information contained in the verification report is considered confidential, the UK producer should delete or redact that information and provide a non-confidential summary of what has been removed. It must provide reasons as to why the particular information is considered confidential (see also [public guidance](#)).

The non-confidential version of the verification report will be placed on the [public file](#).



## Verification

Please find below a summary of work completed by the TRA to determine whether the information provided by the UK producer in its questionnaire response is complete, relevant, and accurate.

### A. Company structure and associations

What information was considered
<p>From the questionnaire, we verified the:</p> <ul style="list-style-type: none"> <li>• General set-up, including the ownership and management of the company;</li> <li>• Company details; and</li> <li>• Company associations.</li> </ul>
<p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see <a href="#">Confidential information</a>):</i></p>
How the information was checked
<p><b>Company information, set-up, ownership, locations, and management</b>  We cross-checked the information provided by the UK producer on company details, ownership, and locations by examining official documents published on Companies House, including the UK producer’s most recent published financial statement for the year ended 30 September 2023. We found the information from these sources to be consistent with the information provided by the UK producer in its questionnaire response and on publicly available sources.</p> <p><b>Associations</b>  We cross checked information provided to us by the UK producer with regards to associated parties. We determined that the company has no UK related companies that would affect the analyses of this investigation.</p>
<p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see <a href="#">Confidential information</a>):</i></p>
Exceptions / Findings / Adjustments
<p>We found no issues with the data provided and no adjustments or amendments were required.</p>
<p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see <a href="#">Confidential information</a>):</i></p>



Conclusions

The information relating to company structure and associations provided by the UK producer is verifiable. Based on the work performed, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA for the dumping likelihood assessment, injury likelihood assessment, Economic Interest Test and for any other purpose within this transition review.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*



## B. Accounting systems and procedures

What information was considered
<p>From the questionnaire, we verified the UK producer's:</p> <ul style="list-style-type: none"> <li>• Accounting systems;</li> <li>• Accounting policies;</li> <li>• Sales / customer order processes and procedures</li> <li>• Cost data</li> <li>• Production processes.</li> </ul>
<p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see <a href="#">Confidential information</a>):</i></p>
How the information was checked
<p>We conducted a walkthrough of the UK producer's accounting systems to understand how the data reported in the questionnaire and annex were produced. We were able to confirm that the UK producer uses SAP ECC6 for sales, purchases, and forecasting. We also confirmed that the UK producer uses EARNIE IQ for its payroll processes.</p> <p>During our onsite visit, the UK producer demonstrated how it obtained sales data from SAP and how it separated out data for like goods and domestic and export sales. We were walked through a transaction and confirmed details of the goods referenced which matched the records in SAP. We found no material risk factors when reviewing the UK producer's SAP processes that would affect the data the UK producer provided us with for this transition review.</p>
<p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see <a href="#">Confidential information</a>):</i></p>
Exceptions / Findings / Adjustments
<p>There were no exceptions or adjustments to report with regards to the accounting systems and procedures.</p>
<p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see <a href="#">Confidential information</a>):</i></p>



Conclusions

Based on the work performed, we have obtained a basic understanding of the UK producer's relevant accounting and associated business systems. This enabled us to plan appropriate verification procedures.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*



### C. Goods

#### What information was considered

From the questionnaire, we examined the:

- Internal Coding System (ICS) and Internal Control Numbers (ICNs) used by the UK producer;
- Good description and comparability to the like goods made and sold in the UK; and
- Identification of non-like goods.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

#### How the information was checked

We were provided with a clear explanation of the UK producer’s internal control numbers (ICNs) and gained a good understanding of how these are assigned and what information they convey. We tested the system for internal consistency and queried goods which would be on the edge of the scope of this transition review and found the codes to be reliable.

We are satisfied that the ICNs used by the UK producer are internally consistent and contain enough information to be able to reliably identify data associated with the like goods.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

#### Exceptions / Findings / Adjustments

We found no issues with the data presented and checked. No adjustments or amendments were required.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*



Conclusions

The information relating to goods provided by the UK producer is verifiable.

Based on the work performed, we have a reasonable level of assurance that the information can be treated as complete, relevant and accurate and can therefore be used by the TRA for the dumping likelihood assessment, the injury likelihood assessment, the EIT and for any other purpose within this transition review.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*



## D. Costs

### What information was considered

From the questionnaire, we examined the:

- Cost of all goods sold;
- Cost of like goods; and
- Standard Cost Model.

If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):

### How the information was checked

#### Cost of all goods sold

We compared questionnaire data on costs to the figures in the audited (but not yet published) profit and loss account (P&L) for the most recent financial year and found that they aligned. We adjusted the figure for all goods to the POI periods using the trial balances and found the results to be reasonable.

#### Cost of like goods

We reviewed data under the cost code primarily associated with the production of the like goods. This reconciled satisfactorily with the adjusted standard costs associated with the like goods extracted from SAP.

#### Standard cost model

The UK producer uses a standard cost model built into SAP.

We requested an explanation of how the major cost items fed into the standard cost model and tested these where reasonable. To this end, we:

- Tested labour costs by reviewing the allocation of staff to different cost centres. We determined that the allocation of staff to the like good was reasonable and in keeping with cost model;
- Tested material costs by reviewing the methodology by which supplier transactions were compiled by SAP for the like goods in the POI and taking a sample of transactions and following these down to invoice level. We determined that the compilation of raw material costs for the like goods is reliable and reflect their contribution to the cost model;
- Tested AS&G costs by reviewing the allocation of AS&G and transport costs to the standard cost model, and;
- Tested manufacturing overheads by:
  - Reviewing the methodology for extracting cost data from SAP;
  - Reviewing the methodology for depreciating fixed assets associated with the manufacture of like goods; and



- Comparing the subsequent management reports to the data provided as part of the UK producer’s questionnaire annex.

We are satisfied that the cost figures provided by the UK producer for the like goods during the POI are reasonable and reliable for the purposes of this transition review.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

Exceptions / Findings / Adjustments

We found no issues with the data presented and checked.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

Conclusions

The information relating to costs provided by the UK producer is verifiable. Based on the work undertaken, we have a reasonable level of assurance that the cost information can be treated as complete, relevant, and accurate and can therefore be used by the TRA for the dumping likelihood assessment, injury likelihood assessment, EIT and for any other purpose within this transition review.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*



## E. Sales

What information was considered
<p>From the questionnaire, we examined the UK producer's:</p> <ul style="list-style-type: none"> <li>• Sales transaction listing; and</li> <li>• Statutory accounts</li> </ul>
<p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see <a href="#">Confidential information</a>):</i></p>
How the information was checked
<p>We reviewed the methodology by which the UK producer extracted sales data from SAP for the POI and the injury period to satisfy ourselves that the figures provided for the injury period could be used for the injury likelihood analysis.</p> <p>We reconciled the overall sales data provided in the UK producer's questionnaire, via the trial balances, to overall sales figures in the audited statements for the nearest financial year. We then compared these figures to data in management reports which separated out revenue by cost centres, which could be used as a proxy for like goods sales. We found these all reconciled satisfactorily.</p> <p>This gave us assurance that the UK producer's SAP system was able to separate out figures for the like goods and the POI periods.</p>
<p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see <a href="#">Confidential information</a>):</i></p>
Exceptions / Findings / Adjustments
<p>We found no issues with the data presented and checked. No adjustments or amendments were required.</p>
<p><i>If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see <a href="#">Confidential information</a>):</i></p>
Conclusions
<p>The information relating to sales provided by the UK producer is verifiable. Based on the work undertaken, we have a reasonable level of assurance that the sales information can be treated as complete, relevant, and accurate and can therefore be used by the TRA for the dumping likelihood assessment, injury likelihood assessment, EIT and for any other purpose within this transition review.</p>



*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

--



## F. Injury

### What information was considered

From the questionnaire, we examined the:

- Export and domestic sales of like good and non-like goods;
- Profitability for all goods and like goods;
- Production output by unit (volume) for the like goods;
- Market share;
- Return on investment;
- Capacity and capacity utilisation;
- Cashflow for all goods;
- Inventory of the like goods; and,
- Employment, wages and productivity relating to the like goods.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

### How the information was checked

#### **Export and domestic sales of like good and non-like goods**

We checked the methodology by which domestic and export sales were extracted from SAP as well as the method for separating like good sales from non-like goods sales and found both to be reasonable.

We compared the overall sales to those published in audited financial statements and found they aligned satisfactorily.

#### **Profitability for all goods and like goods**

The UK producer provided us with internal management reports which provided overall profitability figures broken down by profit centre, this allowed us to identify profit figures associated with the like goods only. We compared these figures to published and unpublished financial statements and found them to be reasonable.

#### **Production output by unit (volume) for the like goods**

The UK producer walked us through SAP extraction and provided us with management reports which provided overall output figures broken down by product code for the POI. This allowed us to confirm the output of like goods only. We found the methodology and resultant figures to be reasonable.

#### **Market share**

The UK producer walked us through the methodology it used for calculating market share. This was based on detailed HMRC import data obtained via an FOI request and comparing that to its own output figures. Whilst there was a mismatch



between the time periods covered by the FOI request (based on financial years) and the output figures (based on POI periods) we assess the methodology to be reasonable and the output figures acceptable and usable for the purposes of this transition review.

#### **Return on investment**

The UK producer walked us through the methodology it used for calculating returns on investments related to the like goods during the injury period. This was based on dividing Net Operating Profit After Tax (NOPAT) by the sum of the net book value of assets purchased for the cost centre associated with the majority of like good production. We assess this methodology to be reasonable and the ROI figures to be acceptable for the purposes of this transition review.

#### **Capacity and capacity utilisation**

The UK producer walked us through the methodology by which capacity was calculated based on the maximum production its existing lines could produce assuming three full shifts a week. We found this to be reasonable. We then divided these figures by the output figures verified above and found that the resulting percentage matched the capacity utilisation figures provided in the questionnaire. We assess that these figures are reasonable and can be used for the purposes of this transition review.

#### **Cash flow for all goods**

The UK producer walked us through their workings for cash flow and we were able to reconcile these back to the financial accounts. We assess the methodology and the resultant figures to be reasonable. The UK producer does not apportion cash flows to individual cost centres, so the figures provided are for all goods rather than the like goods only. We assess this is acceptable for the purposes of this transition review.

#### **Inventories of the like goods**

The UK producer walked us through SAP extraction of inventory data and provided us with management reports which provided inventory figures for the like goods for the POI. We found the methodology and resultant figures to be reasonable.

#### **Employment, wages and productivity relating to the like goods**

The UK producer provided us with management reports which split staff between sites for the POI. We compared these figures to the overall employment figures in the audited financial statements and found they aligned satisfactorily.

The UK producer explained how they apportion staff to the like goods and walked us through how the figures for staff relating to like goods and productivity was calculated. We found these methodologies and resultant figures to be reasonable.

The UK producer explained and provided workings of how median wages for the like goods were calculated. This was based on production staff only at the main



facility that produce the majority of like goods. The TRA assess that this is an approximation, but that a more accurate calculation of an exact median wage for the apportioned staff across the company would have been unduly burdensome to compile and unlikely to have been substantially more representative. We assess that the methodology for calculating median wage and the resultant figures are reasonable.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

Exceptions / Findings / Adjustments

We found no issues with the data presented and checked. No adjustments or amendments were required.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

Conclusions

The information relating to injury factors provided by the UK producer is verifiable.

Based on the work undertaken, we have a reasonable level of assurance that the information provided relating to sales, profitability, cash flow, inventory and employment figures can be treated as complete, relevant, and accurate and can be used for the purposes of this transition review.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*



## H. Economic Interest Test

### What information was considered

From the questionnaire, we examined:

- Supplier information;
- Employment figures; and
- Changes in forecasted market share and like good prices.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

### How the information was checked

#### Supplier information

The TRA selected and was walked through several sample supplier transactions on SAP and were provided with management reports detailing supplier purchases for the POI. All supporting evidence fully agreed with the aggregate information provided as part of the UK producer’s questionnaire response.

#### Employment figures

We compared the employment figures provided in the questionnaire annex to internal management reports and audited financial statements. We found the figures provided to be reasonable for the purposes of this transition review.

#### Market share and price changes

We reviewed statements and evidence provided by the UK producer in its questionnaire submission regarding its forecast for changes in market share and price changes were the measure on goods subject to review to be revoked. We compared these to third party data from HMRC and open-source research. We found the forecast figures for both changes in goods prices and market share to be reasonable.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

### Exceptions / Findings / Adjustments

We found no issues with the data presented and checked. No adjustments or amendments were required.



*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*

### Conclusions

The information relating to the Economic Interest Test provided by the UK producer is verifiable. Based on the work performed, we have a reasonable level of assurance that the information can be treated as complete, relevant, and accurate and can therefore be used by the TRA for the dumping likelihood assessment, the injury likelihood assessment, the EIT and for any other purpose within this transition review.

*If you have redacted or removed any information, please provide reasons as to why the information is considered confidential (see [Confidential information](#)):*



## Conclusions

We have fully reviewed the information provided to us by the UK producer in its questionnaire submission.

We undertook a systems walkthrough to understand the UK producer's accounting systems and the process through which the data provided was extracted.

We cross checked the information provided by the UK producer against published financial statements, internal reports, and through demonstrations during our verification visit.

We reviewed and were satisfied with the methodology by which like goods data was separated from non-like goods data.

We reviewed and were satisfied with the data provided by the UK producer regarding its standard cost model and supporting evidence detailing the contributing costs of producing the like goods.

We reviewed and were satisfied with the UK producer's sales figures and factors relating to suppliers, market share and price changes.

We cross-checked and, where possible, replicated the calculation of figures pertaining to injury factors over the injury period, including sales, profit, inventory, cashflow, and employment and found them to be reasonable.

Based on the work undertaken, we have a reasonable level of assurance that the information provided in its questionnaire response for these factors is complete, relevant, and accurate and can be used for the purposes of this transition review.



## Annexes

### Annex 1: Meetings

Name	Date and duration	Type of verification	Company representatives	TRA representatives
Systems Walkthrough	17 January 2025	<input checked="" type="checkbox"/> remote <input type="checkbox"/> on-site	[redacted]	[redacted]
Verification Visit	28 – 30 January 2025	<input type="checkbox"/> remote <input checked="" type="checkbox"/> on-site	[redacted]	[redacted]