Registered number 02119397

Nice-Pak International Limited
Annual report and financial statements
for the year ended 31 December 2022

Nice-Pak International Limited

Annual report and financial statements for the year ended 31 December 2022

Contents

Nice-Pak International Limited

Directors and advisers for the year ended 31 December 2022

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R P Julius
D J Cowell

Company secretary
D J Cowell

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Nice-Pak International Limited

Strategic Report for the year ended 31 December 2022

The directors present their strategic report on the group for the year ended 31 December 2022.

Principal activities and business review
The group's principal activity during the year was the manufacture and wholesale distribution of disposable pre moistened wipes. There has been no change in these activities during the year. The geographical analysis of turnover is included in note 4 to the financial statements.

The group made a loss on ordinary activities before taxation of £3,301,341 (2021: loss £2,320,737) despite other operating income from the write off of borrowings from the company's previous bank (note 6). The loss was expected due to the difficult trading conditions in the year and the significant restructuring that the company undertook. Further details of the restructuring can be found in note 3. Further details of the group's performance are set out in the consolidated profit and loss account on page 13. The financial position at the end of the year is set out in the consolidated balance sheet on page 14.

Business environment
The group's results deteriorated further in the year as the sharp commodity price inflation of 2021 was followed by a further wave of inflation caused by the cost of energy and increasing wage rates.

The very competitive nature of the markets we operate in continues to make it very hard to recover the input cost inflation through price rises.

The market for cosmetic facial products declined sharply during the period of Covid restrictions and shows little sign of making a significant recovery.

Future developments
As one of the largest players in this sector the group aims to lead category growth by promoting the understanding and increasing awareness of wet wipes as the superior solution for many cleaning and hygiene requirements.

In order to return to growth the business aims to maintain a position of leadership in the industry by continuing investment in research, innovation, manufacturing excellence, quality and service.

Key performance indicators
Performance during the year, together with historical data, is set out in the table below:

	31 December 2022	31 December 2021	**Definition and analysis**
Reduction in turnover (%)	**(7.81%)**	(6.05%)	Year on year turnover growth expressed as a percentage. The decrease in the year was primarily due to sharp reduction in export sales volumes due to reduced relative competitiveness and the very high container rates on deep sea routes In our core markets we achieved modest volume growth and a higher value growth as we partially recovered input inflation.
Operating margin (%)	**(1.35%)**	(0.93%)	Operating margin is the ratio of operating profit to sales expressed as a percentage. Increased costs together with reduced turnover and the inability to fully pass through inflation have led to a worsening of our operating margin.
Turnover per employee (£)	**235,122**	231,636	Turnover per employee represents total turnover for the year divided by the average number of employees in the year. Action taken during the year to reduce our work force related cost base has helped us to return to growth in turnover per employee
Net funds/(debt) (£)	**3,267,094**	(2,977,209)	Refinancing of the parent company has resulted in the debts of the company being forgiven.

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

Financial risk management
The group's operations expose it to a variety of financial risks that include price risk, credit risk, liquidity risk, market risk and foreign exchange risk. The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and the related finance costs.

Given the size of the group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the group's finance department.

Price risk
The group is exposed to commodity price risk as a result of its operations. The group mitigates risk by maintaining options to purchase from a variety of suppliers. However, given the size of the group's operations, the costs of actively managing exposure to commodity price risk exceed any likely potential benefits. The directors will revisit the appropriateness of this policy should the group's operations change in size or nature. The group has no exposure to equity securities price risk as it holds no listed or other equity investments other than those in subsidiary undertakings.

Credit risk
The group has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed regularly by the group's finance department.

Liquidity risk
The group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the group has sufficient available funds for operations and planned expansions.

Market risk
The group has both interest bearing assets and interest bearing liabilities. Interest bearing assets include only cash balances and short term deposits, which earn interest at variable rates and fixed rates respectively. The directors will revisit the appropriateness of this policy should the group's operations change in size or nature. The company does not believe it has a high risk relating to cash and deposits with financial institutions.

Foreign exchange risk
The group is exposed to risk with regard to movements in foreign exchange rates. The group's exposure to movements in operating cashflows is mitigated through a combination of balancing receivables with payables in the same currency, combined with utilising hedging contracts. The fair value of hedging contracts at 31 December 2022 was £nil (31 December 2021: £nil).

Section 172(1) statement

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. The Directors continue to have regard to the interests of the Company's employees and other stakeholders, the impact of its activities on the community and the environment when making decisions, the need to foster good relationships with suppliers and customers. In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Company for its members in the long term. We explain in more detail below, how the Board engages with key stakeholders.

Section 172(1) statement (continued)

Corporate Governance and Key Stakeholders interests

The Board recognises that long term success relies upon balancing the interests of its customers, employees, suppliers and the environment and communities in which it operates, as well as its shareholders.

The group is a family run business. The mission is to be the global leader in pre-moistened wipes and applicators by building categories and helping to improve people's quality of life, health, and wellbeing. Our vision is to establish an open and non-political culture that enables innovation in products and processes to spread through all aspects and levels of the business by encouraging everyone to generate ideas and harness them to good effect. We aim to be fast on our feet evidenced by speed to market, speed of reaction to market changes and smarter ways of working. In order to provide the financial returns that fuel long term development we must always be low cost but never lose sight of quality, service and integrity.

The directors recognise the importance of sound corporate governance to ensure that the group is managed in an efficient, effective and entrepreneurial manner for the benefit of all shareholders over the longer term.

The Board meet monthly to review business performance, forecasts, and progress of key strategic initiatives. The Board also review other items such as Health & Safety, HR policies, GDPR and employee communication.

Environmental and Corporate Social Responsibility

Operating in both an ethical and environmentally friendly way is one of the cornerstones of our group policy and we have implemented the following pledges:

- For all quotations, customers will be offered a sustainable option.
- We will have at least one environmentally preferable packaging option available in each of our major product categories.
- We will always prioritise the use of sustainable materials in our own brands.
- We will constantly monitor chemicals of concern and take action as appropriate in the interests of both our customers and the consumer.
- Our operations/plants are committed to using innovative and sensible environmental steps to minimise impact on the planet with a focus on preserving our natural resources.
- We will consistently advise and encourage customers to comply with the industry Code of Practice on 'Do Not Flush' labelling. In addition, we will report annually on the overall compliance levels of our customers with that Code of Practice towards the goal of 100% compliance. At consumer level, we will continue efforts to drive awareness of the need for appropriate disposal of wet wipes in order to protect the environment.

The group supports the local communities it operates in by donating to local charities, schools and sports clubs.

Customers

The group's business is built on the longevity and depth of its customer relationships.

One of our first objectives is to understand not only a customer's immediate needs but also its broader strategy and how this has evolved. This in-depth knowledge enables us to devise a plan that may include further research, prototyping and capital investment. Joint business plans are then developed that focus on:

- Geographical and regional objectives
- Innovation needs
- Differentiation strategy/product development strategy
- Cost objectives

Whilst operating as a global business, the group prides itself on delivering a local, tailored approach. This is underpinned by an open and transparent relationship with our customers, which always respects the need for confidentiality.

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

Section 172(1) statement (continued)

Suppliers

We work closely with our suppliers to build strong relationships and develop long term partnerships that bring value to both parties. The group agree commercial terms of business with suppliers prior to supply of goods and services. In the absence of any dispute, the group pays in accordance with the agreed terms. Where possible, we operate a multiple sourcing policy to reduce dependency on single suppliers and mitigate risk.

Employees

Our people are essential to our success. We constantly strive to support and empower our employees.

We have always considered our workforce to be our most important asset. As such we provide the right training and skills in a supportive, friendly and open environment. As a consequence, we have an above industry-average tenure of service among employees.

For the past six years we have received a global award from the Top Employers Institute for providing excellent employee conditions.

Listening to the views of employees is also important to us and to gauge opinions we conduct regular surveys.

Key Board decisions

The key Board decisions made in the year are set out below:

Significant events/decisions	Key s172 matter(s) affected	Actions and impact
Accelerate transition to fully sustainable and recyclable materials	Customers, environment	Obtained Water Research Council "Fine to Flush" certification for numerous products including proprietary "Secure Flush" technology
Ensure that NPI health, safety and environmental management meets high standards	Environment, employees	Extend renewal of health and safety activities to all three sites. Particular emphasis on engaging teams in hazard identification and mitigation. Clear improvement targets set at each location.
Reorganise Sales and Marketing Organisation	Customers, employees	Further focus and restructure of the team to support brand owner and private label customers in UK and Europe

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

COVID-19

The Company was not directly impacted by COVID-19 during the year although some social distancing policies were maintained out of caution but were not disruptive to the business. Absence due to illness is monitored routinely; during 2022 levels returned to the same or lower than before the pandemic.

Greenhouse Gas and Energy Consumption

The Streamlined Energy and Carbon Reporting calculation includes scope 1, 2 and 3 emission sources for the UK only. Our emissions are 1,770.2 tonnes (2021 : 2,010.3 tonnes) CO2 (tCO2e) on a location basis as required by the SECR giving an intensity ratio of 5.06 tCO2e per million units of production compared with 5.44 tCO2e per million units of production in 2021. On a market basis the intensity drops to 0.89 tCO2e per million units (2021 : 0.98 tCO2e per million units) reflecting our policy of only purchasing zero carbon electricity.

The methodology used to compile this report conforms with the GHG Protocol - A Corporate Accounting & Reporting Standard. To calculate emissions the UK Government GHG Conversion Factors for Company Reporting (2022) have been used. A zero CO2e emission factor has been applied to the market-basis calculation as the electricity supply is backed by Renewable Energy Guarantees of Origin (REGOs).

In the period covered by the report, the company continued to monitor energy performance against the corporate target of 30% reduction in energy and C02 emissions by 2025 (2020 baseline). By the end of 2022, there has been an 8% reduction in absolute energy consumption and a 18% reduction in absolute C02 emissions, from a 2020 base year (UK operations only). The company is now into the second year cycle of the ISO 50001 certification process with recertification due in 2024. Each site has developed a bespoke energy reduction program in which objectives and action plans are set, monitored and reviewed.

In the period covered by the report, the company has purchased 100% renewable energy attributes, in the form of Guarantees of Origin from Croatian Hydroelectric power plants.

Emissions and energy Usage

		2022	2021
Scope 1 (tCO2e)	Natural gas	268.0	299.0
	Company and leased vehicles	39.7	46.8
Total Scope 1 (tCO2e)		**307.7**	**345.8**
Scope 2 (tCO2e)	Electricity (location based)	1,456.0	1,646.7
Scope 3 (tCO2e)	Colleague cars	6.5	17.9
Total tCO2e		**1,770.2**	**2,010.4**
Total energy Usage (kWh)		9,228,898	9,741,936
Energy Intensity	tCO2e per million units produced – location basis	5.06	5.44
	tCO2e per million units produced – market basis	0.89	0.98

On behalf of the Board

D J Cowell
Director
17 July 2023

Nice-Pak International Limited

Directors' report for the year ended 31 December 2022

The directors present their report and the audited consolidated financial statements of the group for the year ended 31 December 2022.

Going concern
The financial statements have been prepared on a going concern basis.

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 to 6.

The group has net funds of £3.3 million as at 31 December 2022 (31 December 2021: net debt of £2.98 million), comprising of £nil debt and £3.3m in cash.

On September 2022, the parent company, Nice-Pak Products, Inc. entered into a new five year credit agreement with TCW Asset Management Company LLC. On 15 December 2022, the company entered into the same credit agreement by way of a joinder agreement allowing it to become a borrower under the same facility. The overall agreement comprises a $110 million term loan (fully drawn down by the parent company) and a $160 million facility based on receivable and inventory assets which can be drawn by both the parent and the company. This credit agreement, among other matters, places certain restrictions upon the group and requires the group headed by Nice-Pak Products, Inc. to comply with certain reporting and affirmative covenants, as well as maintain certain financial ratios and meet other financial conditions. These conditions were set considering the poor financial position of the parent company at the time of entry.

Rapid input cost inflation and supply chain disruptions significantly worsened the profitability of the company towards the end of 2021. Despite rapid action to raise output prices and to reduce internal costs, the position worsened through the first quarter of 2022 before starting to recover. Further inflation together with severe competitive pressure caused a further worsening from the middle of 2022. In the final quarter of 2022 the management of the company decided to take the actions necessary to reduce the cost basis of the company to a sustainable level given the known customer base and market pricing. These actions were taken in the last quarter of 2022 and the first part of 2023.

The group believes that with the cost savings already achieved and the securing of significant new business in the latter part of 2022 and early 2023, together with the reduction in commodity price inflation and reduced supply chain disruptions the group has sufficient headroom to continue to operate within newly increased banking facilities. The group forecasts are based upon the assumption that there will be shortfalls in one or more of the areas mentioned in the previous statement. Achievement of all detailed targets will result in better than forecast financial performance.

The Board is satisfied it has sufficient cash resources to meet its obligations as they fall due for a period of at least twelve months and the Board has a reasonable expectation that the company and the group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Future developments
As outlined in the strategic report, the profitability and cash generation of the group has worsened significantly. Action has been taken late in 2022 and the early part of 2023 to restore profitability and to lay the ground for further improvements The future prospects of the group remain healthy although it is probable that more than one year will be required to return to pre pandemic levels of profitability. Overall business volume is also likely to be somewhat lower.

Dividends and transfers to reserves
The directors do not recommend the payment of a final dividend in respect of the financial year.

The group's retained loss for the financial year of £3,103,508 (31 December 2021: loss £2,777,616) has been transferred to reserves.

Close company status
The company is a close company for taxation purposes.

Directors' report for the year ended 31 December 2022 (continued)

Financial risk management
This is disclosed on page 3 of the strategic report.

Directors
The directors of the company who were in office during the year and up to the date of signing the financial statements were:

R P Julius
D J Cowell

Directors indemnity insurance
The directors are covered under an AON policy for directors and officers indemnity insurance.

Employees
Within the limitations of commercial confidentiality and security, it is the policy of the company to take the views of employees into account in making decisions and, wherever possible, to encourage the involvement of employees in the company's performance.

The company has continued its policy of giving fair consideration to applications for employment made by disabled persons bearing in mind the requirements for skills and aptitude for the job. In the areas of planned employee training and career development, the company strives to ensure that disabled employees receive maximum possible benefits, including opportunities for promotion. Every effort is made to ensure that continuing employment and opportunities for training are also provided for employees who become disabled.

Donations
There have been no political donations in the year (2021 : nil).

Statement of directors' responsibilities
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' report for the year ended 31 December 2022 (continued)

Disclosure of information to auditors
Each director at the date of the approval of the financial statements has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the 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 auditors are aware of that information.

On behalf of the Board

D J Cowell
Director
17 July 2023

Independent auditors' report to the members of Nice-Pak International Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Nice-Pak International Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2022 which comprise the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated and company balance sheet, the consolidated and company statement of changes in equity, the consolidated cash flow statement 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated.

Independent auditors' report to the members of Nice-Pak International Limited (continued)

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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

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

- adequate accounting records have not been kept 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, 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.

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Independent auditors' report to the members of Nice-Pak International Limited (continued)

Based on our understanding and accumulated knowledge of the Group and the sector in which it operates we considered the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements.

These included but were not limited to those that relate to the form and content of the financial statements, such as the accounting policies, United Kingdom Generally Accepted Accounting Practice, the UK Companies Act 2006 and those that relate to the payment of employees. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries, management bias in accounting estimates and improper revenue recognition associated with year-end cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the stock provisions and provision for bad and doubtful debts;
- Revenue year end cut-off procedures;
- Identifying and testing journal entries, in particular any journal entries posted with specific keywords and manual journals to revenue;
- Challenge of management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud; and
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Stuart Wood
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Stuart Wood (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
Date: 17 July 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Nice-Pak International Limited

Consolidated profit and loss account

	Note	31 December 2022 £	31 December 2022 £	31 December 2021 £	31 December 2021 £
Turnover	4		179,162,625		194,342,372
Cost of sales			(169,418,058)		(176,008,411)
Gross profit			9,744,567		18,333,961
Distribution costs		(15,197,206)		(15,720,324)	
Administrative expenses		(5,078,296)		(4,428,044)	
Other operating income	6	8,105,294		-	
			(12,170,208)		(20,148,368)
Operating loss	6		(2,425,641)		(1,814,407)
Interest receivable and similar income	7		20,777		7,372
Interest payable and similar expenses	7		(896,477)		(513,702)
Loss before taxation			(3,301,341)		(2,320,737)
Tax on loss	8		(198,790)		59,462
Loss for the financial year			(3,500,131)		(2,261,275)

Consolidated Statement of comprehensive income

	31 December 2022 £	31 December 2021 £
Loss for the financial year	(3,500,131)	(2,261,275)
Other comprehensive income/(expenses):		
Exchange adjustments offset in reserves (translation of foreign investment)	396,623	(516,341)
Total comprehensive expense for the year	(3,103,508)	(2,777,616)

All the comprehensive (expense)/income for the financial year is attributable to the owners of the parent.

The notes on pages 13 to 35 form part of these financial statements.

Nice-Pak International Limited

Consolidated balance sheet as at 31 December 2022

	Note	31 December 2022	31 December 2022	31 December 2021	31 December 2021
		£	£	£	£
Fixed assets					
Intangible assets	10		509,222		536,872
Tangible assets	11		30,800,837		34,626,583
			31,310,059		35,163,455
Current assets					
Stock	13	22,126,461		21,058,640	
Debtors (including £nil (2021 : £nil)) due after one year	14	16,235,465		23,863,231	
Cash at bank and in hand		3,267,094		714,299	
			41,629,020		45,636,170
Creditors - amounts falling due within one year	15		(31,076,320)		(35,022,296)
Net current assets			10,552,700		10,613,874
Total assets less current liabilities			41,862,759		45,777,329
Creditors - amounts falling due after more than one year	16		(363,127)		(638,684)
Provisions for liabilities	19		(2,532,712)		(3,068,217)
Net assets			38,966,920		42,070,428
Capital and reserves					
Called up share capital	20		2,300,000		2,300,000
Profit and loss account			36,666,920		39,770,428
Equity attributable to owners of the parent company			38,966,920		42,070,428

The financial statements on pages 13 to 35 were approved by the Board of Directors on 17 July 2023 and were signed on its behalf by:

D J Cowell
Director

Registered number 02119397

Nice-Pak International Limited

Company balance sheet as at 31 December 2022

	Note	31 December 2022 £	31 December 2022 £	31 December 2021 £	31 December 2021 £
Fixed assets					
Intangible assets	10		509,222		536,872
Tangible assets	11		27,480,030		31,141,282
Investments	12		2,631,353		2,631,353
			30,620,605		34,309,507
Current assets					
Stock	13	16,680,847		13,127,697	
Debtors (including £nil (2021 : £nil)) due after one year	14	16,139,960		23,119,699	
Cash at bank and in hand		3,244,222		687,387	
			36,065,029		36,934,783
Creditors - amounts falling due within one year	15		(28,301,864)		(30,218,148)
Net current assets			7,763,165		6,716,635
Total assets less current liabilities			38,383,770		41,026,142
Creditors - amounts falling due after more than one year	16		(14,991)		(246,516)
Provisions for liabilities	19		(2,532,712)		(3,068,217)
Net assets			35,836,067		37,711,409
Capital and reserves					
Called up share capital	20		2,300,000		2,300,000
Profit and loss account			33,536,067		35,411,409
Equity attributable to owners of the parent company			35,836,067		37,711,409

The loss of the company for the financial year was £1,875,342 (31 December 2021: loss £1,440,460).

The financial statements on pages 13 to 35 were approved by the Board of Directors on 17 July 2023 and were signed on its behalf by:

D J Cowell
Director

Registered number 02119397

Nice-Pak International Limited

Consolidated statement of changes in equity

	Note	Called up share capital	Profit and loss account	Total equity
		£	£	£
Balance as at 1 January 2021		2,300,000	42,548,044	44,848,044
Loss for the year		-	(2,261,275)	(2,261,275)
Other comprehensive expense for the year		-	(516,341)	(516,341)
Total comprehensive expense for the year		-	(2,777,616)	(2,777,616)
Dividends		-	-	-
Balance as at 31 December 2021		2,300,000	39,770,428	42,070,428
Loss for the year		-	(3,500,131)	(3,500,131)
Other comprehensive income for the year		-	396,623	396,623
Total comprehensive expense for the year		-	(3,103,508)	(3,103,508)
Dividends		-	-	-
Balance as at 31 December 2022		2,300,000	36,666,920	38,966,920

Company statement of changes in equity

	Note	Called-up share capital	Profit and loss account	Total equity
		£	£	£
Balance as at 1 January 2021		2,300,000	36,851,869	39,151,869
Loss for the year		-	(1,440,460)	(1,440,460)
Other comprehensive income for the year		-	-	-
Total comprehensive expense for the year		-	(1,440,460)	(1,440,460)
Dividends		-	-	-
Balance as at 31 December 2021		2,300,000	35,411,409	37,711,409
Loss for the year		-	(1,875,342)	(1,875,342)
Other comprehensive income for the year		-	-	-
Total comprehensive expense for the year		-	(1,875,342)	(1,875,342)
Dividends		-	-	-
Balance as at 31 December 2022		2,300,000	33,536,067	35,836,067

The notes on pages 13 to 35 form part of these financial statements.

Nice-Pak International Limited

Consolidated cash flow statement

	Note	31 December 2022	31 December 2022	31 December 2021	31 December 2021
		£	£	£	£
Net cash inflow/(outflow) from operating activities	22		7,078,345		(2,626,479)
Taxation received/(paid)			1,429,097		(259,735)
Net cash generated from operating activities			8,507,442		(2,886,214)
Cash flow from investing activities					
Purchase of tangible fixed assets		(1,388,966)		(5,297,817)	
Interest received		20,777		5,761	
Net cash used in investing activities			(1,368,189)		(5,292,056)
Cash flow from financing activities					
Interest paid		(896,477)		(513,702)	
Net cash used in financing activities			(896,477)		(513,702)
Net increase/(decrease) in cash and cash			6,242,776		(8,691,972)
Cash and cash equivalents at beginning of the year			(2,977,209)		5,715,904
Exchange gains/(losses) on cash			1,527		(1,141)
Cash and cash equivalents at the end of the year			3,267,094		(2,977,209)
Cash and cash equivalents consist of:					
Cash at bank and in hand			3,267,094		714,299
Bank overdraft			-		(3,691,508)
Cash and cash equivalents			3,267,094		(2,977,209)

The notes on pages 13 to 35 form part of these financial statements.

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

1 General information

Nice-Pak International Limited ("the Company") and its subsidiary (together "the Group") manufacture and distribute disposable pre moistened wipes. The Group operates with a number of recognised brand names and retailers.

The company is a private company limited by shares and is incorporated in England and Wales.

2 Statement of compliance

The Group and individual financial statements of Nice-Pak International Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS102") and the Companies Act 2006.

3 Summary of significant accounting policies

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

Basis of Preparation
These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgements in the process of applying the Group and Company accounting policies.
The company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account.

Parent company disclosure exemptions
In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available under FRS 102:

- no cash flow statement has been prepared for the parent company;
- disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole;
- no disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole

Basis of consolidation
The consolidated financial statements include the financial statements of Nice-Pak International Limited and its subsidiary Nice-Pak Deutschland GmbH made up to 31 December 2022.

The accounting period of the subsidiary undertaking is co-terminous with that of the company. Results of subsidiary undertakings acquired are included from the effective date of acquisition, are accounted for by the acquisition method of accounting and have been translated into sterling using the net investment method. All intra group transactions are eliminated. United Kingdom accounting policies have been applied to the overseas subsidiary undertaking on consolidation.

3 Summary of significant accounting policies (continued)

Foreign currency
Monetary assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the period end. Transactions in foreign currencies are translated into sterling at the rate of exchange at the date of the transaction. All foreign exchange differences have been taken to the profit and loss account in the year in which they are incurred.

The balance sheets and profit and loss accounts of subsidiaries in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial period. Foreign exchange differences are dealt with as an adjustment to reserves.

The group is exposed to risk with regard to movements in foreign exchange rates. The group's exposure to movements in operating cashflow is mitigated through a combination of balancing receivables with payables in the same currency, combined with utilising hedging contracts.

Turnover
Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Group and value added taxes.

Pension costs
The company contributes to a defined contribution pension scheme, which is financially independent from the company. Amounts payable to the scheme are charged to the profit and loss account in the period in which they arise.

Taxation
Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax
Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax
Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only 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 tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

3 Summary of significant accounting policies (continued)

Intangible assets
Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

Stamp duty on long term lease	Over 25 years

Tangible fixed assets and depreciation
Tangible fixed assets are stated at historical purchase cost less accumulated depreciation. Historical purchase cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is not provided on freehold land. On other assets it is provided on cost in equal annual instalments over the estimated useful lives of the assets as follows:

Freehold buildings	Over 25 years
Leasehold improvements	Over the remaining term of the lease
Plant and machinery	Over 7-25 years
Fixtures and fittings	Over 7 years
Computers	Over 3-5 years

No depreciation is charged in respect of costs incurred on capital projects in the course of construction. Interest incurred in funding the construction of buildings is capitalised and included within the cost of the related asset, until such time as the related asset is brought into use.

Investments
Investments held as fixed assets are stated at cost less provision for any impairment.

Stock
Stock is stated at the lower of cost and net realisable value on a first in first out basis after making due allowance for obsolete and slow moving items. Cost includes an appropriate proportion of production overheads. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the cost of realisation.

Research and development
Research and development expenditure is written off in the profit and loss account in the period in which it is incurred.

Leases
Rental costs under operating leases are charged to the profit and loss account in equal amounts over the periods of the leases.

Government grants
Government grants are capitalised as deferred income and amortised over the estimated useful lives of the relevant assets.

Payments received from the government for furloughed employees are a form of grant. This grant money is receivable as compensation for expenses already incurred, and where this is not in respect of future related costs, is recognised in income in the period in which it becomes receivable and the related expense is incurred.

Nice-Pak International Limited

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

3 Summary of significant accounting policies (continued)

Financial instruments
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate.

The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Financial Assets
Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity
Financial liabilities and equity instruments are initially measured at the amount of the net proceeds received. Financial liabilities and equity are classified according to the substance of the financial instruments' contractual obligations, rather than the financial instruments' legal form.

Going Concern
The financial statements have been prepared on a going concern basis.

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 to 6.

The group has net funds of £3.3 million as at 31 December 2022 (31 December 2021: net debt of £2.98 million), comprising of £nil debt and £3.3m in cash.

On September 2022, the parent company, Nice-Pak Products, Inc. entered into a new five year credit agreement with TCW Asset Management Company LLC. On 15 December 2022, the company entered into the same credit agreement by way of a joinder agreement allowing it to become a borrower under the same facility. The overall agreement comprises a $110 million term loan (fully drawn down by the parent company) and a $160 million facility based on receivable and inventory assets which can be drawn by both the parent and the company. This credit agreement, among other matters, places certain restrictions upon the group and requires the group headed by Nice-Pak Products, Inc. to comply with certain reporting and affirmative covenants, as well as maintain certain financial ratios and meet other financial conditions. These conditions were set considering the poor financial position of the parent company at the time of entry.

Rapid input cost inflation and supply chain disruptions significantly worsened the profitability of the company towards the end of 2021. Despite rapid action to raise output prices and to reduce internal costs, the position worsened through the first quarter of 2022 before starting to recover. Further inflation together with severe competitive pressure caused a further worsening from the middle of 2022. In the final quarter of 2022 the management of the company decided to take the actions necessary to reduce the cost basis of the company to a sustainable level given the known customer base and market pricing. These actions were taken in the last quarter of 2022 and the first part of 2023.

The group believes that with the cost savings already achieved and the securing of significant new business in the latter part of 2022 and early 2023, together with the reduction in commodity price inflation and reduced supply chain disruptions the group has sufficient headroom to continue to operate within newly increased banking facilities. The group forecasts are based upon the assumption that there will be shortfalls in one or more of the areas mentioned in the previous statement. Achievement of all detailed targets will result in better than forecast financial performance.

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

3 Summary of significant accounting policies (continued)

Going Concern (continued)
The Board is satisfied it has sufficient cash resources to meet its obligations as they fall due for a period of at least twelve months and the Board has a reasonable expectation that the company and the group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Critical accounting judgements and estimation uncertainty
The area involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below:

Stock provision
The group have determined a policy for provisioning of stock that is based on prior experience and managements' best estimates. The policy is consistent with prior years and takes into account the ageing profile and recoverability of the stock. The provision at the year end was 8.8% of the total stock value (31 December 2021: 3.8%).

4 Turnover

The group's activities, which originate 79% in the United Kingdom and 21% in Germany (2021: 78% and 22% respectively), consist solely of the manufacture and wholesale distribution of disposable pre-moistened wipes. Turnover by destination can be analysed as follows:

	31 December 2022 £	31 December 2021 £
United Kingdom	**119,369,107**	108,167,720
Rest of Europe	**35,758,471**	37,200,193
Middle East	**7,713,460**	4,936,840
Far East	**2,074,141**	9,024,753
Africa	**7,285,462**	5,297,625
Australia	**1,859,064**	5,054,460
North America	**3,300,295**	23,560,036
South America	**1,802,625**	1,100,745
	179,162,625	194,342,372

Nice-Pak International Limited

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

5 Directors' emoluments and employee information

	31 December 2022 £	31 December 2021 £
Directors emoluments:		
Aggregate emoluments	175,787	485,843
Amounts received under long-term incentive scheme	-	-
	175,787	485,843

The remuneration of the highest paid director was £175,787 (31 December 2021: £348,774). There were no pension contributions for the highest paid director (31 December 2021: £nil).

R P Julius does not receive any remuneration for his services to the company.

	31 December 2022 Number	31 December 2021 Number
Number of directors who are members of group personal pension scheme	-	-

	31 December 2022 £	31 December 2021 £
Employee costs during the year:		
Wages and salaries	25,544,373	25,415,114
Social security costs	3,258,233	3,265,212
Other pension costs (note 25)	1,608,512	1,570,419
Staff Costs	30,411,118	30,250,745

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

	31 December 2022 Number	31 December 2021 Number
Production	599	668
Sales and distribution	110	117
Administration	53	54
	762	839

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

6 Operating loss

	31 December 2022 £	31 December 2021 £
Operating loss is stated after charging/(crediting):		
Rentals under operating leases:		
Hire of plant and machinery	625,914	570,250
Lease of land and buildings	2,654,681	2,177,864
Other operating leases	88,217	119,567
Amortisation of intangible asset (note 10)	27,650	27,650
Depreciation of owned tangible fixed assets (note 11)	5,407,185	4,580,892
Amortisation of government grants (note 18)	(992,222)	(994,283)
Auditors' remuneration:		
Audit services	54,600	48,500
Other services (taxation compliance services)	11,075	18,000
Other operating income	(8,105,294)	-

Other operating income relates to the write off of borrowings from the company's previous bank. This was recognised as part of the bank re-financing as shown is note 3 (Going Concern).

7 Interest

	31 December 2022 £	31 December 2021 £
Interest payable and similar expenses		
Interest on bank loans	896,477	513,702

	31 December 2022 £	31 December 2021 £
Interest receivable and similar income		
Loan interest receivable	20,777	7,372

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

8 Tax on profit

	31 December 2022 £	31 December 2021 £
Current tax		
United Kingdom		
Corporation tax at 19% (31 December 2021: 19%)	-	-
Adjustments in respect of prior periods	(25,783)	(1,122,858)
	(25,783)	(1,122,858)
Foreign taxation		
Corporation taxes	-	(584,782)
Adjustments in respect of prior periods	760,078	-
Total current tax	734,295	(1,707,640)
Deferred tax		
Origination and reversal of timing differences	(332,684)	1,136,136
Adjustments in respect of prior periods	(97,763)	48,342
Effect of tax rate change on opening balance	(105,058)	463,700
Total deferred tax	(535,505)	1,648,178
Total tax on loss on ordinary activities	198,790	(59,462)

The tax for the year is higher (31 December 2021 : higher) than the standard effective rate of corporation tax in the UK for the year ended 31 December 2022 of 19% (31 December 2021 : 19%). The differences are explained below:

	31 December 2022 £	31 December 2021 £
(Loss)/profit on ordinary activities before tax	(3,301,341)	(2,320,737)
Tax thereon at standard rate in the UK of 19% (31 December 2021: 19%)	(627,255)	(440,940)
Effects of:		
Expenses/(income) not deductible/(chargeable) for tax purposes	14,358	8,783
Capital allowances in excess of depreciation	80,056	(138,110)
Losses carried back	-	1,151,381
Other tax credits	37,050	(6,310)
Adjustment in respect of foreign tax rates	904,889	(317,719)
Adjustment to tax charge in respect of prior periods	(210,308)	(316,547)
Total tax on profit for the year	198,790	(59,462)

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

8 Tax on profit (continued)

Factors that may affect future tax charges:

An increase in the future main corporation tax rate to 25% from 1 April 2023, from the previously enacted 19%, was announced in the budget on 3 March 2021, and substantively enacted on 24 May 2021. This will affect the calculation of future deferred tax charges.

The deferred tax asset/liability has been calculated on the rate substantively enacted at the reporting date.

9 Profit of holding company

Of the loss for the financial year, a loss of £1,875,342 (31 December 2021: loss £1,440,460) is dealt with in the financial statements of Nice-Pak International Limited. The directors have taken advantage of the exemption available under section 408 of the Companies Act 2006 and not presented a profit and loss account for the company alone.

10 Intangible assets

Group and Company

	£
Cost	
At 1 January 2022	691,251
Additions	-
At 31 December 2022	691,251
Accumulated amortisation	
At 1 January 2022	154,379
Charge for the year	27,650
At 31 December 2022	182,029
Net book value	
At 31 December 2022	**509,222**
At 31 December 2021	536,872

The intangible asset relates to stamp duty paid on a 25 year long term lease. This amount will be amortised over the 25 year lease term.

Nice-Pak International Limited

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

11 Tangible assets

Group

	Freehold land	Freehold and leasehold buildings	Plant and machinery	Assets in course of construction	Fixtures, fittings and computers	Total
	£	£	£	£	£	£
Cost						
At 1 January 2022	879,772	19,065,464	80,129,541	6,093,868	9,880,801	116,049,446
Additions at cost	-	-	-	1,388,966	-	1,388,966
Disposals	-	(6,382)	(34,726)	-	(5,097)	(46,205)
Transfers	-	19,648	3,956,748	(6,912,823)	2,936,427	-
Exchange adjustments	27,651	342,391	1,012,359	2,893	96,698	1,481,992
At 31 December 2022	**907,423**	**19,421,121**	**85,063,922**	**572,904**	**12,908,829**	**118,874,199**
Accumulated depreciation						
At 1 January 2022	-	14,058,880	58,773,537	-	8,590,446	81,422,863
Charge for the year	-	700,101	3,822,396	-	884,688	5,407,185
Disposals	-	(1,106)	(34,726)	-	(5,097)	(40,929)
Exchange adjustments	-	231,081	967,114	-	86,048	1,284,243
At 31 December 2022	**-**	**14,988,956**	**63,528,321**	**-**	**9,556,085**	**88,073,362**
Net book value						
At 31 December 2022	**907,423**	**4,432,165**	**21,535,601**	**572,904**	**3,352,744**	**30,800,837**
At 31 December 2021	879,772	5,006,584	21,356,004	6,093,868	1,290,355	34,626,583

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

11 Tangible assets (continued)

Company

	Freehold land	Freehold buildings	Plant and machinery	Assets in course of construction	Fixtures and fittings and computers	Total
	£	£	£	£	£	£
Cost						
At 1 January 2022	392,418	13,030,922	62,286,999	6,042,883	8,176,525	89,929,747
Additions at cost	-	-	-	1,197,287	-	1,197,287
Disposals	-	-	-	-	-	-
Transfers	-	11,249	3,830,423	(6,674,173)	2,832,501	-
At 31 December 2022	**392,418**	**13,042,171**	**66,117,422**	**565,997**	**11,009,026**	**91,127,034**
Accumulated depreciation						
At 1 January 2022	-	9,986,151	41,728,442	-	7,073,872	58,788,465
Charge for the year	-	438,619	3,586,940	-	832,980	4,858,539
Disposals	-	-	-	-	-	-
At 31 December 2022	-	**10,424,770**	**45,315,382**	-	**7,906,852**	**63,647,004**
Net book value						
At 31 December 2022	**392,418**	**2,617,401**	**20,802,040**	**565,997**	**3,102,174**	**27,480,030**
At 31 December 2021	392,418	3,044,771	20,558,557	6,042,883	1,102,653	31,141,282

12 Investments

Company:	**Investments in subsidiary undertakings**
Cost and net book value	**£**
At 31 December 2021 and 31 December 2022	**2,631,353**

The company owns 100% of the ordinary share capital of its subsidiary company, Nice-Pak Deutschland GmbH, which is registered in Germany. Its activities are the manufacture of disposable pre-moistened wipes.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

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

13 Stock

	Group 31 December 2022 £	Group 31 December 2021 £	Company 31 December 2022 £	Company 31 December 2021 £
Raw materials	9,940,479	12,618,873	7,471,207	7,784,664
Finished goods and goods for resale	12,185,982	8,439,767	9,209,640	5,343,033
	22,126,461	21,058,640	16,680,847	13,127,697

There is no significant difference between the replacement cost of the inventory and its carrying amount.

Inventory expensed in the year was £127,227,059 (31 December 2021: £134,274,135).

14 Debtors

	Group 31 December 2022 £	Group 31 December 2021 £	Company 31 December 2022 £	Company 31 December 2021 £
Trade debtors	12,518,101	19,201,678	12,518,101	19,200,871
Amounts owed by parent undertakings	-	154,667	-	154,667
Amounts owed by related companies (note 26)	-	69,326	-	69,326
Corporation tax	232,979	2,159,743	232,979	1,485,945
Other debtors	2,063,760	987,632	2,063,468	987,199
Prepayments and accrued income	1,420,625	1,290,185	1,325,412	1,221,691
	16,235,465	23,863,231	16,139,960	23,119,699

Amounts owed by parent undertakings are unsecured and repayable on demand.

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

15 Creditors – Amounts falling due within one year

	Group 31 December 2022 £	Group 31 December 2021 £	Company 31 December 2022 £	Company 31 December 2021 £
Bank loans and overdrafts (note 17)	-	3,691,508	-	3,691,508
Trade creditors	23,512,587	26,037,297	19,109,577	19,339,075
Amounts owed to parent undertakings	1,910,938	-	1,910,938	2,716,294
Amounts owed to group undertakings	-	-	3,069,651	-
Other creditors	187,940	174,837	188,670	174,837
Other taxation and social security	3,586,761	3,099,835	2,319,013	2,688,802
Deferred income from government grants (note 18)	297,724	988,587	231,512	926,000
Accruals and deferred income	1,580,370	1,030,232	1,472,503	681,632
	31,076,320	35,022,296	28,301,864	30,218,148

Amounts due to group and parent undertakings are unsecured, interest free and repayable on demand.

16 Creditors – Amounts falling due after more than one year

	Group 31 December 2022 £	Group 31 December 2021 £	Company 31 December 2022 £	Company 31 December 2021 £
Deferred income from government grants (note 18)	363,127	638,684	14,991	246,516
	363,127	638,684	14,991	246,516

17 Bank loans and overdrafts

	Group 31 December 2022 £	Group 31 December 2021 £	**Company 31 December 2022 £**	Company 31 December 2021 £
Bank loans and overdrafts	-	3,691,508	-	3,691,508
Due within one year	-	3,691,508	-	3,691,508
	-	3,691,508	-	3,691,508

Analysis of repayment terms	**Group 31 December 2022 £**	Group 31 December 2021 £	**Company 31 December 2022 £**	Company 31 December 2021 £
Loans:				
Within one year - at 0% (2021 – 5.00%)	-	3,691,508	-	3,691,508
	-	3,691,508	-	3,691,508

The bank loans and overdrafts outstanding at 31 December 2021, were entered into on 22 December 2020 by the parent company, Nice-Pak Products, Inc. as part of a $325m credit agreement with a 5 year repayment term, of which $35m is allocated to Nice-Pak International Limited. The bank loans and overdrafts were settled during the year ended 31 December 2022. These were previously secured by fixed and floating charges on the assets of the company.

On September 2022, the parent company, Nice-Pak Products, Inc. entered into a new five year credit agreement with TCW Asset Management Company LLC. On 15 December 2022, the company entered into the same credit agreement by way of a joinder agreement allowing it to become a borrower under the same facility. The overall agreement comprises a $110 million term loan (fully drawn down by the parent company) and a $160 million facility based on receivable and inventory assets which can be drawn by both the parent and the company. The facility is secured against the assets of the company (including the shares in Nice-Pak Deutschland GmbH).

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

18 Government grants

	Group 31 December 2022 £	Group 31 December 2021 £	Company 31 December 2022 £	Company 31 December 2021 £
Grants at start of year	1,627,271	2,656,127	1,172,516	2,098,529
Foreign exchange adjustments	25,802	(34,573)	-	-
Disposals/repayable in the year	-	-	-	-
Amortised in the year	(992,222)	(994,283)	(926,013)	(926,013)
Net value at close of year	660,851	1,627,271	246,503	1,172,516
Less: Deferred income falling due within one year	(297,724)	(988,587)	(231,512)	(926,000)
Deferred income falling due after more than one year	363,127	638,684	14,991	246,516

The group has reviewed the potential liability to repay government grants and deem that there is no such liability at this time.

19 Provisions for liabilities

Deferred Tax	Group £	Company £
Net deferred tax movement for the year:		
At 1 January 2022	3,068,217	3,068,217
Current year credit to the profit and loss account (note 8)	(535,505)	(535,505)
At 31 December 2022	2,532,712	2,532,712
The net balance is reflected in the financial statements as follows:		
Deferred tax liability	2,532,712	2,532,712
Net balance as at 31 December 2022	2,532,712	2,532,712

The provision for deferred tax comprises:

	Group 31 December 2022 £	Group 31 December 2021 £	Company 31 December 2022 £	Company 31 December 2021 £
Capital allowances in excess of depreciation	2,752,829	2,999,970	2,752,829	2,999,970
Other short term timing differences	(35,145)	(47,458)	(35,145)	(47,458)
Losses and other deductions	(184,972)	115,705	(184,972)	115,705
Net deferred tax liability	2,532,712	3,068,217	2,532,712	3,068,217

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

20 Called up share capital

	Group and Company	
	31 December 2022 £	31 December 2021 £
Authorised		
2,300,000 Ordinary shares (31 December 2021 : 2,300,000) of £1 each	**2,300,000**	2,300,000
Allotted and fully paid		
2,300,000 Ordinary shares (31 December 2021 : 2,300,000) of £1 each	**2,300,000**	2,300,000

21 Reserves and other comprehensive income

The profit and loss account reserve represents accumulated comprehensive income for the year and prior periods less dividends paid.

22 Notes to the cash flow statement

	31 December 2022 £	31 December 2021 £
Loss for the financial year	**(3,500,131)**	(2,261,275)
Adjustments for:		
Tax on loss on ordinary activities	**198,790**	(59,462)
Net interest receivable	**875,700**	506,330
Operating loss	**(2,425,641)**	(1,814,407)
Amortisation of intangible assets	**27,650**	27,650
Depreciation on tangible fixed assets	**5,407,185**	4,580,892
Amortisation of government grants	**(992,222)**	(994,283)
Loss on disposal of fixed assets	**5,276**	-
Increase in stock	**(617,831)**	(494,314)
Decrease in debtors	**5,704,958**	2,626,092
Decrease/(increase) in creditors	**167,368**	(6,360,575)
Non-cash changes	**(198,398)**	(197,534)
Net cash inflow/(outflow) from operating activities	**7,078,345**	(2,626,479)

Nice-Pak International Limited

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

23 Financial commitments

	31 December 2022 £	31 December 2021 £
Capital commitments		
Contracted for but not provided	**223,945**	90,693
Authorised but not yet contracted for	**134,972**	582,104

The Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

Payments Due	31 December 2022 £	31 December 2021 £
Not later than one year	**3,424,436**	3,328,429
Later than one year and not later than five years	**10,607,911**	10,264,721
Later than five years	**25,455,187**	26,823,973
	39,487,534	40,417,123

24 Net Debt reconciliation

	At 1 January 2022 £	Cash flow £	Non-cash flows £	At 31 December 2022 £
Cash at bank and in hand	714,299	2,551,268	1,527	**3,267,094**
Bank loans & overdrafts	(3,691,508)	3,691,508	-	**-**
Net (debt)/funds	(2,977,209)	6,242,776	1,527	**3,267,904**

All non-cash flows relate to foreign exchange movements during the year.

25 Pension commitments

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company. Contributions to the scheme are independently administered by insurance companies. The pension costs shown in note 5 relate to the contributions payable by the company to the scheme. At 31 December 2022 £188,670 (31 December 2021 : £174,837) was payable to the scheme in respect of these contributions.

26 Related party disclosures

The company has taken advantage of the exemption included in Financial Reporting Standard 102 Section 33 Related Party Disclosures for wholly owned subsidiaries not to disclose transactions with entities that are part of the group or investees qualifying as related parties.

The group sold pre moistened wipes with sales totalling in the year to 31 December 2022 £0.041m (31 December 2021: £nil) to Professional Disposables International Limited and £0.014m (31 December 2021: £0.13m) to PDI (EMEA) Limited.

The Group made purchases in the year to 31 December 2022 of £nil (31 December 2021: £0.036m) from Professional Disposables International Limited, £0.03m (31 December 2021: £0.04m) from PDI (EMEA) Limited and £nil (31 December 2021: £nil) from PDI Inc.

The group also raised management charges of £0.001m (31 December 2021: £0.09m) to Professional Disposables International Limited and £0.001m (31 December 2021: £0.015m) to PDI (EMEA) Limited.

All companies are under common control of the Julius family. At 31 December 2022, £nil (31 December 2021: £0.069m) was receivable in respect of these sales and £nil (31 December 2021: £nil) was payable in respect of these purchases.

27 Ultimate parent undertaking

The company is a wholly owned subsidiary of Nice-Pak Products Inc who are ultimately owned by Nice-Pak Holdings Inc, both companies incorporated in the United States of America. The ultimate controlling party of Nice-Pak Holdings Inc is R P Julius.

Nice-Pak Holdings Inc is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2022. The consolidated financial statements of Nice-Pak Holdings Inc are available from Two Nice-Pak Park, Orangeburg, New York 10962-1376.

Nice-Pak Products Inc is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Nice-Pak Products Inc can be obtained from Two Nice-Pak Park, Orangeburg, New York 10962-1376.