

**Nikwax Limited**  
Annual Report and Financial Statements  
for the Year Ended 31 July 2023

**Brebners**  
Chartered Accountants & Statutory Auditor  
1 Suffolk Way  
Sevenoaks  
Kent  
TN13 1YL

# NIKWAX LIMITED

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# NIKWAX LIMITED

## Company Information

<b>Directors</b>	Mr A Arnold Mr J Nash Mr N Doyle
<b>Registered office</b>	Unit F Durgates Industrial Estate Wadhurst East Sussex TN5 6DF
<b>Auditor</b>	Brebners Chartered Accountants & Statutory Auditor 1 Suffolk Way Sevenoaks TN13 1YL

# NIKWAX LIMITED

## Strategic Report for the Year Ended 31 July 2023

The directors present their strategic report for the year ended 31 July 2023.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of the manufacture and sale of emulsion based waterproofing, cleaning and conditioning products mainly to the outdoor leisure market.

Nikwax is the market leader in manufacture of high-quality cleaning and waterproofing products. Nikwax's vision is 'To enhance the enjoyment of the outdoors whilst protecting and preserving the natural environment; with sustainable treatments that extend the life of clothing, footwear and equipment, and to elevate performance'.

The directors are pleased with the results and direction the company has taken for the year.

#### Fair review of the business

Turnover for the year ended 31 July 2023 decreased by £312k to £11.25m and gross profit has also decreased by £773k to £5.96m. The gross profit margin has fallen from 59% to 53% which is largely due to the significant fluctuations in raw material prices. The directors have attempted to keep tight control of overheads where possible, however the cost of living crisis and factors such as increased utility costs and interest rates have impacted the overall result.

During the year, the company was able to grow sales successfully across the United Kingdom. The company has also seen successes in particular in the US; the directors hope to mirror these in the United Kingdom, and are happy with the progress made. Despite this increase, both European and Rest of World sales have fallen substantially, resulting in an overall reduction in turnover. The directors note that 2022 was an exceptionally strong year, as the market recovered from previous Covid-19 implications. They also note that various key customers seemed to overstock towards the end of 2022, which subsequently impacted current years' sales.

The directors expect the principal activity of the company for the year ending 31 July 2024 to remain consistent and are hopeful that performance levels will improve throughout 2024.

#### Key Performance Indicators

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

Financial KPIs	Unit	2023	2022
Turnover	£m	11.25	11.57
Gross Profit	£m	5.96	6.73
Gross Profit Margin	%	52.91	58.17
Current Ratio	%	1.88	1.94

#### Non-Financial Key Performance Indicators

Amongst these non-financial indicators being measured monthly and reported against target are:-

Energy (Gas & Electricity) and Water Consumption of its Primary Activities (Manufacturing, Filling & Bottling and Administration)

CO2 Emissions from its Primary Activities

Waste Creation

Proportion of Waste Recycled

The company seeks to ensure that responsible business practice is fully integrated into the management of all operations and into the culture of all parts of the business. The company is 100% employee-owned through an Employee Ownership Trust. This enables the company to take a longer-term view on strategic goals and investments, and it has facilitated the business to stay true to the principles and values which differentiate it as the market leader in environmentally sustainable cleaning and waterproofing treatments. The board look forward to continuing a pattern of sustainable growth, whilst maintaining the best interests of all stakeholders at the centre of everything it does, specifically our customers, suppliers, and Partners (employees).

# NIKWAX LIMITED

## Strategic Report for the Year Ended 31 July 2023

### Operational Risk

Operational risk is caused by failures in business processes, or the systems or physical infrastructure that support them, that have the potential to result in financial loss or reputation damage. This includes errors, omissions, systems failure, lack of resources or physical assets and deliberate acts such as fraud.

The regulated environment in which the company operates imposes reporting requirements and continuing self assessment and appraisal. The company seeks to continually improve its operating efficiencies and standards. Operational risks are also limited by following the working practices required to maintain ISO 9001 accreditation (in the UK).

### Credit Risk

Credit risk is the risk that counter-parties will not be able to meet their obligations as they fall due. There are regular credit reviews of counter-party limits. Nikwax Limited mitigates its risk by taking out credit insurance and through continuous contact with its customers.

### Liquidity Risk

The company ensures that liquidity is maintained by monitoring it, both as an absolute measure and as a ratio. In the UK flexibility is maintained by ensuring sufficient space exists between actual cash being used and available cash through invoice discounting. The company monitor borrowing against working capital and report this on a weekly basis.

### Market Risk

The company recognises the existence of market risk and, in particular, the effects of weather on demand for the product. Correlation of sales growth to historical deviation from normal weather conditions is constantly monitored. Forward forecasts of weather and climate are taken into consideration for both short and long term planning.

### Foreign Currency Risk

A number of hedging instruments are available to Nikwax Limited through its bankers, HSBC Plc. Exposure to fluctuating euro/sterling exchange rates has been mitigated to some degree by selling forward a limited amount of anticipated Euro, CHF and PLN sales ledger receipts.

### Interest Rate Risk

The company is exposed to interest rate risk. The directors continually monitor cashflow and ensure interest exposure is minimal and maintain a strong relationship with its bankers, HSBC Plc.

### Environmental Risk

The company continues the ethos of its founder and systematically challenges itself to not only lessen the impacts of running a manufacturing business, but also to positively contribute to the health of local communities and the preservation of wild places, near and far.

The company recognises its impact on the environment which it seeks to reduce by offsetting 100% of its primary carbon footprint and sourcing green energy. In the UK the company has attained ISO14001 accreditation.

### Risk Summary

The directors continuously monitor and respond to changes in the company's risk environment, so ensuring that the company remains well placed to address operational, reputational, financial and business risks in a timely and appropriate manner.

# NIKWAX LIMITED

## Strategic Report for the Year Ended 31 July 2023

### Future developments

The principal activity and trading performance of the company is expected to remain consistent for the foreseeable future. The directors intend to continue to make investments in the business to ensure the company not only maintains but enhances its reputation in the outdoor leisure market. The directors are pursuing several ways to continue to increase and diversify turnover through global opportunities and are excited for the next financial year which they feel holds great potential to continue sustainable growth and in turn profitability.

Approved by the Board on 29 April 2024 and signed on its behalf by:

.....  
Mr J Nash  
Director

# NIKWAX LIMITED

## Directors' Report for the Year Ended 31 July 2023

The directors present their report and the financial statements for the year ended 31 July 2023.

### Directors of the company

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

Mr A Arnold

Mr E Hukuimwe (ceased 12 August 2022)

Mr J Nash

Mr N Doyle (appointed 8 April 2023)

### Dividends

No interim dividends were paid in the year (2022: £Nil). No final dividend is proposed.

### Disclosure of information in the strategic report

The company has chosen in accordance with section 414c (11) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the large and medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of financial risk management, exposure and future developments.

### Research and development

Nikwax Limited remains committed to advancing its knowledge of fabric capabilities and developing its products to make the best use of new technology. During the year the company expended the following towards research and development:

	2023	2022
	£	£
Research and Development	304,083	349,623

### Directors' liabilities

The company maintains Directors' and Officers' liability insurance for Directors and Officers as permitted by section 233 of the Companies Act 2006.

### Disclosure of information to the auditor

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

Approved by the director on 29 April 2024 and signed by:

.....  
Mr J Nash  
Director

# **NIKWAX LIMITED**

## **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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



# NIKWAX LIMITED

## Independent Auditor's Report to the Members of Nikwax Limited for the Year Ended 31 July 2023

### Opinion

We have audited the financial statements of Nikwax Limited (the 'company') for the year ended 31 July 2023, which comprise the Statement of Income and Retained Earnings, Statement of Financial Position, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

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

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

### Other information

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

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

We have nothing to report in this regard.

# NIKWAX LIMITED

## Independent Auditor's Report to the Members of Nikwax Limited for the Year Ended 31 July 2023

### Opinions on other matters prescribed by the Companies Act 2006

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

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

### Matters on which we are required to report by exception

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

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

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

### Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 6), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

# NIKWAX LIMITED

## Independent Auditor's Report to the Members of Nikwax Limited for the Year Ended 31 July 2023

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:

Based on our understanding of the company and the retail industry in which it operates, we determined that the principal risks of non-compliance with laws and regulations related to the reporting framework (FRS 102 and the Companies Act 2006) and UK corporate taxation laws and environmental legislation, health and safety legislation, anti-bribery legislation and data protection legislation. These risks were communicated to our audit team and we remained alert to any indications of non-compliance throughout our audit.

We understood how the company is complying with relevant legislation by making enquiries of management and those responsible for legal and compliance procedures. We also considered the results of our audit procedures and to what extent these corroborate this understanding and assessed the susceptibility of the company's financial statements to material misstatement. This included consideration of how fraud might occur and evaluation of management's incentives and opportunities for fraudulent manipulation of the financial statements.

We designed our audit procedures to identify any non-compliance with laws and regulations. Such procedures included, but were not limited to, inspection of any regulatory or legal correspondence; challenging assumptions and judgements made by management; identifying and testing journal entries with a focus on large or unusual transactions as determined based on our understanding of the business; and identifying and assessing the effectiveness of controls in place to prevent and detect fraud.

Owing to the inherent limitations of an audit, there remains a risk that a material misstatement may not have been detected, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance with laws and regulations and cannot be expected to detect all instances of non-compliance.

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

The primary responsibility for the detection and prevention of fraud rests with those responsible for governance and management. The further removed non-compliance with laws and regulations is from the events reflected in the financial statements, the less likely the auditor will become aware of it.

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, collusion, omission, misrepresentation or forgery.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....  
Martin Widdowson (Senior Statutory Auditor)  
For and on behalf of Brebners, Statutory Auditor  
1 Suffolk Way  
Sevenoaks  
TN13 1YL

29 April 2024

# NIKWAX LIMITED

## Statement of Income and Retained Earnings for the Year Ended 31 July 2023

	Note	2023 £	2022 £
Turnover	<u>3</u>	11,254,286	11,566,759
Cost of sales		<u>(5,299,328)</u>	<u>(4,838,701)</u>
<b>Gross profit</b>		<b>5,954,958</b>	<b>6,728,058</b>
Administrative expenses		<u>(6,177,285)</u>	<u>(6,125,027)</u>
<b>Operating (loss)/profit</b>	<b><u>4</u></b>	<b><u>(222,327)</u></b>	<b><u>603,031</u></b>
Other interest receivable and similar income	<u>5</u>	567	218,439
Interest payable and similar charges	<u>6</u>	<u>(69,368)</u>	<u>(28,891)</u>
		<u>(68,801)</u>	<u>189,548</u>
<b>(Loss)/profit before tax</b>		<b>(291,128)</b>	<b>792,579</b>
Taxation	<u>10</u>	<u>394,738</u>	<u>(131,634)</u>
<b>Profit for the financial year</b>		<b>103,610</b>	<b>660,945</b>
Retained earnings brought forward		<u>5,621,339</u>	<u>4,960,394</u>
<b>Retained earnings carried forward</b>		<b><u>5,724,949</u></b>	<b><u>5,621,339</u></b>

The notes on pages 12 to 24 form an integral part of these financial statements.

# NIKWAX LIMITED

## Statement of Financial Position as at 31 July 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	<u>11</u>	2,549,573	2,626,804
Investment property	<u>12</u>	455,439	415,443
		<u>3,005,012</u>	<u>3,042,247</u>
<b>Current assets</b>			
Stocks	<u>13</u>	1,625,801	2,198,290
Debtors	<u>14</u>	4,740,334	3,630,678
Cash at bank and in hand		225,169	477,012
		<u>6,591,304</u>	<u>6,305,980</u>
<b>Creditors: Amounts falling due within one year</b>	<u>16</u>	<u>(3,403,686)</u>	<u>(3,255,537)</u>
<b>Net current assets</b>		<u>3,187,618</u>	<u>3,050,443</u>
<b>Total assets less current liabilities</b>		<b>6,192,630</b>	<b>6,092,690</b>
<b>Creditors: Amounts falling due after more than one year</b>	<u>16</u>	<u>(114,648)</u>	<u>(137,710)</u>
<b>Provisions for liabilities</b>	<u>17</u>	<u>(225,468)</u>	<u>(206,076)</u>
<b>Net assets</b>		<u><u>5,852,514</u></u>	<u><u>5,748,904</u></u>
<b>Capital and reserves</b>			
Called up share capital	<u>20</u>	123,776	123,776
Capital redemption reserve	<u>21</u>	3,789	3,789
Profit and loss account	<u>21</u>	<u>5,724,949</u>	<u>5,621,339</u>
<b>Shareholders' funds</b>		<u><u>5,852,514</u></u>	<u><u>5,748,904</u></u>

Company registration number: 03101664

Approved and authorised by the Board on 29 April 2024 and signed on its behalf by:

.....  
Mr J Nash

Director

The notes on pages 12 to 24 form an integral part of these financial statements.

# NIKWAX LIMITED

## Notes to the Financial Statements for the Year Ended 31 July 2023

### 1 General information

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

The address of its registered office is:

Unit F  
Durgates Industrial Estate  
Wadhurst  
East Sussex  
TN5 6DF

The principal activity of the company is that of the manufacture and sale of emulsion based waterproofing, cleaning and conditioning products mainly to the outdoor leisure market.

### 2 Accounting policies

#### Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

#### Basis of preparation

These financial statements have been prepared using the historical cost convention except any items disclosed in the accounting policies as being shown at fair value and are presented in sterling, which is the functional currency of the entity.

#### Summary of significant accounting policies and key accounting estimates

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

#### Summary of disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS102. Its financial statements are consolidated into the financial statements of Gearform Holdings Ltd. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS102:

- (a) No cash flow statement has been presented for the company.
- (b) No disclosure has been made of financial instruments measured at fair value through profit or loss..

#### Going concern

The company made a loss for the year ended 31 July 2023 but had net assets of that date of £5,852,514.

The directors have considered the impact of the ongoing economic uncertainty in the UK and the war between Ukraine and Russia and do not believe these events will have a significant impact on the company.

On the basis of the above, and after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

# NIKWAX LIMITED

## Notes to the Financial Statements for the Year Ended 31 July 2023

### Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. Key assumptions and other estimation uncertainties provide a risk of causing a material adjustment to the carrying values of assets and liabilities.

Judgements and estimates that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Goodwill is amortised over three years, factors such as expected future performance and economic viability have been considered when estimating and judging the life of goodwill.

### Revenue recognition

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

The company recognises revenue when goods are packed and despatched to customers. Retail sales are recognised at the point of sale.

### Government grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

### Foreign currency transactions and balances

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

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

### Tax

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

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

# NIKWAX LIMITED

## Notes to the Financial Statements for the Year Ended 31 July 2023

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

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

### Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

### Depreciation

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

Asset class	Depreciation method and rate
Freehold Property	straight line over between 10-50 years
Leasehold Improvements	straight line over 20 years
Motor Vehicles	straight line over 4 years
Plant & Equipment	straight line over between 3-10 years

In respect of the company's freehold and leasehold property depreciation provided takes account of the directors estimate of net residual values and useful economic lives.

### Investment property

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

### Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

### Cash and cash equivalents

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



# NIKWAX LIMITED

## Notes to the Financial Statements for the Year Ended 31 July 2023

### Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost of stock is determined using the weighted average method.

The cost of stock comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

### Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

### Finance leases

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance costs in the Income Statement and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Assets held under hire purchase contracts are capitalised at the lesser of fair value or present value of minimum lease payments in the statement of financial position. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. A corresponding liability is recognised at the same value in the statement of financial position. The asset is then depreciated over its useful life.

The minimum lease payments are apportioned between the finance charge recognised in the income statement and the reduction of the outstanding liability using the effective interest method. The finance charge in each period is allocated so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### Share capital

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

# NIKWAX LIMITED

## Notes to the Financial Statements for the Year Ended 31 July 2023

### Defined contribution pension obligation

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

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

### 3 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2023 £	2022 £
Sale of goods	11,239,876	11,566,759
Rental income from investment property	14,410	-
	<b>11,254,286</b>	<b>11,566,759</b>

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

	2023 £	2022 £
UK	4,191,920	3,706,069
Rest of Europe	3,698,681	4,114,697
Rest of world	3,363,685	3,745,993
	<b>11,254,286</b>	<b>11,566,759</b>

### 4 Operating (loss)/profit

Arrived at after charging/(crediting)

	2023 £	2022 £
Depreciation expense	192,616	217,164
Foreign exchange gains	(7,301)	(27,732)
Operating lease expense - plant and machinery	69,948	67,238
(Profit)/loss on disposal of property, plant and equipment	<b>(2,863)</b>	<b>59</b>

### 5 Other interest receivable and similar income

	2023 £	2022 £
Net changes in fair value of investment property	-	218,439
Other finance income	567	-
	<b>567</b>	<b>218,439</b>

# NIKWAX LIMITED

## Notes to the Financial Statements for the Year Ended 31 July 2023

### 6 Interest payable and similar expenses

	2023 £	2022 £
Interest on bank overdrafts and borrowings	67,364	25,865
Interest on obligations under finance leases and hire purchase contracts	2,004	3,026
	<u>69,368</u>	<u>28,891</u>

### 7 Staff costs

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

	2023 £	2022 £
Wages and salaries	3,271,033	3,374,015
Social security costs	312,821	346,713
Pension costs, defined contribution scheme	77,700	77,757
Product development wages	281,401	319,937
Other employee expense	168,950	183,942
	<u>4,111,905</u>	<u>4,302,364</u>

The average number of persons employed by the company during the year, analysed by category was as follows:

	2023 No.	2022 No.
Production and manufacturing	36	36
Administration and support	71	70
	<u>107</u>	<u>106</u>

# NIKWAX LIMITED

## Notes to the Financial Statements for the Year Ended 31 July 2023

### 8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2023 £	2022 £
Remuneration	205,720	346,898
Contributions paid to money purchase schemes	6,372	6,986
	<b>212,092</b>	<b>353,884</b>

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

	2023 No.	2022 No.
Accruing benefits under money purchase pension scheme	<b>3</b>	<b>3</b>

In respect of the highest paid director:

	2023 £	2022 £
Remuneration	110,261	131,294
Company contributions to money purchase pension schemes	<b>3,740</b>	<b>3,605</b>

### 9 Auditor's remuneration

	2023 £	2022 £
Audit of these financial statements	<b>13,000</b>	<b>12,000</b>
<b>Other fees to auditors</b>		
Audit of other group undertakings	16,000	-
Taxation compliance services	5,000	5,000
All other services	20,251	15,863
	<b>41,251</b>	<b>20,863</b>

# NIKWAX LIMITED

## Notes to the Financial Statements for the Year Ended 31 July 2023

### 10 Taxation

Tax charged/(credited) in the income statement

	2023 £	2022 £
<b>Current taxation</b>		
UK corporation tax	(414,130)	47,050
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	19,392	84,584
<b>Tax (receipt)/expense in the income statement</b>	<b>(394,738)</b>	<b>131,634</b>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2022 - higher than the standard rate of corporation tax in the UK) of 21.01% (2022 - 19%).

The differences are reconciled below:

	2023 £	2022 £
(Loss)/profit before tax	<b>(291,128)</b>	<b>792,579</b>
Corporation tax at standard rate	(61,153)	150,590
Effect of expense not deductible in determining taxable profit (tax loss)	9,545	(30,697)
Decrease from effect of tax incentives	-	(86,357)
Tax increase from effect of capital allowances and depreciation	14,733	16,807
Tax increase from other short-term timing differences	19,566	84,387
Tax increase/(decrease) from effect of unrelieved tax losses carried forward	14,653	(3,096)
Tax decrease from effect of adjustment in research and development tax credit	(392,082)	-
<b>Total tax (credit)/charge</b>	<b>(394,738)</b>	<b>131,634</b>

### Deferred tax

Deferred tax assets and liabilities

	Asset £	Liability £
<b>2023</b>		
Accelerated capital allowances	-	225,468
	-	<b>225,468</b>
<b>2022</b>		
Accelerated capital allowances	-	206,076
	-	<b>206,076</b>

# NIKWAX LIMITED

## Notes to the Financial Statements for the Year Ended 31 July 2023

### 11 Tangible assets

	Land and buildings £	Long leasehold property £	Plant, Equipment and fixtures £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 August 2022	1,717,524	897,709	2,702,187	255,328	5,572,748
Additions	-	14,112	89,937	12,115	116,164
Disposals	-	-	(385,415)	(25,448)	(410,863)
At 31 July 2023	1,717,524	911,821	2,406,709	241,995	5,278,049
<b>Depreciation</b>					
At 1 August 2022	192,481	377,656	2,120,479	255,328	2,945,944
Charge for the year	23,013	20,849	146,482	2,272	192,616
Eliminated on disposal	-	-	(384,636)	(25,448)	(410,084)
At 31 July 2023	215,494	398,505	1,882,325	232,152	2,728,476
<b>Carrying amount</b>					
<b>At 31 July 2023</b>	<b>1,502,030</b>	<b>513,316</b>	<b>524,384</b>	<b>9,843</b>	<b>2,549,573</b>
At 31 July 2022	1,525,043	520,053	581,708	-	2,626,804

### Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2023 £	2022 £
Plant and Machinery	290,848	285,590

# NIKWAX LIMITED

## Notes to the Financial Statements for the Year Ended 31 July 2023

### 12 Investment properties

	2023 £
<b>Fair value</b>	
At 1 August 2022	415,443
Additions	<u>39,996</u>
At 31 July 2023	<u><u>455,439</u></u>

The investment properties are included at fair value at 31 July 2023 as estimated by the directors at an amount of £455,439 based upon a professional valuation.

### 13 Stocks

	2023 £	2022 £
Raw materials and consumables	889,576	1,195,713
Finished goods	<u>736,225</u>	<u>1,002,577</u>
	<u><u>1,625,801</u></u>	<u><u>2,198,290</u></u>

### 14 Debtors

	2023 £	2022 £
Trade debtors	676,373	680,219
Amounts owed by group undertakings	3,246,957	2,511,495
Other debtors	11,764	42,132
Prepayments and accrued income	429,128	396,832
Corporation tax asset	<u>376,112</u>	<u>-</u>
<b>Total current trade and other debtors</b>	<u><u>4,740,334</u></u>	<u><u>3,630,678</u></u>

### 15 Cash and cash equivalents

	2023 £	2022 £
Cash on hand	5,308	13,217
Cash at bank	<u>219,861</u>	<u>463,795</u>
	225,169	477,012
Bank overdrafts	<u>(326,313)</u>	<u>(374,675)</u>
<b>Cash and cash equivalents in statement of cash flows</b>	<u><u>(101,144)</u></u>	<u><u>102,337</u></u>

# NIKWAX LIMITED

## Notes to the Financial Statements for the Year Ended 31 July 2023

### 16 Creditors

	Note	2023 £	2022 £
<b>Due within one year</b>			
Loans and borrowings	<u>22</u>	1,120,914	765,744
Trade creditors		809,637	1,127,995
Amounts due to group undertakings		806,137	550,952
Social security and other taxes		90,607	85,902
Other payables		32,795	36,072
Accrued expenses		543,596	672,374
Corporation tax liability		-	16,498
		<u><b>3,403,686</b></u>	<u><b>3,255,537</b></u>
<b>Due after one year</b>			
Loans and borrowings	<u>22</u>	<u><b>114,648</b></u>	<u><b>137,710</b></u>

### 17 Provisions for liabilities

	Deferred tax £	Total £
At 1 August 2022	206,076	206,076
Increase (decrease) in existing provisions	<u>19,392</u>	<u>19,392</u>
At 31 July 2023	<u><b>225,468</b></u>	<u><b>225,468</b></u>

### 18 Guarantees and Commitments

#### Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2023 £	2022 £
Not later than one year	196,850	154,350
Later than one year and not later than five years	<u>106,917</u>	<u>76,208</u>
	<u><b>303,767</b></u>	<u><b>230,558</b></u>

The amount charged to the profit and loss in respect of operating leases amounted to £197,124 (2022 - £195,909).

### 19 Pension and other schemes

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £77,700 (2022 - £77,757).



# NIKWAX LIMITED

## Notes to the Financial Statements for the Year Ended 31 July 2023

### 20 Share capital

#### Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	123,776	123,776	123,776	123,776

There are no restrictions on the distribution of dividends or the repayment of capital.

### 21 Profit and loss account

The profit and loss account includes an amount of £186,565 (2022: £186,565) which is non-distributable.

### 22 Loans and borrowings

#### Non-current loans and borrowings

	2023 £	2022 £
Hire purchase contracts	114,648	137,710

#### Current loans and borrowings

	2023 £	2022 £
Bank loan	724,485	334,522
Bank overdrafts	326,313	374,675
Hire purchase contracts	70,116	56,547
	<b>1,120,914</b>	<b>765,744</b>

The company's bank loan and overdrafts are secured by a fixed charge over certain company book debts and a fixed and floating charge over the other assets and undertakings of the company.

Obligations under hire purchase and finance leases are secured on the assets concerned.

# NIKWAX LIMITED

## Notes to the Financial Statements for the Year Ended 31 July 2023

### 23 Related party transactions

#### Key management personnel

Key management personnel includes the directors and senior managers of the company.

	2023	2022
	£	£
Salaries and other short term employee benefits	<u>450,467</u>	<u>579,702</u>

#### Summary of transactions with group companies

Exemption has been taken under FRS 102, paragraph 33.1A not to disclose transactions or amounts falling due with companies that are wholly owned within the group.

### 24 Holding company

The smallest and largest group preparing group accounts including the results of the company is headed by Gearform Holdings Ltd, which is both the immediate and ultimate parent undertaking.

The registered address of Gearform Holdings Ltd is Unit F, Durgates Industrial Estate, Wadhurst, East Sussex. TN5 6DF.

Ultimate control vests with Gearform Trustees Limited.

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